



Annual Report
2015



GENERAL



EFU GENERAL INSURANCE LTD.
Insurer Financial Strength AA+

 efuinsurance.com

I M P A C T



Impact, in the context of this Annual Report is an acronym signifying Integrity, Mastery, Performance, Achievement, Consistency and Trust.

Impact, however, also figures in these pages in its most general meaning, as the summation of all that we contribute to the society we serve.

The impact of our presence in society is both direct and indirect. More visible is the foolproof protection to the national economy. The indirect impact flows from the resources we consistently mobilize and the investments we make.

Insurance protects value. As providers of protection to all that is valuable, the pace of progress included, we believe the impact of our presence has been increasing in ever-widening circles.

In the coming days and years, we will sustain and enhance this impact.

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Select Financial Highlights 2015

Rating:
Insurer Financial
Strength

AA+

(JCR-VIS & PACRA)

Shareholders'
Equity

Rupees
15 847
million

Breakup Value
of Shares

Rupees
99.04

Written
Premium

Rupees
15 008
million

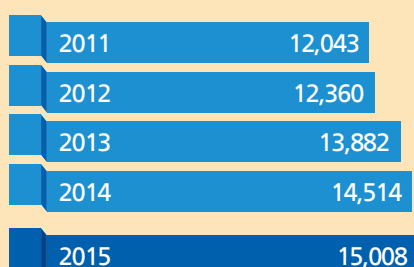
Net Premium
Revenue

Rupees
6 677
million

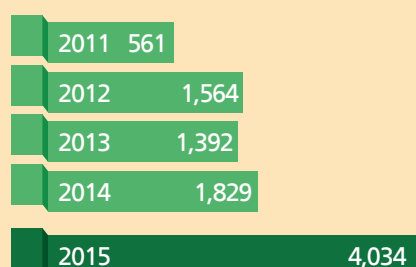
Claims Paid

Rupees
2 998
million

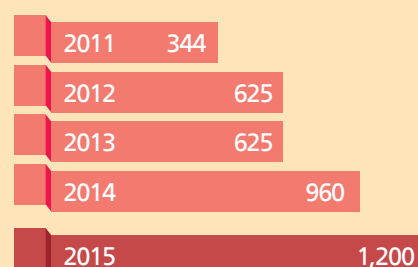
Written Premium (Rs. in million)



Profit after tax (Rs. in million)



Cash Dividend (Rs. in million)



Cash Dividend

Rupees
1 200
million

Investment & Properties

Rupees
19 357
million

Total Assets Book Value

Rupees
32 264
million

Underwriting Result

Rupees
1 534
million

Investment & Other Income

Rupees
4 058
million

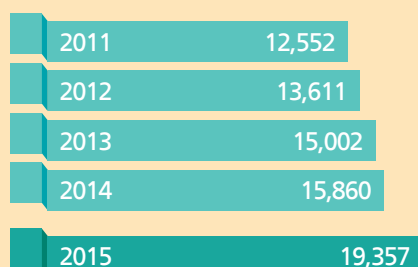
Profit After Tax

Rupees
4 034
million

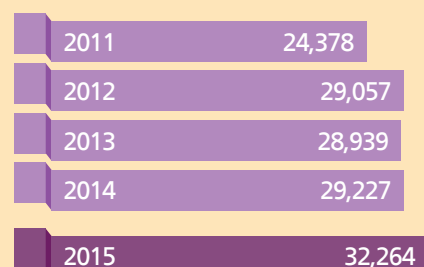
Cash & Bank Balance (Rs. in million)



Investment & Properties (Rs. in million)



Total Assets Book Value (Rs. in million)



Vision & Mission

Vision

To continue our journey to be better than the best.

Mission

To provide services beyond expectation with a will to go an extra mile. In the process, continue to upgrade technology, human resource and reinsurance protection.

Our Values

Our philosophy is to be the leading Company with service above par, with integrity, excellence and professionalism. Following are our core values:

INTEGRITY & ETHICS

Conduct business with ethics, dignity, fairness and transparency.

EXCELLENCE

We measure our performance by results but more by quality of service.

PROFESSIONALISM

We believe professionalism is perfection. Business resources are utilized in a manner to achieve optimum returns on resources.

OUR PEOPLE

In EFU we work like a family. Everyone is treated with respect and without any discrimination.

CORPORATE SOCIAL RESPONSIBILITY

We donate to various institutions in health and education sectors, for improving the lifestyle of common man.

Integrity

Integrity demands of us to give our clients the best always; by being fully abreast of the changing risk climate, by being prepared with appropriate protection products.

We define Integrity as total dedication to customer interest, an unswerving commitment to give our customers the best, always.

In the practice of insurance, integrity presents many aspects. Apprising clients of all possible risks they may face is one of them. Pointing out ways and means to mitigate possible risks with risk management measures is another. Devising the most appropriate covers for our customers is also an aspect of integrity.

It does not stop here. Integrity is also swift response in the event of a claim and prompt settlement thereof. So is maintaining at all times an asset base proportionate to the risks we cover and enhancing the ambit of our



strategic alliances with re-insurers of acknowledged strength and repute.

Integrity also dictates that we remain abreast of the most recent advances in our field, deploy the most advanced technology to better serve our customers and present them with a field force that is knowledgeable, with skills honed to a cutting edge, and of course, a sympathetic ear.

To fulfill all these demands of integrity, we are always in a learning mode, so that we may better serve our customers with each passing day.

Mastery

Mastery in one's chosen field flows from experience, expertise and the precise application of one's knowledge and skills to concrete situations on a daily basis.

Distinction is the destiny of only those who exhibit mastery in their chosen field.

Insurance itself encompasses many sub-disciplines. In addition to this, the risk climate is continuously changing. Our heritage prescribes that we be the front-runners in anticipating risks AND devise appropriate covers to maintain our leading edge in the market.

We equip our people with all requisite knowledge and the most modern tools and technology so that they can be a source of confidence to our customers. Our proprietary training regimes, promotion of constant learning and re-learning keeps our people a couple of steps ahead.



The industry and customers alike acknowledge EFU as the nursery of exceptionally competent insurance professionals. These dedicated men and women do us proud when they present our case anywhere, to anyone.

EFU is a Company managed by insurance professionals. Insurance is our sole business. We have no captive clientele. Our people daily compete successfully with indigenous and foreign insurers and bring the Company business and laurels.

We intend to keep it this way. Always.

Performance

Performance in a narrow sense pertains to what the balance sheet says. In a broader context it encompasses everything from sustainability to impact upon society at large.

As with the other facets of impact, performance too has many different aspects. Some of these are new business written, premium income, and settlement of claims.

In a broader context, performance also encompasses our role vis-à-vis the industry as a whole.

We have nurtured and propagated the idea and ideals of insurance in Pakistan since its appearance on the world map as an independent nation.

Today, EFU enjoys acknowledgement at home and abroad as the flagship of Pakistan's insurance industry. This is the fruit of our efforts towards expanding and reshaping the horizons of insurance services in the country.



With us, maturing is a dynamic process. As one generation of customers passes on the mantle to the next, so have managements at EFU. Our distinction is that we derive strength and sagacity from our heritage; fuel our performance with an enduring passion to serve customers and community in better ways.

We consistently innovate new products, anticipate needs and engineer appropriate responses according to needs of the times.

Our passion to be better than what we were yesterday will remain vibrant as ever.

Achievement

Achievement can be self-centric and social. What impels us forward is not any milestone we cross, but what we achieve as agents of positive change.

One of our major achievements is that alongside our growth, the insurance industry in Pakistan has also blossomed and continues to thrive. We have been the catalyst.

Our consistent and continuing effort towards creating and enhancing awareness of the singular and vital role which insurance plays in a society is an even greater achievement than our being catalysts of the industry's growth.

Today, the horizon of Pakistan's insurance industry presents many shining stars. We have seen them emerge, gain strength, glow. Together with them, we have underwritten a future for Pakistan's economy where the



sun of success repeatedly shines through despite dark and ominous clouds off and on.

The future always holds a measure of the unknown, the unforeseeable, for individuals and collectives alike. Insurance is the response of the sagacious to the challenges of these uncertainties. We were the first to deliver this message. We are still in the forefront, enhancing and reinforcing this awareness.

We intend building upon it, enhancing the role of insurance in the society we serve.

Consistency

Consistency meets its litmus test when insurers are called upon to deliver upon what they promise. At EFU the cornerstone of consistency is our ability to swiftly settle claims.

Without consistency, everything boils down to a temporary success. EFU has shown its mettle for over 83 years as a superior insurance services provider.

Our consistent success flows from our dedication to customer interest, whose needs for insurance change with the times.

We consistently re-engineer our products to keep providing our customers the finest, up-to-date protection. We unfailingly deliver on what we promise. We always maintain our capability to settle claims swiftly. We constantly strive to provide our customers a level of service that sets industry-standards.



With protection from EFU, business houses have grown and diversified, enhancing the country's economic progress and our business portfolio.

It is no surprise that with many customers the status of EFU is that of a "family insurer". It is also gratifying that every year a noteworthy part of our new business comes from referrals by our existing customers, some of whom have been insuring with us for generations.

In sum, our consistency underwrites an enhanced performance year after year - for all our stakeholders.

Trust

Trust, upon an insurer, is the customers' belief that we will be there for them whenever the need arises. It is earned on a daily basis, strengthened with each interaction.

Trust is the most coveted reward that customers can bestow a services provider.

When the issue is securing financial futures, trust becomes the prime decisive factor in selecting an insurer.

Emphasis on earning the trust of the customers is the keystone of EFU's corporate culture. It is the first thing that we inculcate in new inductees in our human resource. "Keep delivering on promises and customers will keep coming back" was our credo when we opened for business, it is our credo now, and will remain so for the future.



Customer trust is not listed in the balance sheets. It is earned with dedication, grows and strengthens with each transaction. It stands apart and above the tangibles seen in the accounts. The trust customers bestow us is palpable in the renewals and new business we write each passing year.

JCR-VIS and PACRA rate us AA+ but the more valuable reflection for us is the way customers perceive us. Most often this is expressed in just three words; “My Insurance Company.” This is the reason why we introduce ourselves as “EFU - Your Insurance Company.”

Awards & Achievements

1



2



3



4

5

6

7

1. The Consumer Eye Pakistan (TCEP)
CEO Award 2015

2. The Consumer Eye Pakistan (TCEP)
Quality King Award 2015

3. South Asian Federation of Accountants (SAFA)
SAFA Best Presented Annual Report 2014 (Certificate of Merit)

4. The Federation of Pakistan Chamber of Commerce & Industry (FPCCI)
FPCCI Achievement Award 2014

5. Institute of Chartered Accountants of Pakistan (ICAP) / Institute of Cost & Management Accountants of Pakistan (ICMAP)
Best Corporate Report Award 2014

6. Consumers Association of Pakistan (CAP)
Consumers Demand Award 2014

7. National Forum for Environment & Health (NFEH)
Corporate Social Responsibility Award 2015

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

Strategic Objectives

- Retain leadership position in the market
- Explore opportunities by introducing new products and diversifying current product portfolio
- Pursue continuous improvement and technological advancement
- Enhance corporate capabilities and motivation through skill enhancement, management development and reward programs

Future Strategy

Key challenges in 2016 include competition and thin profit margins. To effectively manage these challenges, we continue to invest in technological solutions and enhance back-end operational efficiency.

Our strategy for 2016 is designed to deliver sustainable, profitable growth in a changing and competitive business environment in order to maintain leading position in the industry. It builds on our strengths. It places customers and their needs at the center of our business.

To take EFU General to the greater height, we are focusing more closely on the markets and customers' segments where we have competitive edge, where we can offer superior value proposition to our customers.

The Company had successfully started its Window Takaful Operations and plans to cater wide customer base.

We continue to invest in our people and systems and processes to better understand our customers' needs, serve them in the way they require, increase collaboration and improve efficiency.

Risk Identification, Evaluation and Management Opportunities

Risk is a multi-dimensional phenomenon and a constant feature of everyday life. Fires, accidents, thefts, explosions, natural calamities and terrorism are the more common types of risk the community faces.

The dimensions and effects of such loss events have since long assumed major significance for whole economies. The question of how to predict and prevent such risks is accordingly the subject of intensive discussion both in the political sphere and among the public at large.

The complex realities of modern economic life and the growing awareness of the public at large place increasing demand on companies to pursue appropriate and far-sighted policies about risk. The same applies to insurers in determining their underwriting policies. The rapid development of new technologies and the changing nature of production processes necessitate a constant analysis of risk profiles. Both entrepreneurs and insurers therefore face enormously increased need for analytical and advisory services.

EFU works closely with clients to identify various risk exposures and then provide specific insurance proposals. This helps in loss prevention and reducing the cost of protection.

Our market-driven team of inspired and technically qualified insurance personnel, comprises specialists in civil and mechanical engineering, metallurgy, electronics, and other disciplines. They are on call for necessary professional advice at all times. Our linkages with overseas specialists are of major value to our clients. In addition to insurance protection, it is our practice to provide risk reduction advice to clients and assist them in developing preventive capabilities to avert mishaps and disasters.

BUSINESS RISKS

The Company continuously monitors and controls the risks to the business. The following are the major risks faced by the Company:

Economic and Political Risk

Volatile economic, political and financial market conditions coupled with power shortage in the country may cause hurdle in overall business scenario of the country. The Company has cautious underwriting approach to deal with such risks and increase market share without compromising profitability.

Insurance Risk

The principal risk the Company faces under insurance contracts is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claims. The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy aims to minimize insurance risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits.

Credit Risk

The Company monitors exposure to credit risk through regular review of credit exposure, undertaking transactions with a large number of counter parties in several industries and by continually assessing the credit worthiness of counter parties.

Liquidity Risk

The Company manages its liquidity by ensuring it has sufficient liquidity to meet its claim and other liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation. It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis, maintaining sufficient cash reserves in bank accounts and a portfolio of highly marketable financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

Market Risk

The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in government securities, equity and term finance certificate markets. In addition, the Company actively monitors the key factors that affect the underlying value of these securities.

Interest Rate Risk

The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its financial assets are denominated.

Investment Risk

The Company manages its market price risk by maintaining a diversified investment portfolio and monitors developments in equity and term finance certificate and money markets.

Reinsurance Risk

The Company's arrangement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor the operations of the Company are substantially dependent upon any single reinsurance contract. The Company obtains reinsurance cover only from companies with sound financial health. Reinsurance arrangements in place include treaty and facultative arrangements, including catastrophe cover. The effect of such reinsurance arrangements is that the Company may not suffer ultimate net insurance losses beyond the Company's risk appetite in any one year.

IT Risk

To meet the challenges of changing business environment, EFU has successfully migrated its Enterprise Information on to its in house developed IT system in oracle environment. The Company also implemented Business Intelligence Tool for better decision making, meeting business challenges, enhance controls and providing better services to customers.

OPPORTUNITIES

As a leading insurance company of the country, the Company is in a position to avail and exploit a number of opportunities. Following is the summary of significant opportunities present to the Company:

- Expand general takaful solutions through window operations;
- Increasing reach to all parts of the country through expanding distribution network;
- Develop microinsurance solutions for the socio economic group at the bottom of the pyramid;
- Focus on insurance awareness through continuous investments in communication channels and market education; and
- With increasing mobile penetration amongst the masses, utilize such platforms for customer interaction, awareness, marketing and sales.

MATERIALITY APPROACH

Management believes materiality as a key component of an effective communication with stakeholders. In general, matters are considered to be material if, individually or in aggregate, they are expected to significantly affect the performance and profitability of the Company.

Product Portfolio

EFU General provides a full range of insurance services to fulfill the needs of all of its customers being commercial and individual clients. Our product portfolio includes:

FIRE AND PROPERTY DAMAGE

Our portfolio comprises of a broad spread of quality business ranging from simple residential property to very large sophisticated industrial risks. These would include activities involving complex risks relating to Oil & Gas exploration / development, petrochemicals and other major industrial risks. The fire portfolio in the main comprises of operational risks other than power generating industry.

The engineering part of the portfolio would include in the main construction risks be it simple civil work or major infrastructure projects like dams, highways etc. Other engineering risks would include coverage for breakdown of plant / machinery.

The insurance covers include both material damage as well as loss of revenue due to business interruption following the material damage.

MARINE, AVIATION AND TRANSPORT

Insurance coverage is provided for goods in transit from all over the world to Pakistan and vice versa by all means of conveyance i.e. sea, air and land. Special insurance products are also offered for large project cargoes and this class also includes for such projects, loss of revenue insurance.

Coverage is also provided for the insurances of ships, other vessels and aircraft ranging from small single general aviation to airlines. Aviation insurance includes both physical damage as well as liabilities to third parties and passengers and cargo.

MOTOR

EFU provides a full range of products for all kinds of vehicles being either private or commercial and the coverage includes physical damage including theft and liabilities as required under law. Ancillary products are also offered for personal accident to drivers, passengers, and the like.

MISCELLANEOUS

All other insurance products of various types i.e. Bankers Blanket Bond, Plastic Card, Electronic & Computer Crime, Safe Deposit Box, Money, Professional Indemnity, Directors & Officers Liability, Public & Product Liability, Crop, Livestock, Travel Insurance and all such insurances.

VALUE ADDED SERVICES

Our Company is continuously improving its systems and getting a competitive edge by introducing various online services to facilitate our customers, like e-Verify for verification of policies and certificates and online e-Cover for marine cargo cover notes. In addition, travel insurance policies are now being sold on line through the Company website.

We provide SMS "HELP" service to our customer in respect of Motor Insurance which helps our customers receive important emergency contact numbers via SMS, in case of any accident. We also provide SMS confirmation of Claim, SMS claim guidance and electronic survey reporting services to our customers in respect of Motor Insurance.

Moreover, our qualified engineers provide recommendations and guidance to our Property Insurance clients on various aspects of industrial safety including protection measures as well as sharing of information on latest techniques as per international standards.

TAKAFUL

Takaful is a community-pooling system based on the principles of brotherhood and mutual help wherein participants contribute in a fund to help those who need it most in times of financial difficulties.

The Modus Operandi of Takaful

Different models are in practice in different parts of the world. All Takaful models are based on mutuality and Shariah concept of Tabbaru.

The model used in Pakistan is known as Wakala-Waqf Model. In this model the pool is formed as a Waqf. All the contributions are deposited in this Waqf pool known as Participants' Takaful Fund based on the terms and conditions of Participant Membership Document, claims are paid from the same pool to the participants.

The Role of the Operator in Takaful System

The operator serves as the Wakeel of the Waqf Fund and charges a 'Wakala fee' for it. The fee is paid from the Waqf Fund. As the Wakeel, the Operator invests the funds available in the Waqf Pool in Shariah-compliant investments for profits. Since the Operator is the Mudarib and the Waqf Fund is the Rabul-ul-Maal, any profits made from the investments are shared between the two on pre-defined percentages.

Policy and Procedure for Stakeholder Engagement

Institutional Investors

The Company convenes Annual General Meeting in accordance with the Companies Ordinance, 1984. The Company's financial reports are published every quarter and are also placed on Company's website for the shareholders and potential investors.

In compliance with the Code of Corporate Governance under the listing regulations of the stock exchange, the Company notifies information to the Stock Exchange from time to time. This helps the shareholders remain connected with the Company. The dates of Board of Directors meetings and financial results are notified to Stock Exchange.

Customers

We believe in customer trust and satisfaction being our strength over the years. To help improve customer service and meet their needs and expectation, feedback from customers is sought. In this regard, the Company's website has dedicated customer feedback section for an ongoing relationship with them.

Banks

We understand the importance of these stakeholders and ensure continuous interaction with them and manage our relationships.

Media

We continuously engage with media through issuing press releases, briefings and advertisements campaigns. We have also dedicated section on our Company's website for public relations. The website may be accessed at www.efuinsurance.com.

Regulators

To maintain compliance with applicable laws and regulations, the applicable statutory returns and forms are filed with various regulatory bodies and federal and provincial taxation authorities.

Share Price Sensitivity Analysis

Company news and performance: Company-specific factors that can affect the share price are:

- **Earnings** - News releases on earnings and profits and future estimated earnings develop investor interest in the stock of a Company.
- **Announcement of dividends** - Expected distribution from earning could increase the share prices in expectation of realisation of profit on investment.
- **Introduction of a new insurance product** - This could lead to positive earnings growth which in return affects share prices.
- **Industry performance** - Government policies specific to industry like Takaful business could result in movement of stock price.
- **Investor sentiments / confidence** - Positive economic reforms can attract investors.
- **Economic and other shocks** - An economic outlook could include expectations for inflation, productivity growth, unemployment and balance of trade. Changes around the world can affect both the economy and stock prices. An act of terrorism can also lead to a downturn in economic activity and a fall in stock prices.
- **Change in government policies** - Government policies could be perceived as positive or negative for businesses. The policies may lead to changes in inflation and interest rates, which in turn may affect stock prices.

Investors Grievance Policy

EFU General Insurance Limited believes that relations with investors are vital for the financial lifeline and substantial growth of the organization. Relations with investors also reflect on the goodwill of the organization. It is therefore, imperative to place an efficient and effective mechanism in the organization for providing services to the investors and to re-dress their grievances in accordance with law.

The Company has accordingly provided on its website, the necessary information about the Company, the directors, auditors, share registrars, the financial data for the current period and for the last six years and daily stock update showing daily rates of the Company's shares quoted at the Pakistan Stock Exchange.

The Chief Financial Officer and Corporate Secretary of the Company is the primary contact on behalf of the Company to whom the investors can contact to re-dress their grievances and resolve their issues.

The management endeavors to investigate and resolve all the complaints and queries of the investors to their utmost satisfaction. An investor who is not satisfied can also approach the Securities & Exchange Commission of Pakistan (SECP) complaint cell through interactive link provided on our website.

Our investor grievance policy is broadly based on the following principles:

- Investors calling us in person, telephone, fax or email are received and their complaints are dealt in timely manner.
- Each and every investor is treated fairly at all the times.
- Prompt, efficient and fair treatment is given to all the complaints and queries of the investors.

Whistle Blowing Policy

In compliance with the Code of Corporate Governance the Company has adopted a Whistle Blowing Policy. The Company has an established Code of Ethics which sets out the standards of conduct expected in the management of its business. All employees are expected to carry out their duties in a manner that is consistent with the Code. If employees become aware of circumstances which are not in compliance with the Code, they may communicate their concerns to the Managing Director.

SWOT Analysis

Strengths

- With over 83 years of experience EFU is a brand name of Insurance in Pakistan.
- We are a Company with broad customer base.
- We work as a family, with employee loyalty and commitment to the Company and generations of families are associated with us.
- We own two prominent buildings in Karachi and Lahore.
- We have team of highly skilled personnel, both in the technical and marketing areas, equipped with the latest knowledge and considered as the best in the country.

Opportunities

- We have launched Window Takaful Operations and expect expansion of the operations in coming years.
- New business particularly due to Chinese investments.

Threats

- Although law and order situation has improved it still affects business adversely and increases cost of operations and / or reduces growth in certain geographical areas.
- Increased competition
- Shortage of technical personnel

Procedures Adopted for Quality Assurance of Products / Services

EFU General believes that meeting customer expectations comes from consistently meeting standards and delivering consistent results is at the core of quality assurance procedures. It is our responsibility to ensure that every employee understands the quality definitions and how he / she is to make certain those standards are met. Measuring the quality that is delivered is critical for consistent results. Department / Branch Heads monitor work processes and maintain quality standards.

As per ISO 9001:2008 standards, EFU General has established procedures for quality assurance of services by continually improving the effectiveness of the quality management system through the use of:

- the quality policy,
- quality objectives,
- audit results,
- analysis of data,
- corrective and preventive actions,
- regular management reviews,
- trainings,
- customer feedback system and
- monitoring / measurement activities.

The old expression, "There is always room for improvement," rings true when it comes to quality assurance. To keep our business on the cutting edge, we always ask the question, "How can we make this better?" By tweaking the process where required or by raising standards each year, we will see our overall business quality improve to levels higher than ever before.

Decisions taken at the last Annual General Meeting held on April 10, 2015

No significant issues were raised by the shareholders during the meeting. The following matters taken up in the meeting as per Agenda were approved unanimously and the decisions taken were implemented in due course:

1. Approval of minutes of the last Annual General Meeting.
2. Approval of the minutes of Extra Ordinary General Meeting held on July 9, 2014.
3. Approval of Audited Accounts and Report for the year ended December 31, 2014.
4. Approval of Final dividend @ Rs. 5 per share in addition of Re.1 paid as interim dividend for the year ended December 31, 2014.
 - The interim dividend was paid on September 13, 2014.
 - Final dividend was paid to the Shareholders on April 17, 2015.
5. Approval of Transfer to General Reserve of Rs. 1,000 Million.
6. Appointment of Ernst & Young Ford Rhodes Sidat Hyder as Auditors for the year 2015.
7. The Chairman briefed the shareholders about the status of approval of investment in associated undertaking EFU Life Assurance Limited of Rs. 100 million approved in the Annual General Meeting held on April 5, 2014 to be invested within a period of two years. He stated that the Company has to date invested Rs. 8.456 million in the shares of EFU Life Assurance Limited, through Stock Exchange Brokers and the balance is proposed to be invested within the period of next twelve months.

Access to Reports and Enquiries

Annual Report

Annual report can be downloaded from the Company's website: www.efuinsurance.com; or printed copies obtained by writing to:

The Company Secretary
EFU General Insurance Limited
EFU House
M.A. Jinnah Road
Karachi 74000
Pakistan

Quarterly Reports

The Company publishes interim reports at the end of first, second and third quarters of the financial year. The interim reports can be accessed at website: www.efuinsurance.com; or printed copies can be obtained from the Company Secretary.

Shareholders' Enquiries

Shareholders' enquiries about their holding, dividends

or share certificates etc. can be directed to Share Registrar at the following address:

Technology Trade (Pvt.) Ltd.
Dagia House 241 - C
Block-2, P.E.C.H.S.
Off Shakra-e-Quaideen
Karachi
Tel: 34391316 - 7
Fax: 34391318

Stock Exchange Listing

The shares of the Company are listed on Pakistan Stock Exchange. The symbol code is EFUG.

Annual Report & Accounts and Notice of Meeting by E-mail

If any member intends to receive the above through e-mail, he may provide us or to our Share Registrar, his consent on the consent form as available on Company's website, duly filled and signed.

Role of Chairman and Managing Director

The roles of the Chairman and Managing Director is stated setting out a clear division of responsibilities, but is not intended to provide a definitive list of their individual responsibilities.

Chairman is responsible for leadership of the Board. In particular, he presides over meetings of the Board and ensures effective operation of the Board and its committees in conformity with the standards of corporate governance. The Chairman sets the agenda, style and tone of Board discussions to promote constructive debate and effective decision making. The Chairman supports the Managing Director in the development of strategy.

Managing Director is responsible for leadership of the business and managing it within the authorities delegated by the Board and the Articles of Association of the Company. He develops strategy proposals for recommendation to the Board and ensures that agreed strategies are reflected in the business, develop annual plans, consistent with agreed strategies, for presentation to the Board for support, plan human resourcing to ensure that the Company has the capabilities and resources required to achieve its plans.

The Managing Director develops an organisational structure and establishes processes and systems to ensure the efficient organisation of resources. He is responsible to the Board for the performance of the business consistent with agreed plans, strategies and policies, leads the executive team, including the development of performance contracts and appraisals and ensures that financial results are communicated to all the stakeholders.

The Managing Director develops and maintains an effective framework of internal controls over risk in relation to all business activities including the Group's trading activities, ensures that the flow of information to the Board is accurate, timely and clear, establishes a close relationship of trust with the Chairman, reporting key developments to him in a timely manner and seeking advice and support as appropriate.

The Chairman and Managing Director meet regularly to review issues, opportunities and problems.

Annual Evaluation of Board's Performance

During the year the Board has placed a mechanism to evaluate its performance annually as required by the Code of Corporate Governance. The mechanism devised is based on the emerging and leading trends on the functioning of the Board and improving its effectiveness. The placement and functioning of evaluation mechanism is out sourced to Pakistan Institute of Corporate Governance.

MD's Performance Review

Managing Director's performance is monitored and evaluated by the Board against the objectives and performance targets set by the Board.

TORs of Audit Committee

The terms of reference of the Audit Committee as framed by Board of Directors are as follows:

1. Determine appropriate measures to safeguard the Company's assets.
2. Review quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on major judgmental areas, significant adjustments resulting from the audit, the going concern assumptions, any changes in accounting policies and practices, compliance with applicable accounting standards and compliance with listing regulations and other statutory and regulatory requirements and significant related party transactions.
3. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).
4. Review of management letter issued by external auditors and management's response thereto.
5. Ensure coordination between the internal and external auditors of the Company.
6. Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.
7. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto.
8. Ascertaining that the internal control systems including financial and operational controls, accounting systems and the reporting structure are adequate and effective.
9. Review of the Company's statement on internal control systems and internal audit reports prior to endorsement by the Board of Directors.
10. Determine compliance with relevant statutory requirements.
11. Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof.
12. Consideration of any other issue or matter as may be assigned by the Board of Directors.

The committee comprises of four members, including the Chairman of the committee, three of them are non-executive directors and one is an independent director.

Report of the Audit Committee

The Audit Committee comprises of three non-executive directors and one independent director. The Chief Financial Officer (CFO), the Head of Internal Audit and the external auditor attend Committee meetings by invitation. Four meetings of the Committee were held during the year 2015. Based on reviews and discussions in these meetings, the Committee reports that:

1. The Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors.
2. The Company issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed by the external auditors of the Company.
3. The Chief Executive Officer and the Chief Financial Officer have reviewed the financial statements of the Company and the Directors' Report. They acknowledge their responsibility for true and fair presentation of the financial statements and compliance with regulations and applicable accounting standards.
4. The financial statements have been prepared in accordance with approved accounting standards comprise of such International Financial Reporting Standards (IFRS) as applicable in Pakistan.
5. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment. The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
6. Proper books of accounts have been maintained by the Company.
7. The Committee reviewed and approved all related party transactions and recommended them for approval of the Board of Directors.
8. The Company's system of internal control is sound in design and is continually evaluated for effectiveness and adequacy.
9. For appraisal of internal controls and monitoring compliance, the Company has in place an appropriately staffed, Internal Audit department. The Committee reviewed the resources of the Internal Audit department to ensure that they were adequate for the planned scope of the Internal Audit function.
10. The Committee on the basis of the internal audit reports reviewed the adequacy of controls and compliance shortcomings in areas audited and discussed corrective actions in the light of management responses. This has ensured the continual evaluation of controls and improved compliance.
11. The external auditors Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants had direct access to the Committee and necessary coordination with internal auditors was ensured. Major findings arising from audits were also discussed.
12. The Committee reviewed the Management Letter issued by the external auditors and the management response thereto.
13. Appointment of external auditors and fixing of their audit fee was reviewed and the Committee following this review recommended to the Board of Directors for re-appointment of Ernst & Young Ford Rhodes Sidat Hyder as external auditors for the year ending December 31, 2016.

Notice of Meeting

Notice is hereby given that the 83rd Annual General Meeting of the Shareholders of EFU General Insurance Ltd. will be held at the Registered Office of the Company at Kamran Centre, 1st Floor, 85 East, Jinnah Avenue, Blue Area, Islamabad on Saturday April 02, 2016 at 10:30 a.m. to:

A. ORDINARY BUSINESS:

1. confirm the minutes of the 82nd Annual General Meeting held on April 10, 2015.
2. receive, consider and approve the Audited Financial Statements for the year ended December 31, 2015 together with the Directors' and Auditors' reports thereon.
3. consider and if thought fit to approve the payment of Final Dividend at the rate of Rs. 4.50 per share as recommended by the Board of Directors and also approve the 30 % Interim Cash Dividends already paid to the Shareholders for the year ended December 31, 2015.
4. appoint Auditors for the year 2016 and fix their remuneration.

B. SPECIAL BUSINESS:

5. consider and if thought fit to pass the following Ordinary Resolution with or without modification(s):

"RESOLVED that a sum of Rs. 400,000,000 out of the free reserves of the Company be capitalized and applied to the issue of 40,000,000 Ordinary Shares of Rs.10/- each and allotted as fully paid Bonus Shares to the Members, who are registered in the Books of the Company at the close of business on March 25, 2016 in the proportion of one new share for every four existing Ordinary Shares held and that such new shares shall rank pari passu with the existing Ordinary Shares of the Company.

Further resolved that the members' fractional entitlement to Bonus Shares may be consolidated and sold in the stock market and the net sale proceeds of such fractional entitlements when realized be paid to a charitable institution.

That for the purpose of giving effect to the foregoing, the Managing Director / Chief Executive or the Corporate Secretary be and are hereby singly authorised to give such directions as may be necessary and settle any questions or any difficulties that may arise in the distribution of the said new shares or in the payment of the sale proceeds of the fractions."

6. Consider, and if thought fit, to pass the following Resolution with or without modification(s) as Special Resolution to amend the Articles of Association of the Company by inserting a new clause numbering 80 to introduce E-Voting as prescribed by Securities & Exchange Commission of Pakistan:

"RESOLVED that the Articles of Association of EFU General Insurance Ltd. be and is hereby amended as under:

RESOLVED that following amendment be made in Articles of Association of the Company.

To insert the following new clause No. 80:

80. Any member desiring to appoint an intermediary, as defined in "Companies (E-Voting) Regulations, 2016," as may be amended from time to time, shall inform Secretary of the Company at least 10 days before the holding of Annual General Meeting or Extraordinary General Meeting of Shareholders of the Company intimating about his decision to appoint an intermediary to vote at a poll.

The clause appearing in the Articles of Association from Nos. 80 to 183 be renumbered as Nos. 81 to 184 in the same sequential order."

7. consider and if thought fit to pass the following Resolution with or without modification(s) as Special Resolution:

"RESOLVED that the approval accorded for Investment in Shares of EFU Life Assurance Ltd., an associated company, of Rs. 100 million in the Annual General Meeting of April 05, 2014 of which Rs. 14.45 million have been invested and Rs. 85.55 million remaining un-invested be and is hereby revalidated and the said amount be invested within a period of next three years.

This investment be made from time to time as the Managing Director (Chief Executive) and / or other attorney(s) of the Company may deem fit.

FURTHER RESOLVED that Chief Executive or Corporate Secretary be and are hereby individually authorized to fulfill all legal and corporate formalities for making the above investment.

FURTHER RESOLVED that the Special Resolution be and is hereby passed for the purpose of compliance of Section 208 of the Companies Ordinance, 1984.”

8. transact any other matter with the permission of the chair.

Attached to this notice of meeting being sent to the members is a statement under Section 160(1) (b) of the Companies Ordinance, 1984 setting forth all material facts concerning the resolutions contained in items 5, 6 and 7 of the notice.

By Order of the Board

ALTAF QAMRUDDIN GOKAL
Chief Financial Officer
& Corporate Secretary

Karachi: 13 February 2016

NOTES

1. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as a proxy to attend and vote in respect of him. Form of proxy must be deposited at the Company's Registered Office not later than 48 hours before the time appointed for the meeting.
2. CDC Account holders are advised to follow the following guidelines of the Securities and Exchange Commission of Pakistan.
 - A. For attending the meeting:**
 - (i) In case of individuals, the account holder and or sub-account holder and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
 - (ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
 - B. For appointing proxies:**
 - (i) In case of individuals, the account holder and or sub-account holder and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - (iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.
 - (v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
3. The Share Transfer Books of the Company will be closed from March 26, 2016 to April 02, 2016 (both days inclusive). Transfers received in order by our Share Registrar, Technology Trade (Pvt) Ltd., Dagia House, 241-C, Block-2, P.E.C.H.S., Shahrah-e-Quaideen, Karachi at the close of business on March 25, 2016 will be considered in time to attend and vote at the meeting and for the entitlement of Dividend and Bonus Shares.

4. Members are requested to notify / submit the following, in case of book entry securities in CDC to respective CDC participants and in case of physical shares, to the Company's Share Registrar, if not earlier provided / notified:
 - a. Change in their addresses;
 - b. Valid and legible photocopies of Computerized National Identity Card (CNIC) for Individuals and National Tax Number (NTN) both for individual & corporate entities; and
 - c. Consent Form to receive Annual Financial Statements through e-mail. The Securities & Exchange Commission of Pakistan through its Notification SRO 787(1)2014 of September 8, 2014 has allowed companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail.

If any member intends to receive Annual Financial Statements through e-mail, he may provide us or to our Share Registrar, his consent on the consent form as available on Company's website, duly filled and signed.

Statement under section 160 of the Companies Ordinance, 1984 pertaining to the Special business:

This statement sets out the material facts pertaining to the Special Business to be transacted at the Annual General Meeting of the Company to be held on April 02, 2016.

1. Item 5 regarding Bonus issue:

Your Directors have recommended the issue of Bonus Shares in the proportion of one new share for four existing Ordinary Shares held at the close of business on March 25, 2016. The Directors are interested in this business to the extent of their entitlement to Bonus Shares as Members.

2. Item 6 regarding e-voting:

To give effect to the Companies (E-Voting) Regulation 2016, shareholders' approval is being sought to amend the Articles of Association of the Company to enable e-voting.

3. Item 7 regarding investment in associated company:

The Shareholders at the Annual General Meeting held on April 05, 2014 had approved investment in shares of an associated Company EFU Life Assurance Ltd., upto an amount of Rs. 100 million and against it Rs. 14.45 million has been invested and the balance amount of Rs. 85.55 million remains un-invested. Regulation No. 8 of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012 require revalidation for the remaining un-invested amount of Rs. 85.55 million out of the previous approval of April 05, 2014 at this meeting by the Shareholders.

The details and information to be furnished regarding item No. 7 investment in associated company are as under:

EFU Life Assurance Ltd. (EFU Life) is the leading life insurance company in the private sector in the country. As on December 31, 2015 it has asset base of Rs. 91 Billion. It's after tax profit for the years 2013, 2014 and 2015 have been Rs. 929.11 million, Rs. 950.9 million and Rs. 1,475.47 million respectively. EFU Life as on December 31, 2015 has Paid-up Capital of Rs. 1,000 million, General Reserve of Rs. 950 million and Accumulated Surplus of Rs. 1,460 million.

The information required under Companies (Investment in Associated Companies or Associated Undertakings) Regulation, 2012 is as under:

Regulation No. 3(1) a:

- i) **Name of Associated Company along with criteria based on which the associated relationship is established:**
EFU Life Assurance Ltd. being associated on the basis of more than 20 % holding by EFU General Insurance Limited.
- ii) **Purpose, benefits and period of investment:**
Long-term strategic investment for better return and capital appreciation by way of purchase from time to time from the Stock Exchange at a price ruling on the date of purchase.

- iii) **Maximum amount of investment:**
Rs. 85.55 million being amount remaining un-invested out of Rs. 100 million as approved previously at the Annual General Meeting held on April 05, 2014 in Ordinary shares of Rs. 10 each.
- iv) **Maximum price at which securities will be acquired:**
Not more than the price quoted on Stock Exchange.
- v) **Maximum number of securities to be acquired:**
Equivalent to the amount of Investment.
- vi) **Number of securities and percentage thereof held before and after the proposed investment:**
43,059,240 shares (43.06 %) held to date i.e. before proposed investment. Number of Shares and percentage after proposed investment will depend on the prevailing prices at the time of actual acquisition of shares which could vary with the market price at which shares are purchased in future.
- vii) **Average of the preceding twelve weekly average price of the security intended to be acquired:**
Rs. 214.53 per share
- viii) **In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1):**
Not applicable
- ix) **Break-up value of securities intended to be acquired on the basis of the latest audited financial statements:**
As on December 31, 2015 Rs. 34.10
- x) **Earning per share of the associated company or associated undertaking for the last three years:**
Year ended December 31, 2015 - Rs. 14.75
Year ended December 31, 2014 - Rs. 9.51
Year ended December 31, 2013 - Rs. 9.29
- xi) **Sources of fund from which securities will be acquired:**
Internal generation.
- xii) **Where the securities are intended to be acquired using borrowed funds:**
 - (I) justification for investment through borrowings; and
 - (II) detail of guarantees and assets pledged for obtaining such funds;
 Not applicable
- xiii) **Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment:**
Not applicable
- xiv) **Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration:**
No Director or Chief Executive has any interest in the proposed investments, except in their individual capacities as "Directors / Chief Executive" and / or as shareholders of the Company.
- xv) **Any other important details necessary for the members to understand the transaction:**
None
- xvi) **In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely:**
 - (I) description of the project and its history since conceptualization;
 - (II) starting and expected dated of completion of work;
 - (III) time by which such project shall become commercially operational; and
 - (IV) expected time by which the project shall start paying return on investment;
 Not applicable

Regulation No. 3(3)

The directors of the investing company while presenting the special resolution for making investment in its associated company or associated undertaking shall submit an undertaking to the members of the investing company that they have carried out necessary due diligence for the proposed investment. The Directors of the Company submit that they have carried out necessary due diligence for the proposed investment in shares of EFU Life Assurance Ltd.

Regulation No. 4

Other information to be disclosed to the members:

(1) If the associated company or associated undertaking in which the investment is being made or any of its sponsors or directors is also a member of the investing company, the information about interest of the associated company or associated undertaking and its sponsors and directors in the investing company shall be disclosed in the notice of general meeting called for seeking members' approval pursuant to section 208 of the Ordinance.

EFU Life Assurance Ltd. is holding 10,900,884 Shares to date of the investing Company EFU General Insurance Ltd. No Director or Chief Executive has any interest in the investing company except in their individual capacities as "Directors / Chief Executive" and / or as shareholders of the investing Company. The Shareholding of the Directors is Mr. Saifuddin N. Zoomkawala 256,000, Mr. Hasanali Abdullah 295,807, Mr. Rafique R. Bhimjee 13,263,948, Mr. Muneer R. Bhimjee 12,772,595 and Mr. Taher G. Sachak 1,637, Mr. Mahmood Lotia 1,063.

(2) In case any decision to make investment under the authority of a resolution passed pursuant to provisions of section 208 of the Ordinance is not implemented either fully or partially till the holding of subsequent general meeting(s), the status of the decision must be explained to the members through a statement having the following details namely:

a) total investment approved;

Rs. 100 million approved by the shareholders at Annual General Meeting of April 05, 2014.

b) amount of investment made to date;

Rs. 14.45 million

c) reasons for not having made complete investment so far where resolution required it to be implemented in specified time;

Due to share market environment and the share prices uncertainty in the year 2014 & 2015 it was considered to delay the purchases of shares and therefore a fresh special resolution is being proposed to the shareholders for the remaining amount of Rs. 85.55 million.

d) and material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.

Since the date of passing the resolution by the shareholders of the Company on April 05, 2014 the shareholders equity of the investee company has increased to Rs. 3,410 million from Rs. 2,533 million due to increase in Reserves and un-appropriated profits of Rs. 877 million.

Directors' Profile



Saifuddin N. Zoomkawala
Chairman

Mr. Saifuddin N. Zoomkawala has been associated with EFU Group since 1964. He also worked as General Manager for Credit & Commerce Insurance Company at UAE, an insurance company of EFU group. He served as Managing Director of EFU General Insurance Limited from July 10, 1990 till July 2011 when he was elected Chairman of the Company.

He is also the Chairman of Allianz EFU Health Insurance Limited and Director of EFU Life Assurance Limited, and EFU Services (Pvt.) Limited, all being EFU Group Companies. He was also the Chairman of EFU Life Assurance Limited from February 1999 to July 2011.

He is also associated with the following social institutions:

Shaukat Khanum Memorial Trust and Research Centre - Member, Board of Governor, Burhani Hospital, Karachi - Member, Sindh Institute of Urology and Transplantation, Karachi - Member Board and Fakhr-e-Imdad Foundation - Member Board of Directors.



Hasanali Abdullah
Managing Director &
Chief Executive

Mr. Hasanali Abdullah is Chartered Accountant and Certified Director from Pakistan Institute of Corporate Governance (PICG).

He has been associated with EFU General Insurance Ltd. since 1979 and is Managing Director & Chief Executive of the Company from 2011. He is Director of EFU Life Assurance Ltd., Allianz EFU Health Insurance Ltd., EFU Services (Private) Ltd., Tourism Promotion Services (Pakistan) Ltd. (owners of Serena Hotels), Honorary Treasurer of Aga Khan Hospital & Medical College Foundation, Member of National Committee of Aga Khan University Foundation (Pakistan Branch) Geneva. He has served on the Boards, Council and Committees of various Aga Khan Development Network institutions from 1976 to 2002. He has been Director of PICG in 2011, Chairman of Insurance Association of Pakistan for the year 2008 and 2010-11, Executive Committee Member of Federation of Pakistan Chambers of Commerce and Industries for 2011 and Chairman of Pakistan Insurance Institute 2014-15.



Rafique R. Bhimjee
Director

Mr. Rafique R. Bhimjee has a B.Sc. (Hons) in Management Science from the University of Warwick & MBA in Finance from Cass Business School at City University in London. He is a Certified Director from Pakistan Institute of Corporate Governance.

Mr. Rafique Bhimjee has worked overseas in New York at Merrill Lynch Asset Management and with Abu Dhabi Investment Authority in Abu Dhabi.

He is associated with EFU group since August 22, 1991 when he was co-opted as Director on the Board of Directors of EFU General Insurance Limited. He was the Chairman of EFU General Insurance Limited from February 1999 to July 2011 and was elected Chairman of EFU Life Assurance Limited in July 2011. Mr. Rafique Bhimjee is also Director of Allianz EFU Health Insurance Limited, EFU Services (Pvt.) Limited and International Foundation & Garments (Pakistan) (Pvt.) Limited.



Abdul Rehman Haji Habib
Director

Mr. Abdul Rehman Haji Habib belongs to Business community. He was Chairman of Arag Group. In 1971 - 72 he was President of Karachi Chamber of Commerce & Industry and in 1976 - 77 he was President of the Federation of Pakistan Chamber of Commerce & Industry.

He is associated with EFU for the last 32 years.



Mahmood Lotia
Director

Mr. Mahmood Lotia is a BSc from Punjab University and an Associate of the Chartered Insurance Institute of UK (ACII). He started his insurance career in April 1974 then trained at the M&G Reinsurance Company, UK. From April 1977 he worked with Adamjee Insurance Company Ltd. and Commercial Union Assurance Pakistan Branch. In 1989 left for Abu Dhabi to work with Abu Dhabi National Insurance Company. On return to Pakistan in August 1991 joined EFU General Insurance Ltd. and currently is in-charge of the company's technical operations including underwriting, claims and reinsurance. He is the Senior Deputy Managing Director.

Mr. Lotia had also been tasked by EFU General to set up its Window Takaful Operations which is now operational.

Mr. Lotia has remained associated with Insurance Association of Pakistan in various capacities since 1980 and served on nearly all technical committees. He was Chairman for the year 2014-15 and now is an Ex-officio Member of Executive Committee of Insurance Association of Pakistan.

He has also been involved on various training programs as lecturer organized by IAP, PII and also including PRCL.



Muneer R. Bhimjee
Director

Mr. Muneer R. Bhimjee, Director is a Graduate (Hons) in Social Sciences, London. He is also a Director of International Foundation Garments (Pakistan) (Pvt.) Limited, EFU Life Assurance Limited and Allianz EFU Health Insurance Limited.

He is associated with EFU since July 1993.



Taher G. Sachak
Director

Mr. Taher G. Sachak has studied in UK and is a graduate in Business Studies from Bournemouth University, and also has a post-graduate Diploma in Management Studies from Liverpool University. Following his studies he joined the British Civil Service and after 5 years decided to pursue a career in life assurance. He held executive positions in major UK Life Assurance Companies, Allied Dunbar, Trident Life and finally Century Life before coming to Pakistan in 1994 to join EFU Life.

He is also Managing Director of EFU Life and Vice Chairman of Allianz EFU Health and Director of Institute of Capital Markets and a "Certified Director" from Pakistan Institute of Corporate Governance.



Ali Raza Siddiqui
Director

Mr. Ali Raza Siddiqui is a Partner at JS Private Equity. From 2005 - 2010, he was an Executive Director at JS Investments Limited. Prior to joining JS Group he was Assistant Vice President at AIM Investments in Houston, a wholly owned subsidiary of INVESCO plc. (formerly known as AMVESCAP plc). At AIM, Mr. Siddiqui was part of a team responsible for the management of USD 60 billion in fixed income assets.

Mr. Siddiqui also serves on the Boards of Bank Islami Pakistan Limited, Pakistan International Bulk Terminals Limited, the Mahvash & Jahangir Siddiqui Foundation and Fakhr-e-Imdad Foundation. He holds a Bachelors Degree from Cornell University with double majors in Economics and Government.



Mohammed Iqbal Mankani
Director

Mr. Mohammed Iqbal Mankani started his career with Eastern Federal Union Insurance Co. in 1968 as Junior Officer. In 1970 he helped set up the first Branch of EFU in SITE Karachi.

Mr. Mankani was sent on deputation to Credit & Commerce Insurance Co., Dubai, a joint venture of EFU where he worked in various Senior Positions.

In 2001, Mr. Mankani was requested by the Executive Office of His Highness, Ruler of Dubai and Dubai Islamic Bank to help set up the first local Takaful company Dubai Islamic Insurance & Reinsurance Co. On behalf of this company, Mr. Mankani helped set up a Takaful company in Kuwait in 2009. He was also a Board Member of Amity Health, a joint venture between Dubai Islamic Insurance and AGILITY Health of South Africa. He remained with Dubai Islamic Insurance as the General Manager and Chief Operating Officer until 2012. He then set up his own Consulting Company M.I.M. Business Consultants.

Mr. Mankani has been part of the UAE Insurance industry for the last 41 years and has been twice elected member of the UAE Insurance Business Group under the Dubai Chamber of Commerce representing the Takaful industry until 2012.

He has been a frequent speaker at many insurance seminars in Malaysia, UAE etc. Mr. Mankani is an active member of the Canadian Business Council in Dubai.

Financial Calendar

Results

First quarter ended 31 March 2015	Announcement Date	April 23, 2015
Half year ended 30 June 2015	Announcement Date	August 31, 2015
Third quarter ended 30 September 2015	Announcement Date	November 02, 2015
Year ended 31 December 2015	Announcement Date	February 15, 2016

Dividends

Final Cash 2015	Announcement Date	February 15, 2016
	Entitlement Date	March 25, 2016
	Statutory limit upto which payable	May 01, 2016

First Interim Cash 2015	Announcement Date	April 23, 2015
	Entitlement Date	May 07, 2015
	Paid on	May 19, 2015
	Statutory limit upto which payable	June 05, 2015

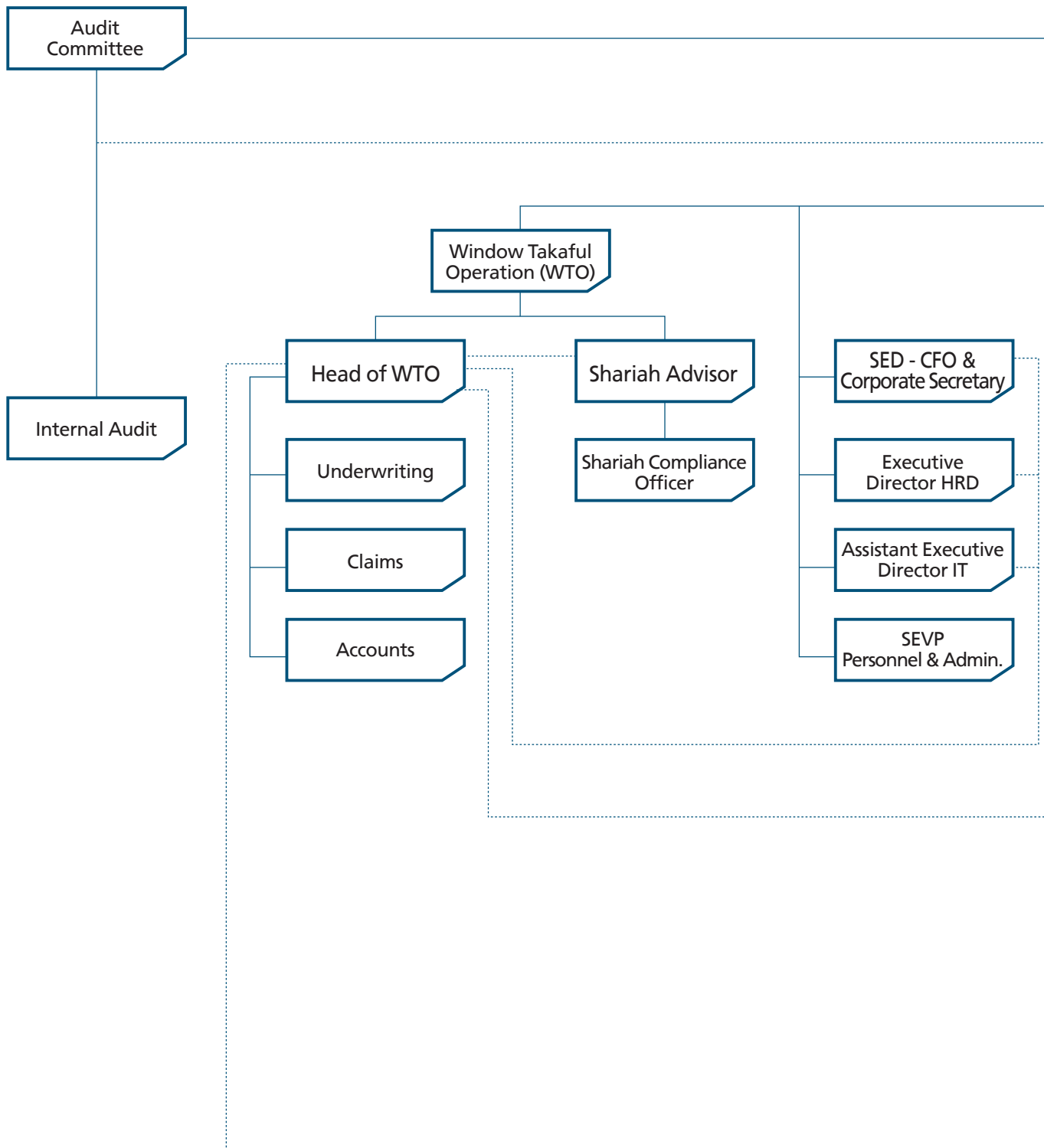
Second Interim Cash 2015	Announcement Date	August 31, 2015
	Entitlement Date	September 14, 2015
	Paid on	September 21, 2015
	Statutory limit upto which payable	October 13, 2015

Third Interim Cash 2015	Announcement Date	November 02, 2015
	Entitlement Date	November 16, 2015
	Paid on	November 25, 2015
	Statutory limit upto which payable	December 15, 2015

Date of Issuance of Annual Report 2015	March 08, 2016
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Date of Annual General Meeting	April 02, 2016
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Organogram





Board of Directors

MD & Chief Executive

Investment Committee

Human Resource & Remuneration Committee

Conventional Business

Senior DMD

Senior Executive Director

ED - Property U/W & Risk Management

ED - Motor U/W & Claims

DED Property Claims

DED Misc./Suretyship U/W & Claims

DED Marine & Aviation U/W

AED Marine & Aviation Claims

SEVP Re-insurance

Senior DMD North Zone

DMD Islamabad Region

SED Punjab Region

DED Rawalpindi Division

DMD South Zone

DMD Central Division Karachi

DMD Corporate Division Karachi

DMD Clifton Division Karachi

SED Jinnah Division Karachi

SED S.I.T.E. Division Karachi

ED Metropolitan Division Karachi

ED Multan Division

Management

Managing Director

Hasanali Abdullah, F.C.A.

Senior Deputy Managing Director

Mahmood Lotia, A.C.I.I.
Qamber Hamid, LL.B., LL.M.

Deputy Managing Director

Abdur Rahman Khandia, A.C.I.I.
Jaffer Dossa
M. Akbar Awan
Nudrat Ali
S. Salman Rashid

Senior Executive Directors

Altaf Qamruddin Gokal, F.C.A.
Khurram Ali Khan, B.E.
Muhammad Iqbal Lodhia
Shaukat Saeed Ahmed
Syed Muhammad Haider, M.Sc.

Executive Directors

Darius H. Sidhwa, F.C.I.I.
Imran Ahmed, M.B.A., B.E., A.C.I.I.
K. M. Anwer Pasha, B.B.A.
Kamran Arshad Inam, M.B.A., B.E.
M. Shehzad Habib
Mohammad Iqbal Dada, M.A., A.C.I.I.
Salim Razzak Bramchari, A.C.I.I.
Syed Kamran Rashid
Syed Rizwan Hussain, M.B.A.

Deputy Executive Directors

Abdul Sattar Baloch
Aftab Fakhruddin, B.E., Dip C.I.I.
Ali Kausar
Khalid Usman
Khurram Nasim, B.S. (Ins. Mgmt)
M. Shoaib Razzak Bramchari
Muhammad Sohail Nazir, M.Sc., A.C.I.I.
Musakhar-uz-Zaman, B.E.
S. Aftab Hussain Zaidi, M.A., M.B.A.

Satwat Mahmood Butt, M.B.A.

Assistant Executive Directors

Abdul Hameed Qureshi, M.Sc.
Abdul Wahid
Ahmad Hussain Zuberi, M.B.A.
Babar A. Sheikh
Badar Amin Sissodia
Javed Akhtar Shaikh, B.B.A.
Javed Iqbal Barry, M.B.A., LL.B., F.C.I.I.
Jawahar Ali Kassim
Kausar Ali Zuberi
Khalid Ashfaq Ahmed
M. Vaqaruddin, M.B.A., A.C.I.I.
Muhammad Naeem M. Hanif
Muhammad Sheeraz, M.B.A.
Ross Masood M.B.E.
Syed Amir Aftab
Syed Asim Iqbal, M.B.A.
Syed Basit Hussain

Senior Executive Vice Presidents

Abdul Majeed
Abdul Qadir Memon, M.Sc.
Aslam A. Ghole, F.C.I.S.
Faisal Gulzar
Farrukh Aamir Beg, M.B.A.
Irfan Raja Jagirani
Liaquat Ali Khan, F.C.I.I., A.M.P.I.M.
Mansoor Abbas Abbasi, B.E.
Masroor Hussain
Mazhar H. Qureshi
Mohammad Arif
Mohammad Kamil Khan, M.A.
Mohammad Naeem Shaikh, A.C.I.I.
Mohammad Nasir, M.B.A., EMS
Mohammad Shoaib, M.A.
Muhammad Arif Khan
Muhammad Najeeb Anwar
Muhammad Rashid Akmal, M.B.A.
Muhammad Shakil Khan, M.B.A., B.E.
Muhammad Sohail
Muhammad Yousuf Jagirani, M.A.
Munawar Salemwala, F.C.A.

Nadeem Ahmad Khan
Pervez Ahmad, M.B.A.
Shaharyar Jalees, M. A.
Shahzad Zakaria
Shamim Pervez, M.B.A.
Shazim Altaf Kothawala
Syed Abid Raza Rizvi, M.Com
Syed Ahmad Hassan, M.B.A.
Syed Sadiq Ali Jafri
Syed Shahid Hussain, L.L.B.
Zarar Ibn Zahoor Bandey
Zia Mahmood, M.B.A.

Executive Vice Presidents

Abdul Hameed
Abdul Mateen Farooqui, M.Sc.
Ali Ghulam Ali, A.C.A.
Ali Raza
Anjum Kamal Khan, M.B.A.
Arshad Ali Khan, F.C.M.A.
Asghar Ali
Atif Anwar, F.C.C.A.
Fakhruddin Saifee
Farman Ali Afridi, B.E.
Fatima Bano, M.B.A., A.C.I.I.
Ghulam Haider, M.Sc.
Iftikharuddin, L.L.B.
Kashif Gul, B.E.
M. A. Qayum, M.Com
Malik Firdaus Alam
Mohammad Afzal Khan, E.M.B.A.
Mohammad Amin Sattar, M.Com
Mohammad Haji Hashim, L.L.B.
Mohammad Junaid Moti, A.C.I.I.
Ms. Ansa Azhar, A.C.I.I.
Muhammad Arshad Khan
Muhammad Azhar Ali
Muhammad Ilyas Khan, A.C.I.I.
Muhammad Mujtaba
Muhammad Razaq Chaudhry
Muhammad Tawheed Alam, M.B.A., B.E.
Murtaza Noorani, F.C.C.A, C.A.T.
Nadeemuddin Farooqi, L.L.B.
Quaid Johar

Rao Abdul Hafeez Khan
Rashid Mohammad Iqbal
Riaz Ahmad
Rizwan Ahmed, M.B.A.
S. Anwar Hasnain
S. Tayyab Hassan Gardezi, M.Sc.
Shah Asghar Abbas, M.B.A.
Syed Farhan Ali Bokhari, M.B.A.
Syed Nazish Ali, A.C.I.I.
Umair Ali Khan, M.A.
Usman Ali Khan
Usman Ali, L.L.B.
Zia Ur Rehman

Senior Vice Presidents

Aamer Ali Khan, M.B.A.
Abdul Aziz
Abdul Bari
Abdul Rashid
Abdul Shakoor Piracha.
Amanullah Khan
Asadullah Khan
Ashfaq Ahmed
Asif Mehmood
Dr. Ghulam Jaffar, Ph.D.
Ejaz Ahmed Khan, M.B.A.
Farhat Iqbal
Hasan Riaz, M.B.A.
Imran Saleem, M.B.A., M.C.S.
Inayatullah Chaoudhry
Javed Iqbal Khan
Kaleem Imtiaz, M.A.
Kamran Bashir, M.B.A.
Liaquat Imran
M. Asif Ehtesam, M.B.A.
Mansoor Ahmed
Mirza Mutahir Hussain
Mohammad Hanif
Mohammad Idrees Abbasi
Mohammad Saleem
Moiz Hussain, A.C.A.
Muhammad Asif Ehtesham
Muhammad Hussain
Muhammad Ikram, M.B.A.

Muhammad Khalid Ahmed Khan, M.B.A.
Muhammad Naeem Ahsan
Muhammad Naseem
Muhammad Owais Alam, M.B.A.
Muhammad Salahuddin
Muhammad Shahjahan Khan
Muhammad Usman
Quaid Johar
Riazuddin, M.A.
S. Asim Ijaz
S. M. Aamir Kazmi, L.L.B.
S. M. Adnan Ashraf Jelani, A.C.I.I.
S. M. Shamim
Saifullah
Salimullah Khan, M.Com.
Salma Altaf, M.B.A.
Shahab Khan
Shahzeb Lodhi
Sikandar Kasbati
Tariq Mahmood
Wahaj ur Rehman, M.B.A.
Waheed Yousuf, M.B.A.
Waqar Hasan Qureshi
Waseem Ahmed
Zahid Hussain, A.C.I.I.
Zohaib A. Khan, M.B.A., L.L.B.
Zohair Sharif
Zulfiqar Ali Khan, M.Sc., F.C.I.I.

Vice Presidents

Aftab Ahmed, L.L.B.
Agha Ali Khan
Amir Arif Bhatti
Amjad Irshad, B.B.A.
Atif Haider Khan, M.B.A.
Aziz Ahmed
Farkhanda Jabeen, A.C.I.I.
Farrukh Ahmad Qureshi
Fouzia Naz
Habib Ali
Haseeb Ahmad Bajwa, L.L.B.
Ikramul Ghani, M.A.
Imran Yasin, M.B.E., A.C.I.I.
Irfan Ahmad, A.C.M.A., C.I.A.

Khawaja Samiullah
M. Saghiruddin, M.Com
Mansoor Hassan Khan
Mazhar Ali
Mohammad Adil Khan
Mohammad Amin Memon
Mohammad Shoaib
Mohsin Ali Baig
Muhammad Ali
Muhammad Ali
Muhammad Maroof Chaudhry
Muhammad Saleem Gaho
Muhammad Saleh
Muhammad Sirajuddin
Muhammad Taufiq
Muhammad Waqas, A.C.I.I.
Nadeem Ahmed
Naseer Ahmad
Nausherwan Haji
Nayyar Sultana, L.L.B.
Noman Shahid, M.B.A.
Onaib-ur-Rehman, M.B.A.
Rahim Khowaja, M.A.
Rana Zafar Iqbal
Reaz Hussain Siddiqui, L.L.B.
S. Ferozuddin Haider
S. Hussain Alam Kazmi, B.Sc. (Ins.)
S. Kamran Ali, B.Sc. (Ins.)
S. Khaliluddin
Sabiha Zehra, M.B.A.
Saeed Ahmed
Saima Morkas, F.C.C.A.
Sarfaraz Mehmood Khan
Sarfaraz Mohammad Khan
Shadab Mohammad Khan
Shahab Saleem
Syed Ishaq Kamal Hashimi, M.B.A.
Syed Mohammad Saleem
Waqar Ahmed, M.Sc.

Assistant Vice Presidents

Abdul Rashid Yaqoob
Ali Farman, M.A.
Aliya Jaffer Dossa

Amir Alvi
 Anwer Mahmood
 Arif Hussain
 Arshad Aziz Siddiqui
 Arshad Hameed
 Asif Ahmed Butt
 Faiz Muhammad
 Farnazia Khatri, M.B.A.
 Farooq Shaukat
 Fazal Hussain
 Fazal-Ur-Rehman Butt
 Fiaz Ahmed, M.B.A.
 Ghulam Abbas, M.B.A.
 Hassan Aziz, M.Sc.
 Ijaz Anwar Chughtai
 Imran Ahmed, M.Sc
 Imran Ahmed Siddiqui, LL.B.
 Imran Qasim
 Imtiaz Ahmed
 Intikhab Ahmed
 Israr Gul, M.A.
 Kashif Karim Gilani, A.C.M.A.
 Kausar Hamad, M.B.A.
 Khalid Aktar, M.B.A.
 Mansoor Anwar
 Mansoor Hassan Siddiqi, M.Sc.
 Maqsood Ahmed
 Maria N. Jagirani
 Masud Akhter
 Mehboob Ahmed, M.A.
 Mohammad Mustafa Ismail
 Mudassar Raza
 Muhammad Ahmer Siddiqui
 Muhammad Anwar Amdani
 Muhammad Asif
 Muhammad Asif, M.A.
 Muhammad Attaullah Khan
 Muhammad Kashif
 Muhammad Kashif Sheikh
 Muhammad Moosa
 Muhammad Mubeen
 Muhammad Mushtaq
 Muhammad Owais Jagirani
 Muhammad Rafique Khawaja, M.A.

Muhammad Rashid
 Muhammad Saghir Khan
 Muhammad Sarwar
 Muhammad Shoaib Naziruddin
 Muhammad Tauseef
 Muhammad Usman
 Naif Javaid, M.B.A.
 Najma Riaz, M.A.
 Naseem Ahmed
 Nida Altaf, B.E.
 Noor Asghar Khan
 Noushad Alam Siddiqui, M.B.A.
 Rafiullah Khan
 Raja Azhar Rafique
 Rao Nafees Murtaza
 Rashid Saeed Butt
 Rizwan Jalees
 Rizwana Iftikhar
 S. Arshad Sajjad Rizvi, M.B.A.
 S. Imran Raza Jafri
 S. M. Farhan Asfi
 S. Mahmood Razi
 Sadaf Zehra Hemani, M.B.A.
 Saira Waheed, M.B.A.
 Saleem Hameed Qureshi, M.A.
 Shabbir Hussain
 Shahbaz Khan
 Shaheena Ashfaq, M.A.
 Shaikh Muhammad Khurram
 Shazia Hussain, M.A.
 Syed Kamal Ahmed
 Syed Mudassar Ali
 Syed Shabeeh Hyder Shah
 Syed Zee Waqar
 Waqas Muhammad, A.C.M.A.
 Zainul Abedin

Medical Officer

Dr. Aftab Ali, M.B.B.S.

Marketing Executives

Senior Executive Directors

Altaf Kothawala
 Jahangir Anwar Shaikh

Executive Directors

Abdul Wahab Polani
 Ali Safdar
 Muhammad Khalid Saleem, M.A.
 Saleem Tariq Ahmed

Deputy Executive Directors

Agha S. U. Khan
 Haroon Haji Sattar Dada
 Khuzema T. Haider Mota
 Mahmood Ali Khan, M.A.
 Mir Babar Ali, M.B.A.

Assistant Executive Directors

Aamir Ali Khan
 Abdul Wahab
 Akhtar Kothawala
 Khalid Mehmood Mirza
 Muhammad Hussain
 S. Ashad H. Rizvi
 Saad Anwer
 Shahab Khan, B.C.S.
 Shahid Younus
 Syed Jaweed Envor, L.L.B.
 Syed Saad Jafri
 Tauqir Hussain Abdullah
 Yousuf Alavi

Senior Executive Vice Presidents

Adeel Ahmed
 Ali Rafiq Chinoy
 Anis Mehmood
 Asif Elahi
 Azmat Maqbool, M.B.A.
 Imran Ali Khan
 Mohammad Rizwanul Haq
 Mrs. Nargis Mehmood
 Muhammad Aamir Khadeli, M.B.A.
 Muhammad Imran Naeem, A.C.A.
 Muhammad Shakeel, M.B.A.
 Muhammad Umer Memon
 Muhammad Younus
 Muhammad Younus Khadeli

Rashid Habib, M.A.
Rizwan Siddiqui
S. Shahid Mahmood, M.A.
Syed Iftikhar Haider Zaidi, M.A.
Syed Imran Zaidi, M.B.A.
Syed Shahid Raza
Zafar Ali Khokhar, M.A.

Executive Vice Presidents

A. Ghaffar A. Karim
Azharul Hassan Chishty
Ejaz Ahmed
Faisal Khalid, M.Sc.
Jameel Masood
M. Arif Bhatti
Malik Akhtar Rafique
Mian Abdul Razak Raza, M.A.
Ms. Shazia Rahil Razzak
Muhammad Farooq
Muhammad Javed
Muhammad Mushtaq Najam Butt
Muneeb Farooq Kothawala
Shahid Abdullah Godil, M.B.A.
Syed Baqar Hasan, M.A.
Syed Muhammad Iftikhar
Tahir Ali Zuberi

Senior Vice Presidents

Bashir Ahmed Sangi
Faisal Hassan
Faisal Mahmood Jaffery
Farid Khan
Imdadullah Awan
Inayatullah Khalil
Javed Aslam Awan
Kayomarz H. Sethna
Kh. Zulqarnain Rasheed
M. Anis-ur-Rehman
Mahnoor Atif
Ms. Shela Farooq Kothawala
Muhammad Arfeen
Muhammad Asif Jawed, M.A.
Muhammad Haroon Akbar, M.B.A.

Muhammad Rehan Iqbal Booti
Muhammad Saleem Babar, M.B.A.
Muhammad Shamim Siddiqui
Qasim Ayub
Ramesh Malraj Bherwani
Rana Khalid Manzoor
Rashid A. Islam
S. Sohail Haider Abidi
Saad Wahid
Shahid Raza Kazmi
Shakil Wahid
Shazia Tariq
Somia Ali
Wasif Mubeen, L.L.B.
Wasim Ahmed

Vice Presidents

Abul Nasar
Ahmed Saeed Khan
Ali Hasnain Shah
Ashiq Hussain Bhatti
Babar Zeeshan
Hamid-U-Salam
Hassan Abbas Shigri
M. Ashraf Samana
M. Nadeem Shaikh
Ms. Fauzia Khawja
Ms. Sadia Khanum
Ms. Shahida Aslam
Mubashir Saleem
Muhammad Awais Memon
Muhammad Iftikhar Siddiqui
Muhammad Ilyas
Muhammad Iqbal
Muhammad Niamatullah
Muhammad Siddiq
Muhammad Tayyab Nazir
Muhammad Zia-ul-Haq
Rashid Umer Burney
Sohail Raza
Syed Abdul Ghaffar, M.A.
Syed Abid Raza
Syed Mobin A. Niazi

Syed Rashid Ali
Syed Rizwan Haider, M.Sc.
Tariq Jamil, M.B.E
Waleed Polani
Zakaullah Khan

Assistant Vice Presidents

Ahmed Nawaz, M.A.
Aman Nazar Muhammad
Arshad Iqbal, M.B.A.
Jalaluddin Ahmed
Javed Iqbal Cheema
Khurram Younas
M.A. Qayyum Khan
Mrs. Shagufta Asrar Ahmed
Muhammad Aamir Hanif
Muhammad Azim Hanif
Muhammad Mujahid Ali
Muhammad Murtaza Ispahani
Muhammad Musarat Hussain, M.Sc.
Muhammad Naveed Asghar
Nadeem A. Siddiqui
Qamar Aziz
Raja Jamil
S. Shakeel Hassan Bakhtiar
Shahid Iqbal
Syed Ali Haider Rizvi
Syed Mojiz Hasan
Syed Muhammad Waseem
Syed Zulfiqar Mehdi
Tahir Ali, M.B.A.
Tauseef Hussain Khan

Report of the Directors to Members

The Directors of your Company are pleased to present the Eighty Third Annual Report of the Company for the year ended December 31 2015.

The Company's profit after tax for the year 2015 increased to Rs. 4.03 billion from Rs. 1.83 billion in 2014 due to improved underwriting results, higher investment income **and major item of non-recurring nature was due to reversal of provision for impairment of Rs. 1.99 billion, which was made in 2008 is no more required as the value in use is higher than the carrying value of the investment.** Your Company's continuous emphasis on prudent approach both in underwriting and investment policies have also led to improvement of results. The earnings per share was Rs. 25.21 as against Rs. 11.43 last year.

The written premium for the year rose to Rs.15.2 billion (inclusive of Rs. 206 million of takaful contribution) as compared to Rs. 14.5 billion in 2014, while the Net Premium Revenue was Rs. 6.7 billion as compared to Rs. 6.5 billion in 2014.

The year 2015 depicted a positive trend for Pakistan with improvement in the security environment, low inflation and

a feel good factor due to expected investment from China in the country. S&P and Moody also upgraded Pakistan's credit rating from stable to positive.

The segment wise performance was as follows:

FIRE AND PROPERTY

The written premium was Rs. 8,132 million as compared to Rs. 8,391 million in 2014 and constituted 54 % of the total written premium of the Company. Claims as percentage of net premium revenue were 31 % as against 30 % in 2014. The underwriting profit for the year increased to Rs. 640 million compared to Rs. 564 million in 2014.

MARINE, AVIATION AND TRANSPORT

The written premium increased to Rs. 2,288 million as compared to Rs. 2,200 million in 2014 and constituted 15 % of the total written premium of the Company. Claims as a percentage of net premium revenue were 44 % as against 43 % in 2014 and the underwriting profit for the year was Rs. 257 million compared to Rs. 292 million in 2014.

MOTOR

The written premium increased to Rs. 3,255 million as compared to Rs. 2,853 million in 2014. The written premium of this segment constitutes 22 % of the total written premium of the Company. Claims as percentage of net premium revenue improved to 52 % as against 55 % in 2014 due to improved law and order situation. The underwriting profit was Rs. 479 million compared to Rs. 302 million in 2014.

OTHERS

The written premium increased to Rs. 1,333 million compared to Rs. 1,070 million in 2014. The written premium of this segment constitutes 9 % of the total written premium of the Company. Claims as percentage of net premium revenue remained at 61 %. The underwriting profit for the year was Rs. 158 million compared to Rs. 155 million in 2014.

Window Takaful Operations

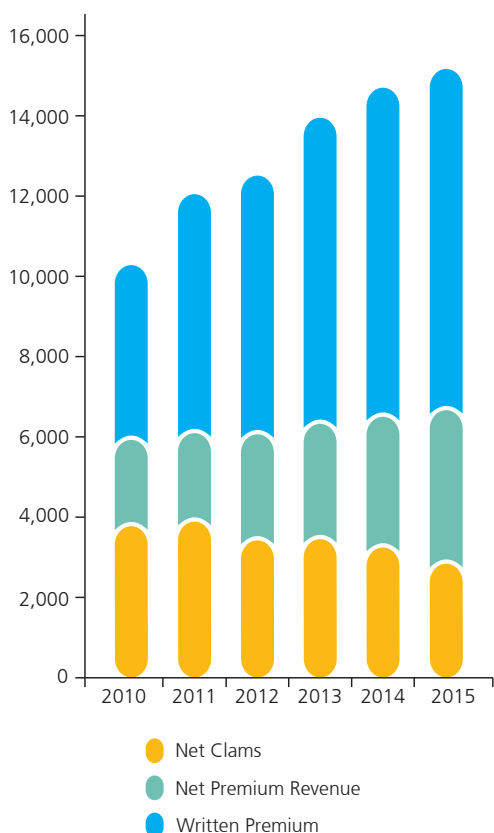
Your Directors are pleased to inform that your Company commenced Window Takaful Business consequent to grant of permission on 16 April 2015 by Securities and Exchange Commission of Pakistan (SECP) Insurance Division under SECP Takaful Rules, 2012. This will help in increasing overall insurance (conventional and takaful) penetration in the country.

The written contribution for the period from 6 May 2015 to 31 December 2015 was Rs. 206 million while net contribution revenue was Rs. 28 million. Participants' Takaful Fund Surplus for the period was Rs. 11 million and Loss from Operator's Fund for the period under review was Rs. 3 million.

Investment Income

Your Company realized capital gains of Rs. 602 million in 2015 as against Rs. 375 million in the previous year and earned dividend income of Rs. 217 million in 2015 as against Rs. 228 million in 2014. The total investment income for 2015 was

**WRITTEN PREMIUM,
NET PREMIUM REVENUE
AND NET CLAIMS**
(Rupees in Million)



Rs. 1,202 million, as against Rs. 915 million in 2014. The market value of investment in equities and mutual funds was Rs. 9.4 billion as on 31 December 2015 as compared to Rs. 7.9 billion as on 31 December 2014. Share of profit from EFU Life Assurance Limited, an associate company, for the year 2015 was Rs. 640 million as compared to Rs. 404 million in 2014.

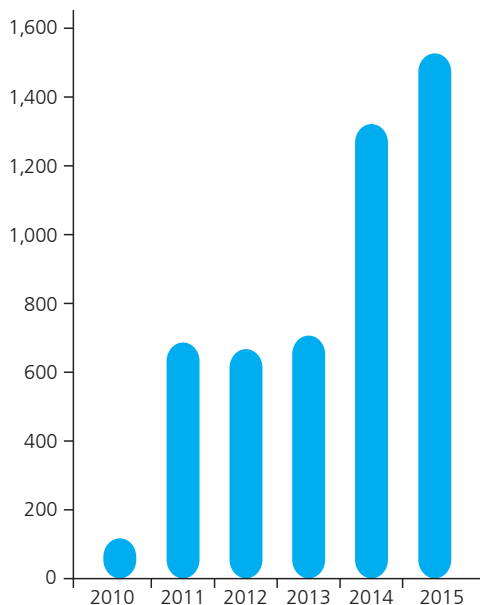
The Company's investment in EFU Life Assurance Limited (EFU Life), is being accounted for using equity method of accounting in accordance with the requirements of IAS 28. The carrying amount of investment in EFU Life was tested for impairment based on value in use by independent actuary and as certified by him, the recoverable amount is higher than the gross carrying value.

Considering that value in use exceeds the gross carrying value of Rs. 11,571 million as on 31 December 2015 the provision for impairment of Rs. 1,987 million made in the year 2008 against the associate investment is no longer required and hence the same has been reversed and taken into profit and loss account as a non-recurring item in accordance with the requirements of International Accounting Standards.

Information Technology

The Company continues to invest in technology not only to maintain a competitive edge but also to offer state of the art service to our customers, particularly in the Motor segment of our business. Our systems now enable us to keep in touch with our customers both by SMS and online which has not only helped improve claim service but also to provide timely information to policy-holders about renewal dates of policies as well as receipt of premium by the Company. The

UNDERWRITING RESULTS
(Rupees in Million)



commencement of Window Takaful Operations was implemented successfully under fully automated system similar to the conventional business.

Earnings per share

Your Company has reported earnings per share of Rs. 25.21 in 2015 as compared to Rs. 11.43 in 2014.

Appropriation and Dividend

The profit after tax was Rs. 4,034 million as compared to Rs. 1,829 million in 2014. Your Directors have recommended a final cash dividend of Rs. 4.5 per share (45 %) and issue of one new bonus share for every four existing shares (25 %) to the shareholders whose names appear in the share register of the Company at the close of business on March 25, 2016. This cash dividend is in addition to interim cash dividends of Rs. 3 per share (30 %) declared during the year.

	Rupees '000	
Balance at commencement of the year		1 998 197
Less: Final Dividend 2014 @ 50 %	800 000	
Transfer to General Reserve - 2014	1 000 000	1 800 000
Balance brought forward from previous year		198 197
Profit after tax for the year		4 033 902
Other Comprehensive Loss		(17 989)
Amount available for appropriation		4 214 110

The Directors recommend that this amount be appropriated in the following manner:

Less: Appropriation

Interim cash dividends 2015 @ 30 % (2014: 10 %)	480 000	
Proposed final cash dividend 2015 @ 45 % (2014: 50 %)	720 000	
Transfer to Proposed Issue of Bonus Share 2015 @ 25 % (2014: Nil)	400 000	
Transfer to General Reserve	2 000 000	3 600 000
Carry forward to next year		614 110

Market Share

Based on the available published financial information as of 30 September 2015, your Company has market share of 24 % of the private non-life insurance sector business in Pakistan. The statistics are compiled and published by The Insurance Association of Pakistan.

Credit Rating

Your Company was being rated by JCR-VIS till last year. This year, your Company got rating from PACRA also. Both JCR-VIS and PACRA have assigned rating of AA+ with stable outlook.

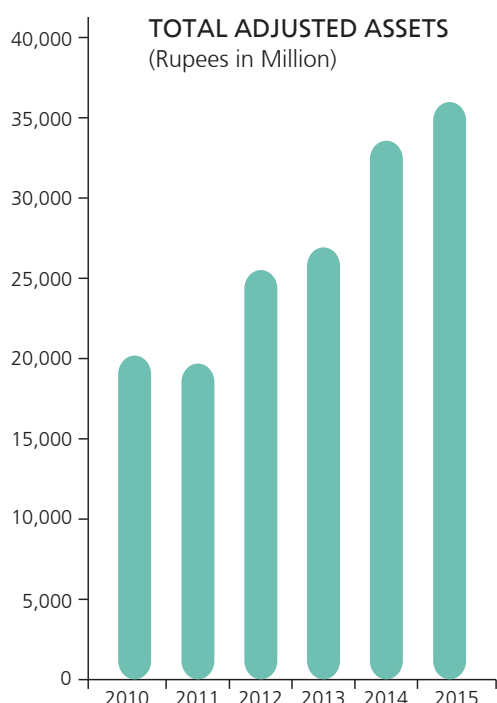
Human Resource

At EFU General Insurance Limited, we believe in family culture and encourage our employees to lead a balanced life to maintain professional and personal relationship.

We invest extensively in cultivating and motivating our employees and train them to face market challenges efficiently. We provide necessary training to our employees so that they have the knowledge and skills needed to accomplish their tasks effectively. Specialist instructors are assigned for imparting training to officers of EFU. The methods of knowledge and skill transfer, adopted at EFU are varied, pragmatic and useful. Classroom lectures are augmented by group discussion and observations.

In EFU, the goal of every supervisor is to maximize the results of every employee effectively and efficiently. We hire motivated employees with good attitudes, manage them well and develop them to their potential and the fact behind our success is the fact that our Human Resources are our real strength.

Several of our employees are enrolled to pursue and progress toward ACII, the world wide acceptable professional insurance qualification from Chartered Insurance Institute (CII), UK. We have "25" Chartered Insurer from CII, UK, "16" engineers and "13" professional accountants in our work force.



At EFU individual care and guidance in a friendly family community is at the heart of our philosophy. We aim to help each employee realize his / her full potential. As our Late Chairman Mr. Roshen Ali Bhimjee had said, "Above all we will value most, being, good husbands, good brothers, good sons who care for their families."

Other Accreditations

Your Company received Certificate of Registration ISO 9001:2008 in recognition of the organization's Quality Management System which complies with the requirement of ISO 9001:2008. Detail of various awards received is as follows:

Awards	Period	Organizer
SAFA Best Presented Annual Report Award	2014	South Asian Federation of Accountants (An apex body of SAARC)
FPCCI Achievement Award	2014	Federation of Pakistan Chamber of Commerce & Industry - FPCCI
Best Corporate Report Award	2014	Institute of Chartered Accountants of Pakistan - ICAP Institute of Cost and Management Accountants of Pakistan - ICMAP
Consumers Choice Award	2014	Consumers Association of Pakistan - CAP
Corporate Social Responsibility Award	2015	National Forum for Environment & Health - NFEH
Quality King Award	2015	The Consumer Eye Pakistan (TCEP)
Brands of the Year Award	2014-15	Brands Foundation

Significant Entity's Objectives

Your Company will continue to lay emphasis on being the preferred insurer as well as maintaining its leadership in the industry.

Critical Performance Indicators

The critical performance indicators against stated objectives of the Company are stated as under:

- Improving underwriting results
- Improved overheads

- Continue to be market leader
- Customer satisfaction
- Increasing shareholders wealth

Analysis of How the Entity's Performance Met / Exceeded Short of Forward-Looking Disclosures made in Prior Periods

Your Company had set financial targets for 2015 of being the largest and the best Company in the insurance sector and pleased to report that your Company continues to maintain the lead position. Your Company registered business growth of 3 % for the year 2015. The Company's reserves and retained earnings increased to Rs. 14.3 billion from Rs. 11.5 billion in 2014.

Analysis of the Prospects of the Company including Targets for Financial and Non-Financial Measures

Over the years, quality of service, customer satisfaction and employees motivation are the key areas where management has always taken necessary measures for improvement. The Company believes its strength is in the satisfaction of its customers. During the year, management conducted various training courses for the development of employees at various levels.

The key performance indicators devised for achieving the management objective are to maximize customer satisfaction, improve underwriting results, controlling overhead costs, increasing shareholders wealth and continue to be market leader.

Prospects for 2016

The insurance industry is expanding through non-conventional avenues also, including crop and livestock businesses. The year 2016 is likely to increase Motor Insurance Business as the banks have increased lease financing portfolio due to reduced mark-up rates and your Company being the market leader in leased vehicle insurance would increase this portfolio further. The Window Takaful Business would also add to the growth as 2016 would have full year of operations as against shorter period in 2015.

On the other hand the decline in oil prices is affecting the Marine business owing to reduced import values leading to lesser premiums.

Our strategy for 2016 is designed to deliver sustainable, profitable growth in a changing and competitive business environment in order to maintain leading position in the industry.

We continue to invest in our people and making EFU General a great place to build career. We also continue to invest in the systems and processes to better understand our customers' needs, serve them in the way they require, increase collaboration and improve efficiency. The way to success will be the (flawless and) relentless execution of our strategic plan to build a more competitive, more successful business that will be recognised as the best in the industry.

Reinsurance

Your Company continues to enjoy very sound reinsurance arrangements which are placed with leading international securities, like SCOR Global P&C, Swiss Reinsurance Company, Allianz SE Reinsurance, Korean Reinsurance Company, Aspen Reinsurance Company and Lloyds of London all with ratings A and above.

Related Party Transactions

At each board meeting the Board of Directors approves Company's transactions with Associated Companies / Related parties. All the transactions executed with related parties are on arm's length basis.

Capital Management and Liquidity

The Company maintains a strong capital position. Your Company carefully administers its liquidity to ensure its ability to meet its insurance obligations efficiently. The Company operates and honours its obligations through the cash flow generated from its core business as well as investment and other income.

Board Committees

Your Company maintains following three board committees.

Audit Committee

The Board is responsible for effective implementation of a sound internal control system including compliance with control procedures. The Audit Committee is assisted by the Internal Auditor in reviewing the adequacy of operational controls and in monitoring and managing risks so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Company and to add value and improve the Company's operations by providing independent and objective assurance. The principle responsibility of the Internal Auditors is to conduct periodic audits to ensure adequacy in operational controls, consistency in application of policies and procedures, compliance with laws and regulations. The Board's Audit Committee comprises of the following members:

1. Mr. Rafique R. Bhimjee
2. Mr. Taher G. Sachak
3. Mr. Ali Raza Siddiqui
4. Mr. Mohammed Iqbal Mankani

Investment Committee

The Company has a Board level investment committee that meets on quarterly basis to review the investment portfolio. The committee is also responsible for developing the investment policy for the Company. The Board's Investment Committee comprises of the following members:

1. Mr. Saifuddin N. Zoomkawala
2. Mr. Hasanali Abdullah
3. Mr. Rafique R. Bhimjee

Human Resource and Remuneration Committee

The committee is responsible for recommending to the Board human resource management policies of the Company as well as the selection, evaluation and compensation of key officers of the Company. The Board's Human Resource and Remuneration Committee comprises of the following members:

1. Mr. Saifuddin N. Zoomkawala
2. Mr. Rafique R. Bhimjee
3. Mr. Hasanali Abdullah

Management Committee

As part of the Corporate Governance, your Company maintains following three management committees which meet at least once every quarter:

Underwriting Committee

The underwriting committee formulates the underwriting policy of your Company. It sets out the criteria for assessing various types of insurance risks and determines the premium policy of different insurance covers. The committee regularly reviews the underwriting and premium policies of the Company with due regard to relevant factors such as its business portfolio and the market development.

Claims Settlement Committee

This committee devises the claims settling policy of the Company. It oversees the claims position of your Company and ensures that adequate claims reserves are made. Particular attention is paid to significant claims cases or events, which give rise to a series of claims. The Claims Settlement Committee determines the circumstances under which the claims dispute to be brought to its attention and decides how to deal with such claims disputes. It also oversees the implementation of the measures for combating fraudulent claims cases.

Reinsurance and Coinsurance Committee

This committee ensures that adequate reinsurance arrangements are made for the insurance company's businesses. It peruses the proposed reinsurance arrangements prior to their execution, reviews the arrangements from time to time and subject to the consent of the participating reinsurers, makes appropriate adjustments to those arrangements in the light of the market development. It also assesses the effectiveness of the reinsurance program for future reference.

Risks to Business

Business risks and mitigation factors are described in detail on page 23 of this Annual Report.

Corporate Social Responsibility Business Ethics and Consumer Protection

The Board has adopted the statement of ethics and business practices. All employees are informed of this and are required to observe these rules of conduct in relation to business and regulations. Statement of Ethics and business practices are

based on integrity, dignity, culture of excellence and ethical dealing with clients, peers and the public.

Sports Activities

To encourage healthy activities, the Company maintains an in-house sports club which includes Table Tennis, Snooker, Chess and other board games for male and female employees. In addition, gym facilities have also been provided for male and female employees. The Company also has a Cricket team and participated in various tournaments. All these sporting facilities are used by employees of all cadres and well appreciated.

Environment

Your Company is committed for the energy conservation and healthy environment. The Company has installed energy savers to conserve energy. At the same time we minimize the use of lights during lunch break.

Occupational Safety and Health

Fire extinguishers have been installed at various points within the working premises. Further, the Company has a dedicated medical facility which includes clinic and a - Chief Medical Officer at Karachi to take care of employees and their families' health matters and also advise on preventive health care.

Social and Environmental Responsibility Policy

To encourage academic endeavours within the employees' families, scholarship of Rs. 25,000 per child is awarded to those children of staff who pass matriculation or intermediate examinations with 70 % plus marks. In line with the Company's policy, during 2015, scholarships were awarded to promising students. EFU General has been awarded the Corporate Social Responsibility Award 2015 by National Forum for Environment & Health (NFEH).

Relationship with other Stakeholders

Your Company tries to maintain good relationship with:

- Its employees by providing good working environment;
- Its clients through building trust and providing quality service;
- The business community through honest and fair dealing;
- The government through promoting free enterprise along with competitive market system and complying with applicable laws; and
- The society in general through providing safe and healthy workplace and provide employees the opportunity to improve their skills.

National - Cause Donations and Welfare spending for under - privileged classes

Your Company, being a responsible corporate citizen, donates generously every year. In 2015, the Company donated Rs. 14.3 million to various organizations including, Institute of Business Administration, The Aga Khan Hospital and Medical

College Foundation, Eduljee Dinshaw Road Project Trust, Sindh Industrial Trading Estates Ltd., Fakhr-e-Imdad Foundation, Sindh Institute of Urology and Transplantation, The Kidney Centre, Shaukat Khanum Memorial Trust, Burhani Medical Welfare Association, Chiniot Anjuman Islamia amongst others.

Contribution to National Exchequer

Your Company contributes substantially to the national economy in terms of taxes and duties and the contribution is increasing as the Company is growing. This year the Company contributed Rs. 3.4 billion to the National Exchequer in the form of Federal Excise Duty, Sales Tax, Income Tax, Federal Insurance Fee, Custom Duties, Policy Stamps, etc.

Key Sources of Estimating Uncertainty

The preparation of financial statements requires management and the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingencies. These estimates are based on experience and various other assumptions that management and the Board believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The key areas of estimating uncertainty, which may have a significant effect on the amounts recognized in the financial statements, are discussed below:

Provision for unearned premiums

The unearned premium reserve is the unexpired portion of the premium which relates to business in force at the balance sheet date. Unearned premiums have been calculated by applying 1/24th method as specified in the SEC (Insurance) Rules, 2002.

Premium deficiency reserve (liability adequacy test)

The expected future liability is estimated by reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable. The movement in the premium deficiency reserve is recognized as an expense or income in the profit and loss account for the year.

Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognized in respect of all claims incurred up to the balance sheet date which is measured at the undiscounted value of expected future payments.

Employees' retirement benefits

Your Company operates defined benefit pension fund and defined benefit gratuity fund for its eligible employees. The

accounting treatment is carried out in accordance with International Accounting Standard (IAS) 19 - Employee Benefits. The amounts recognized in respect of the above schemes represent the present value of defined obligations adjusted for re-measured gains and losses as reduced by the fair value of plan assets.

Deferred taxation

Deferred tax is recognized using the balance sheet liability method for all temporary differences between the amounts attributed to assets and liabilities for financial reporting and taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted at the balance sheet date.

Impairment in value of investments

All impairment losses are recognized in the profit and loss account. Provisions for impairment are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. Changes in the provisions are recognized as income or expense.

Investment properties

The investment properties are accounted for under the cost model in accordance with IAS 40 - Investment Property.

Valuation of investment properties are also carried out by an independent valuer having relevant professional qualifications. The fair value is determined on the basis of professional assessment of the current prices in an active market for similar properties in the same location and condition.

Useful lives of fixed assets

The assets' residual values, useful lives and method for depreciation are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Premium due but unpaid

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if there is objective evidence that one or more events have had a negative effect on the estimated future cash flows of that asset.

Compliance with Code of Corporate Governance

The requirements of the Code of Corporate Governance set out by the regulatory authorities have been duly complied with. A statement to this effect is annexed with the report.

The Directors of your Company were elected at the Extraordinary General Meeting held on July 9, 2014 for a term of three years expiring on July 9, 2017.

The number of meetings attended by each Director is given hereunder:

Sr. no.	Name of Directors	Number of meetings attended
1	Saifuddin N. Zoomkawala (Non-Executive Director)	4 out of 4
2	Hasanali Abdullah (Executive Director)	4 out of 4
3	Rafique R. Bhimjee (Non-Executive Director)	4 out of 4
4	Abdul Rehman Haji Habib (Non-Executive Director)	4 out of 4
5	Jahangir Siddiqui (resigned w.e.f. 30-06-2015) (Non-Executive Director)	2 out of 2
6	Muneer R. Bhimjee (Non-Executive Director)	4 out of 4
7	Taher G. Sachak (Non-Executive Director)	4 out of 4
8	Ali Raza Siddiqui (Non-Executive Director)	3 out of 4
9	Mohammad Iqbal Mankani (Independent Director)	3 out of 4
10	Mahmood Lotia (co-opted on 29-08-2015) (Executive Director)	1 out of 1

Leave of absence was granted to the Directors who could not attend board meetings.

Mr. Jahangir Siddiqui resigned from the Board effective 30 June 2015. The casual vacancy on the Board was filled by co-option of Mr. Mahmood Lotia effective 29 August 2015.

Statement of Ethics and Business Practices

The Board has adopted the statement of ethics and business practices. All employees are informed of this statement and are required to observe these rules of conduct in relation to business and regulations.

Corporate and Financial Reporting Framework

- a) The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flow and changes in equity.

- b) Proper books of accounts have been maintained by the Company.

- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.

- d) The International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departure from there has been adequately disclosed.

- e) The system of internal control is sound in design and has been effectively implemented and monitored.

- f) There are no significant doubts upon the Company's ability to continue as a going concern.

- g) There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

- h) The key operating and financial data for the last six years is annexed.

- i) The value of investments of provident, gratuity and pension funds based on their audited accounts, as on 31 December 2015 were:

Provident Fund	Rs. 695 million
Gratuity Fund	Rs. 309 million
Pension Fund	Rs. 245 million

- j) The statement of pattern of shareholding in the Company as at 31 December 2015 is included with the Report.

Messrs Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants retire and being willing to continue as suggested by Audit Committee are recommended for reappointment as auditors of the Company for the ensuing year.

We would like to thank our valued customers for their continued patronage and support and to Pakistan Reinsurance Company Limited, Securities and Exchange Commission of Pakistan and State Bank of Pakistan for their guidance and assistance.

It is a matter of deep gratification for your Directors to place on record their appreciation of the efforts made by officers, field force and staff who had contributed to the growth of the Company and the continued success of its operations.

RAFIQUE R. BHIMJEE
Director

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 13 February 2016

Key Financial Data

(Rupees in Million)

	2015	2014	2013	2012	2011	2010
Written Premium	15 008	14 514	13 882	12 360	12 043	10 232
Written Contribution	206	–	–	–	–	–
Earned Premium	14 648	14 269	13 270	12 001	11 433	9 699
Net Premium Revenue	6 677	6 532	6 342	6 009	6 224	5 847
Underwriting Result	1 534	1 316	772	679	693	112
Investment & Other Income	4 058	1 584	1 408	1 481	654	7
Profit / (Loss) before tax	4 809	2 262	1 623	1 614	842	(360)
Profit / (Loss) after tax	4 034	1 829	1 392	1 564	561	(413)
Paid-up Capital	1 600	1 600	1 250	1 250	1 250	1 250
Shareholders' Equity	15 847	13 111	11 908	11 131	9 996	9 591
Breakup Value per Share (Rs.)	99.04	81.94	95.26	89.05	79.97	76.73
Investments & Properties	19 357	15 860	15 002	13 611	12 552	11 899
Cash & Bank Balances	1 749	1 521	2 083	1 670	1 758	1 707
Total Assets Book Value	32 264	29 227	28 939	29 057	24 378	24 542
Dividend	% 75.00	60.00	50.00	50.00	27.50	12.50
Bonus	% 25.00	–	28.00	–	–	–

Vertical Analysis of Balance Sheet & Income Statement

	2015		2014	
	Rupees	%	Rupees	%
Balance Sheet				
Cash and Bank Deposits	1 749	5.42	1 521	5.20
Loans to Employees	2	0.01	3	0.01
Investments	19 166	59.40	15 647	53.54
Investment Properties	191	0.59	213	0.73
Deferred Taxation	-	-	-	-
Current Assets	9 949	30.84	10 923	37.37
Fixed Assets	1 101	3.41	920	3.15
Total Assets	32 158	99.67	29 227	100.00
Total Assets from general takaful operations-OPF	106	0.33	-	-
Total Assets	32 264	100.00	29 227	100.00
Total Equity	15 847	49.12	13 111	44.86
Underwriting Provisions	11 529	35.73	12 313	42.13
Deferred Liabilities	127	0.39	117	0.40
Creditors and Accruals	4 034	12.50	3 078	10.53
Other Liabilities	668	2.08	608	2.08
Total Equity and Liabilities	32 205	99.82	29 227	100.00
Total liabilities from general takaful operations-OPF	59	0.18	-	-
Total Equity and Liabilities	32 264	100.00	29 227	100.00
Profit and Loss Account				
Written Premium	15 008		14 514	
Net Premium Revenue	6 677	100.00	6 532	100.00
Net Claims	2 998	44.90	2 973	45.51
Change in Premium Deficiency Reserve	-	-	-	-
Manangement Expenses	1 525	22.84	1 482	22.69
Net Commission	620	9.29	761	11.65
Investment Income / (Loss)	1 202	18.00	915	14.01
Rental Income	130	1.95	119	1.82
Profit on Deposits	76	1.14	115	1.76
Other Income	26	0.39	31	0.47
Share of Profit / (Loss) of Associate	640	9.59	404	6.18
Non-recurring - reversal of provision for impairment	1 987	29.76	-	-
General and Administration Expenses	685	10.26	592	9.06
Workers' Welfare Fund	98	1.47	46	0.70
Loss before tax from takaful operations - OPF	(3)	(0.04)	-	-
Profit / (Loss) Before Tax	4 809	72.03	2 262	34.63
Taxation - net	775	11.61	433	6.63
Profit / (Loss) After Tax	4 034	60.42	1 829	28.00

Rupees in Million

2013		2012		2011		2010	
Rupees	%	Rupees	%	Rupees	%	Rupees	%
2 084	7.20	1 670	5.75	1 758	7.21	1 707	6.95
2	0.01	3	0.01	2	0.01	3	0.01
14 771	51.04	13 405	46.13	12 333	50.59	11 664	47.53
231	0.80	206	0.71	219	0.90	236	0.96
-	-	-	-	-	-	115	0.47
10 991	37.98	12 902	44.40	9 306	38.17	10 108	41.19
860	2.97	871	3.00	760	3.12	709	2.89
28 939	100.00	29 057	100.00	24 378	100.00	24 542	100.00
-	-	-	-	-	-	-	-
28 939	100.00	29 057	100.00	24 378	100.00	24 542	100.00
11 908	41.15	11 131	38.31	9 996	41.00	9 591	39.07
13 028	45.02	14 598	50.24	11 684	47.93	12 708	51.78
86	0.30	88	0.30	59	0.24	41	0.17
3 349	11.57	2 709	9.32	2 205	9.05	1 830	7.46
568	1.96	531	1.83	434	1.78	372	1.52
28 939	100.00	29 057	100.00	24 378	100.00	24 542	100.00
-	-	-	-	-	-	-	-
28 939	100.00	29 057	100.00	24 378	100.00	24 542	100.00
13 882		12 360		12 043		10 232	
6 342	100.00	6 009	100.00	6 224	100.00	5 847	100.00
3 406	53.71	3 297	54.87	3 708	59.58	3 942	67.42
-	-	-	-	(57)	(0.92)	2	0.03
1 375	21.68	1 285	21.38	1 193	19.17	1 135	19.41
789	12.44	748	12.45	687	11.04	656	11.22
772	12.17	851	14.16	186	2.99	(358)	(6.12)
101	1.59	98	1.63	87	1.40	84	1.44
113	1.78	116	1.93	111	1.78	87	1.49
23	0.36	26	0.43	27	0.43	43	0.74
399	6.29	390	6.49	244	3.92	151	2.59
-	-	-	-	-	-	-	-
525	8.28	513	8.54	489	7.86	479	8.19
32	0.50	33	0.55	17	0.27	-	-
-	-	-	-	-	-	-	-
1 623	25.58	1 614	26.85	842	13.52	(360)	(6.13)
231	3.64	50	0.83	281	4.51	53	0.91
1 392	21.94	1 564	26.02	561	9.01	(413)	(7.04)

Horizontal Analysis of Balance Sheet & Income Statement

	2015	2014	2013	2012
Balance Sheet				
Cash and Bank Deposits	1 749	1 521	2 084	1 670
Loans to Employees	2	3	2	3
Investments	19 166	15 647	14 771	13 405
Investment Properties	191	213	231	206
Deferred Taxation	-	-	-	-
Other Assets	9 949	10 923	10 991	12 902
Fixed Assets	1 101	920	860	871
Total Assets	32 158	29 227	28 939	29 057
Total Assets from general takaful operations-OPF	106	-	-	-
Total Assets	32 264	29 227	28 939	29 057
Total Equity	15 847	13 111	11 908	11 131
Underwriting Provisions	11 529	12 313	13 028	14 598
Deferred Liabilities	127	117	86	88
Creditors and Accruals	4 034	3 078	3 349	2 709
Other Liabilities	668	608	568	531
Total Equity and Liabilities	32 205	29 227	28 939	29 057
Total liabilities from general takaful operations-OPF	59	-	-	-
Total Equity and Liabilities	32 264	29 227	28 939	29 057
Profit and Loss Account				
Written Premium	15 008	14 514	13 882	12 360
Net Premium Revenue	6 677	6 532	6 342	6 009
Net Claims	2 998	2 973	3 406	3 297
Change in premium deficiency reserve	-	-	-	-
Management Expenses	1 525	1 482	1 375	1 285
Net Commission	620	761	789	748
Investment Income / (Loss)	1 202	915	772	851
Rental Income	130	119	101	98
Profit on Deposits	76	115	113	116
Other Income	26	31	23	26
Share of Profit / (Loss) of Associate	640	404	399	390
Non-recurring - reversal of provision for impairment	1 987	-	-	-
General and Administration expenses	685	592	525	513
Worker's Welfare fund	98	46	32	33
Loss before tax from general takaful operations - OPF	(3)	-	-	-
Profit / (Loss) before tax	4 809	2 262	1 623	1 614
Taxation - net	775	433	231	50
Profit / (Loss) after tax	4 034	1 829	1 392	1 564

Rupees in Million

% Increase / (decrease) over preceding year

2011	2010	2015	2014	2013	2012	2011	2010
1 758	1 707	14.99	(27.02)	24.79	(5.01)	2.99	26.44
2	3	(33.33)	50.00	(33.33)	50.00	(33.33)	-
12 333	11 664	22.49	5.93	10.19	8.69	5.74	(7.75)
219	236	(10.33)	(7.79)	12.14	(5.94)	(7.20)	(2.48)
-	115	-	-	-	-	(100.00)	238.24
9 306	10 108	(8.92)	(0.62)	(14.81)	38.64	(7.93)	41.95
760	709	19.67	6.98	(1.26)	14.61	7.19	30.09
24 378	24 542	10.03	1.00	(0.41)	19.19	(0.67)	11.86
-	-	100.00	-	-	-	-	-
24 378	24 542	10.39	1.00	(0.41)	19.19	(0.67)	11.86
9 996	9 591	20.87	10.10	6.98	11.35	4.22	(8.35)
11 684	12 708	(6.37)	(5.49)	(10.75)	24.94	(8.06)	30.88
59	41	8.55	36.05	(2.27)	49.15	43.90	70.83
2 205	1 830	31.06	(8.09)	23.62	22.86	20.49	27.17
434	372	9.87	7.04	6.97	22.35	16.67	23.59
24 378	24 542	10.19	1.00	(0.41)	19.19	(0.67)	11.86
-	-	100.00	-	-	-	-	-
24 378	24 542	10.39	1.00	(0.41)	19.19	(0.67)	11.86
12 043	10 232	3.40	4.55	12.31	2.63	17.70	6.43
6 224	5 847	2.22	3.00	5.54	(3.45)	6.45	4.97
3 708	3 942	0.84	(12.71)	3.31	(11.08)	(5.94)	0.79
(57)	2	-	-	-	100.00	(2 950.00)	(96.36)
1 193	1 135	2.90	7.78	7.00	7.71	5.11	5.48
687	656	(18.53)	(3.55)	5.48	8.88	4.73	42.30
186	(358)	31.37	18.52	(9.28)	357.53	151.96	(153.19)
87	84	9.24	17.82	3.06	12.64	3.57	(2.33)
111	87	(33.91)	1.77	(2.59)	4.50	27.59	(6.45)
27	43	(16.13)	34.78	(11.54)	(3.70)	(37.21)	186.67
244	151	58.42	1.25	2.31	59.84	61.59	(48.81)
-	-	100.00	-	-	-	-	-
489	479	15.71	12.76	2.34	4.91	2.09	16.26
17	-	113.04	43.75	(3.03)	94.12	100.00	(100.00)
-	-	100.00	-	-	-	-	-
842	(360)	112.60	39.37	0.56	91.69	333.89	(144.94)
281	53	78.98	87.45	362.00	(82.21)	430.19	(23.19)
561	(413)	120.56	31.39	(11.00)	178.79	235.84	(156.42)

Cash Flow Summary

Rupees in Million

	2015	2014	2013	2012	2011	2010
Cash Flow Summary						
Operating Activities	1 342	(214)	1 219	292	434	140
Investing Activities	136	295	(194)	77	(231)	665
Financing Activities	(1 250)	(643)	(612)	(457)	(152)	(448)
Cash and Cash Equivalents at year end	1 749	1 521	2 083	1 670	1 758	1 707

Financial Ratios

		2015	2014	2013	2012	2011	2010
Profitability							
Profit / (Loss) after Tax / Net Premium	%	60.42	28.00	21.95	26.04	9.01	(7.07)
Profit / (Loss) before Tax / Net Premium	%	72.02	34.63	25.59	26.86	13.52	(6.15)
Underwriting Result / Net Premium	%	22.97	20.15	12.17	11.30	11.14	1.91
Underwriting Result / Written Premium	%	10.22	9.07	5.56	5.49	5.76	1.09
Profit / (Loss) before Tax / Total Income	%	44.80	27.87	20.94	21.55	12.24	(6.15)
Profit / (Loss) after Tax / Total Income	%	37.57	22.54	17.96	20.88	8.16	(7.06)
Profit / (Loss) before Tax / Written Premium	%	32.04	15.58	11.69	13.06	6.99	(3.52)
Profit / (Loss) after Tax / Written Premium	%	26.88	12.60	10.03	12.66	4.66	(4.04)
Combined ratio	%	86.11	87.65	95.09	96.16	96.89	105.33
Management Expenses / Net Premium	%	22.83	22.69	21.68	21.38	19.18	19.41
Net Claims / Net Premium	%	44.90	45.51	53.72	54.88	59.56	67.42
Net Commission / Net Premium	%	9.28	11.64	12.43	12.45	11.03	11.23
General & Administration Expense / Net Premium	%	9.10	7.81	7.26	7.45	7.12	7.27
Return to Shareholders							
Return on Assets	%	12.50	6.26	4.81	5.38	2.30	(1.68)
Return on Equity	%	25.46	13.95	11.69	14.05	5.61	(4.31)
Earnings per Share	%	25.21	11.43	11.14	12.52	4.49	(3.31)
Earnings per Share (Restated)	%	25.21	11.43	8.70	9.78	3.51	(2.58)
Earnings Growth	%	120.55	31.39	(11.00)	178.79	235.84	(156.42)
Price to Earnings Ratio	Times	5.69	13.38	8.25	6.83	8.50	(13.32)
Dividend Yield	%	5.22	3.92	5.44	5.85	7.21	2.84
Breakup Value per Share	Rs.	99.04	81.94	95.26	89.05	79.97	76.73

		2015	2014	2013	2012	2011	2010
Market Data							
Face Value (per share)	Rs.	10.00	10.00	10.00	10.00	10.00	10.00
Market Price per share at the end of the year	Rs.	143.50	152.89	91.92	85.50	38.15	44.04
Market Price per share - Highest during the year	Rs.	168.06	159.48	99.20	100.56	45.00	102.85
Market Price per share - Lowest during the year	Rs.	133.78	92.22	77.32	36.51	29.01	34.76
Karachi Stock Exchange Index	Points	32 816	32 131	25 261	16 905	11 348	12 022
Market Capitalization	(Rs. M)	22 960	24 462	11 490	10 688	4 769	5 505
Price to Book Value	Times	1.45	1.87	0.96	0.96	0.48	0.57
Cash Dividend Per Share	Rs.	7.50	6.00	5.00	5.00	2.75	1.25
Cash Dividend	%	75.00	60.00	50.00	50.00	27.50	12.50
Stock Dividend	%	25.00	Nil	28.00	Nil	Nil	Nil
Dividend Pay out	%	29.75	52.49	44.88	39.94	61.25	(37.76)
Dividend Cover	Times	3.36	1.91	2.23	2.50	1.63	(2.65)
Performance / Liquidity							
Current Ratio	Times	1.19	1.17	1.10	1.06	1.02	0.99
Cash / Current Liabilities	%	10.74	9.51	12.29	9.36	12.27	11.45
Total Assets Turnover	Times	0.21	0.22	0.22	0.21	0.26	0.24
Fixed Assets Turnover	Times	6.06	7.10	7.37	6.90	8.19	8.25
Total Liabilities / Equity	Times	1.04	1.23	1.43	1.61	1.44	1.56
Paid-up capital / Total Assets	%	49.12	44.86	41.15	38.31	41.00	39.08
Earning Assets / Total Assets	%	60.00	54.28	51.85	46.85	51.50	48.50
Equity / Total Assets	%	49.12	44.86	41.15	38.31	41.00	39.08
Return on Capital Employed	%	30.35	17.25	13.63	14.50	8.42	(3.75)

The Company has improved underwriting over the last few years through improvement in underwriting ratios i.e.

- underwriting result to net premium ratio;
- underwriting result to written premium ratio;
- net claims to net premium ratio.

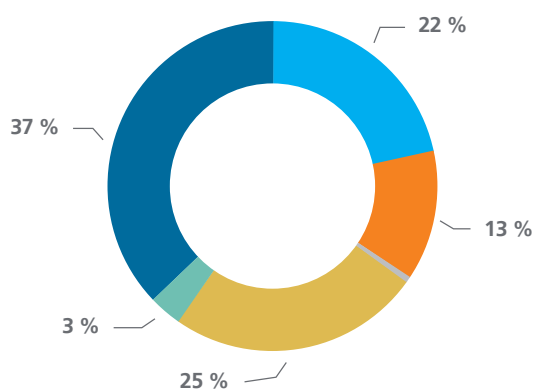
The Company has consistently paid dividends which has strengthened dividend yield over the last few years. Simultaneously, this has resulted in increase in shareholders' wealth through increased market capitalization.

Statement of Value Added

Rupees in Million

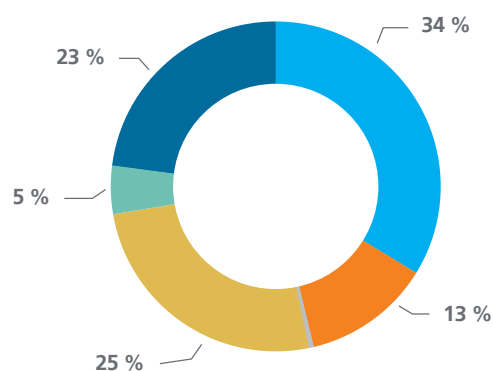
	2015	2014
Wealth generated		
Net premium revenue	6 677	6 532
Investment income	1 843	1 319
Rental income	130	119
Profit on deposit	76	115
Other income	8	65
Non-recurring - reversal of provision for impairment of an associate (unrealised)	1 987	-
	10 721	8 150
Less: Claims, Commission & Expenses (excluding employees remuneration, depreciation and donations)	(4 197)	(4 342)
Loss from general takaful operations - OPF	(3)	-
Net wealth generated	6 521	3 808
Wealth distribution		
Employees remuneration	1 406	1 281
Income tax and WWF	873	479
Contribution to society / donations	14	8
	2 293	1 768
Distribution		
Cash Dividend	1 200	960
Stock Dividend	400	-
	1 600	960
Retained in equity		
Depreciation	212	177
Reserves & Retained earnings	2 416	903
	2 628	1 080
	6 521	3 808

Value Added - 2015



● Employees Remuneration
 ● Income Tax and WWF
 ● Contribution to Society / Donations
 ● Distribution to Shareholders
 ● Depreciation

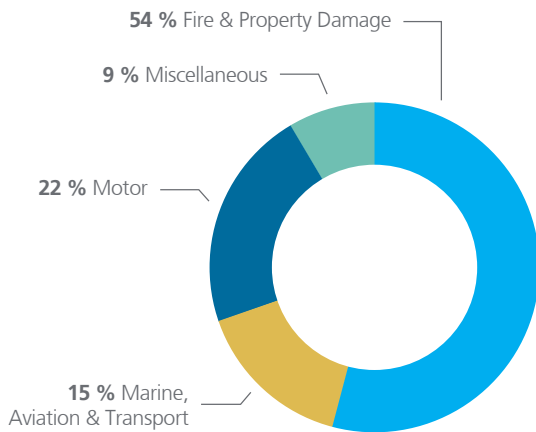
Value Added - 2014



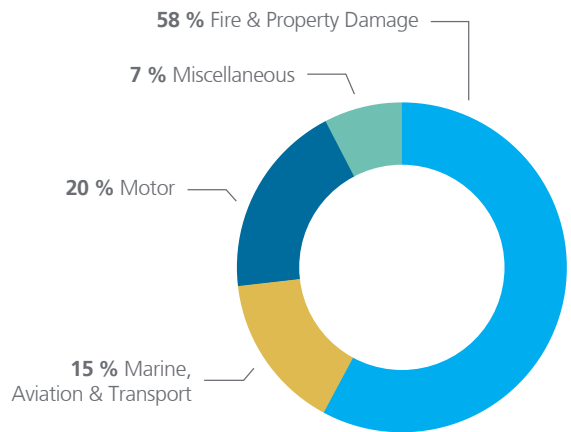
● Reserves & Retained Earnings
 ● Income Tax and WWF
 ● Contribution to Society / Donations
 ● Distribution to Shareholders
 ● Depreciation

Analysis of Financial Statements

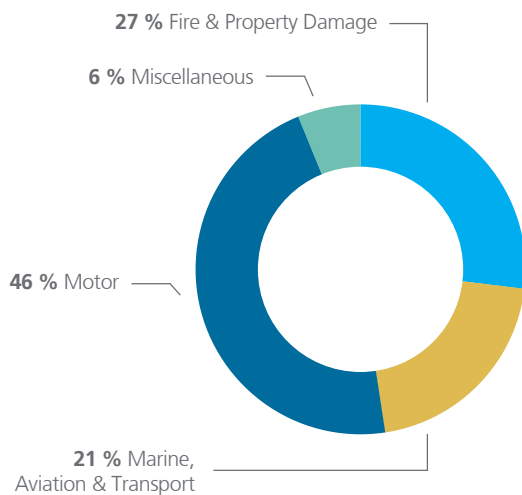
Gross Premium - 2015



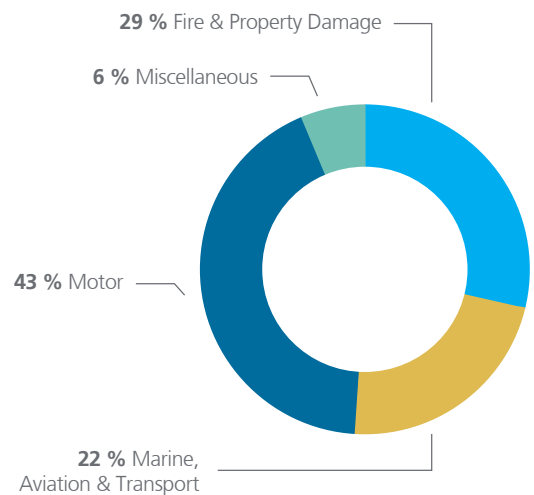
Gross Premium - 2014



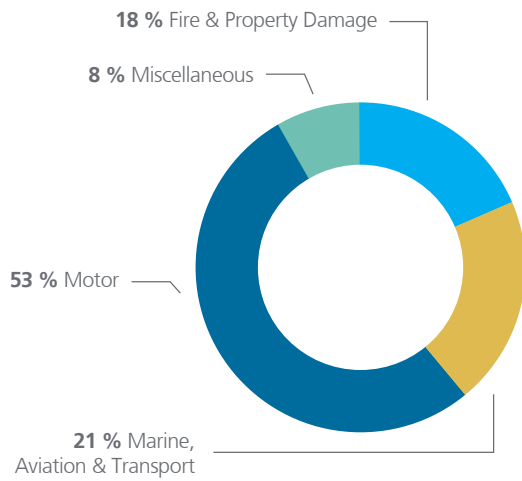
Net Premium Revenue - 2015



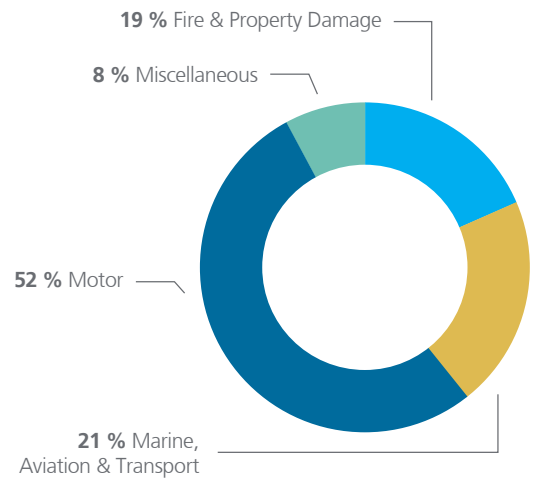
Net Premium Revenue - 2014



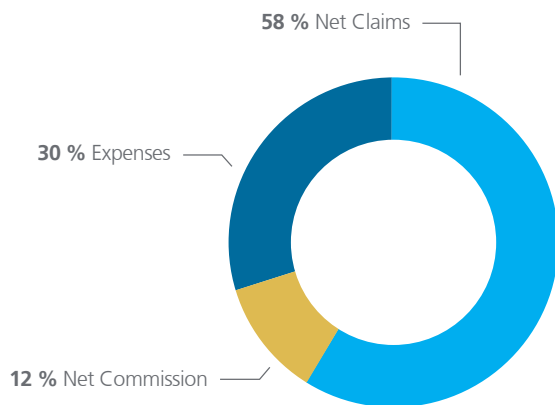
Net Claims - 2015



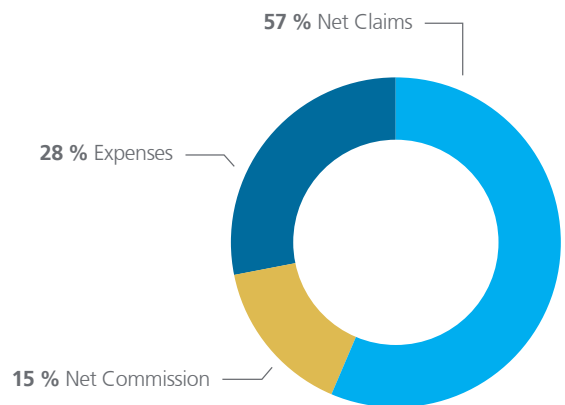
Net Claims - 2014



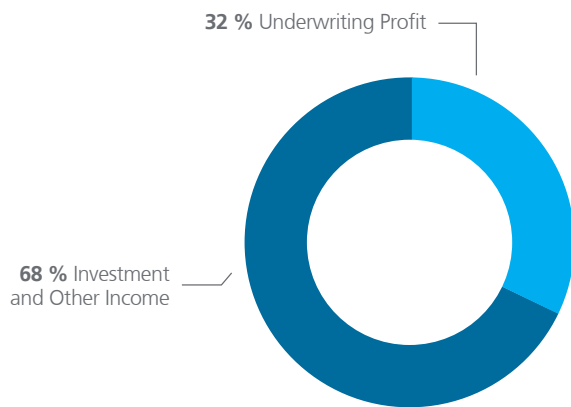
Combined Expenses - 2015



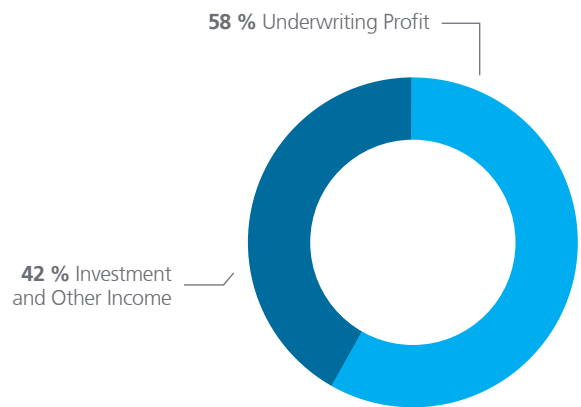
Combined Expenses - 2014



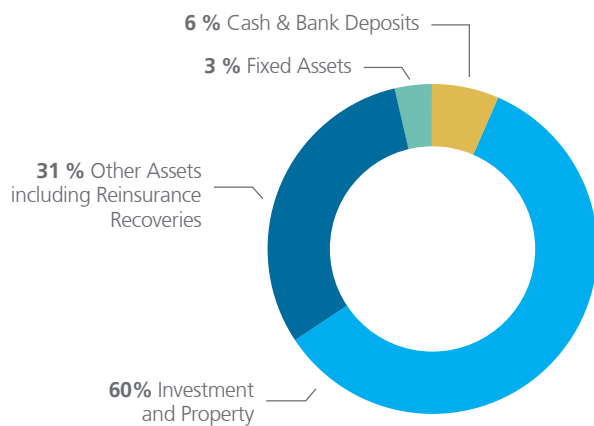
Analysis of Income - 2015



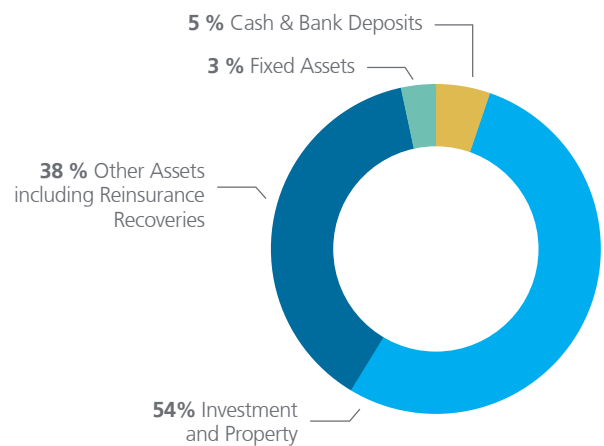
Analysis of Income - 2014



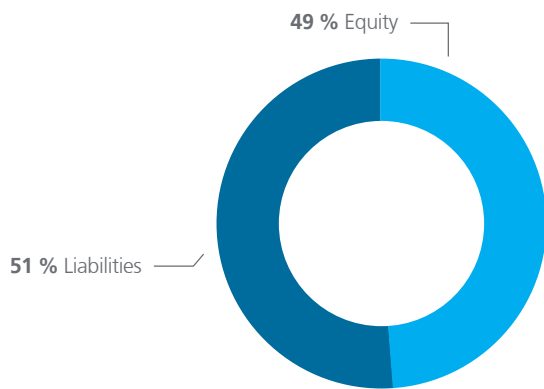
Total Assets - 2015



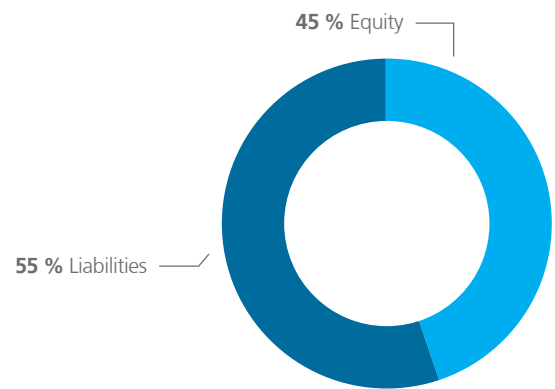
Total Assets - 2014



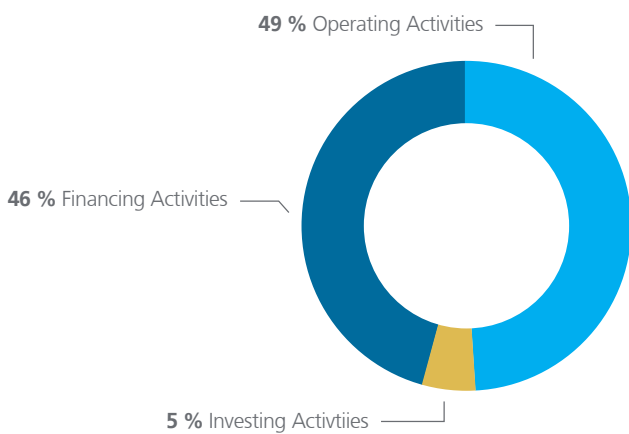
Total Equity and Liabilities - 2015



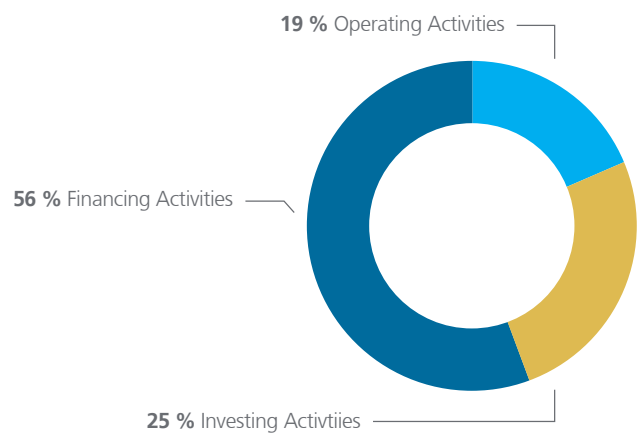
Total Equity and Liabilities - 2014



Cash Flow Analysis - 2015

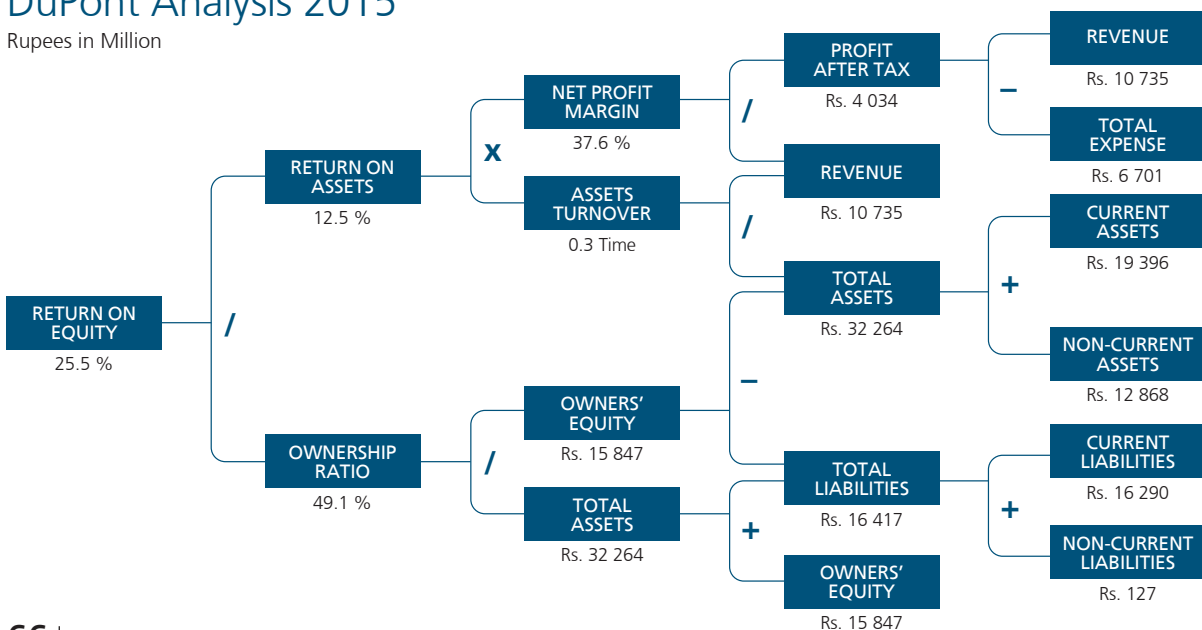


Cash Flow Analysis - 2014



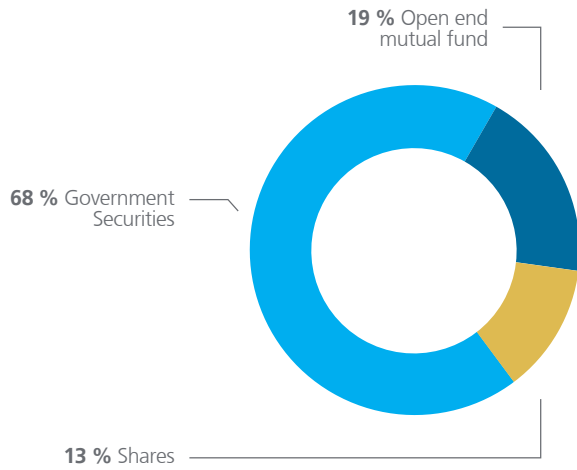
DuPont Analysis 2015

Rupees in Million

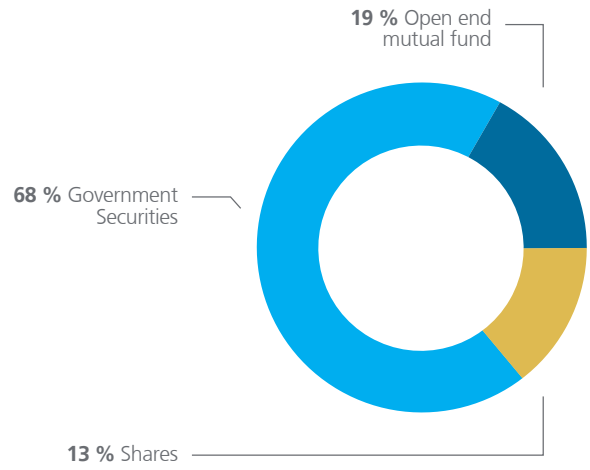


Analysis of Investment - Provident Fund

2015

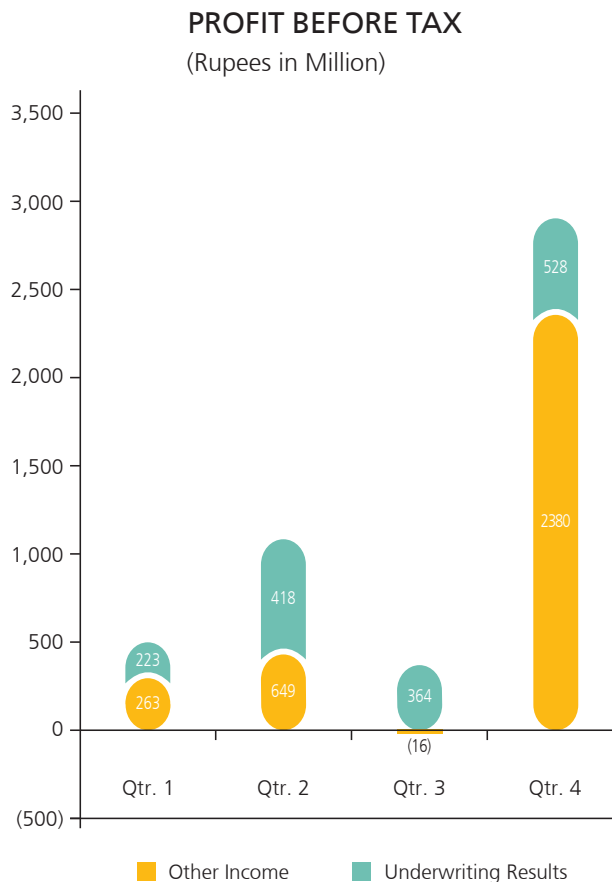


2014



The investments out of Provident Fund have been made in accordance with the requirement of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

Analysis of Variation in Results Reported in Quarterly Accounts



- Qtr 1:** The Company reported Profit before tax of Rs. 486 million in the first quarter mainly due to overall improvement in underwriting results, investment income and share of profit from an associate.
- Qtr 2:** The quarter witnessed significant increase in Profit before tax of Rs. 1,067 million due to considerable rise in investment income.
- Qtr 3:** The third quarter remained subdued due to decrease in investment income and reported a Profit before tax of Rs. 348 million.
- Qtr 4:** The last quarter witnessed significant increase in profit before tax due to investment income, share of profit of associate and a non-recurring reversal of provision for impairment of an associate (unrealized) of Rs. 1,987 million. On the other hand the underwriting results also improved with increase in premium coupled with decreased claim losses. Therefore the profit before tax stood at 2,908 million for the fourth quarter.

Statement of Compliance with the Best Practices of the Code of Corporate Governance For the year ended December 31, 2015

This statement is being presented to comply with the Code of Corporate Governance (the "Code") contained in the listing regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.


The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive Directors and Directors representing minority interest on its Board of Directors. At present the Board includes:

<u>Category</u>	<u>Names</u>
Independent Director	Mr. Mohammed Iqbal Mankani
Executive Directors	Mr. Hasanali Abdullah Mr. Mahmood Lotia
Non Executive Directors	Mr. Saifuddin N. Zoomkawala Mr. Rafique R. Bhimjee Mr. Abdul Rehman Haji Habib Mr. Muneer R. Bhimjee Mr. Taher G. Sachak Mr. Ali Raza Siddiqui

The Independent director meets the criteria of independence under the Code.

2. The Directors have confirmed that none of them is serving as a Director in more than seven listed companies including this Company.
3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurred on the Board due to resignation of Mr. Jahangir Siddiqui on June 30, 2015 was filled up within 60 days on August 29, 2015.
5. The Company has prepared a "Statement of Ethics and Business Practices" as Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of Chief Executive Officer (CEO), other executive and non executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The management of the Company has submitted a Booklet to the Board of Directors on 29 August 2015 to consider it as an orientation course for its Directors and to apprise them of their duties and responsibilities. The course Booklet also apprised the Directors about changes in Code of Corporate Governance. As per the Code Directors of the Company having 15 years of experience on the Board of listed company and 14 years of education are exempted from directors' training program. Our five directors are "Certified Directors" from Pakistan Institute of Corporate Governance while two are undergoing the course and two directors meet the criteria of eligibility as directors. The Company will however, arrange training program for all directors as provided under the Code, within the prescribed time period.

- 
10. There was no new appointment of Chief Financial Officer (CFO) & Corporate Secretary or Head of Internal Audit during the year. The Board had however, approved the increase in remuneration of CFO & Corporate Secretary and the Head of Internal Audit Department on the recommendation of Audit Committee.
 11. The Directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance and fully describes the salient matters required to be disclosed.
 12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
 13. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
 14. The Company has complied with all the corporate and financial reporting requirements of the Code.
 15. The Board has formed an Audit Committee. It comprises of four members, of whom three are non-executive Directors and one is independent director.
 16. The meeting of underwriting, claims settlement, reinsurance and coinsurance and investment committees were held at least once every quarter.
 17. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
 18. The Board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the committee is a non-executive director.
 19. The Company has an effective team for internal audit. The team is fully conversant with the policies and procedures of the Company and is involved in the internal audit function on full time basis.
 20. All related party transactions entered during the year were on arm's length basis and these have been placed before the Audit Committee and Board of Directors. These transactions are duly reviewed and approved by the Audit committee and Board of Directors along with pricing method.
 21. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
 22. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
 23. The 'closed period', prior to the announcement of interim / final results and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
 24. Material / price sensitive information has been disseminated among all market participants at once through stock exchange(s).
 25. We confirm that all other material principles contained in the Code have been complied with.

RAFIQUE R. BHIMJEE
Director

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 13 February 2016

Review Report to the Members on Statement of Compliance with the Best Practices of the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of EFU General Insurance Limited (the Company) for the year ended 31 December 2015 to comply with the requirements of Listing Regulations of the Stock Exchange, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2015.

ERNST & YOUNG FORD RHODES SIDAT HYDER
Chartered Accountants

Audit Engagement Partner: Arslan Khalid

Karachi 13 February 2016

Independent Assurance report to the Board of Directors and Shariah Advisor of EFU General Insurance Limited in respect of Company's compliance with the Shariah rules and principles

We have performed an independent assurance engagement (Shariah Compliance Audit) of EFU General Insurance Limited (the Company) to ensure that the Company has complied with the Shariah rules and principles as prescribed by the Shariah Advisor / Shariah Board (prior to promulgation of Takaful Rules 2012) of the Company and the Takaful Rules 2012, during the period from 06 May 2015 to 31 December 2015.

2. Management's responsibility for Shariah compliance

It is the responsibility of the Company to ensure that the financial arrangements, contracts, products and transactions entered into by the Company and EFU General Insurance Limited Waqf Fund (the Waqf) with participants, other financial institutions and stakeholders are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles as determined by the Shariah Advisor / Shariah Board and the Takaful Rules, 2012.

3. Our responsibility

3.1. Our responsibility in connection with this engagement is to express an opinion, based on the procedures performed on a sample basis, whether these financial arrangements, contracts, products and transactions are in compliance with the requirements of the Shariah rules and principles as prescribed by the Company's Shariah Advisor / Shariah Board and the Takaful Rules, 2012.

3.2. The procedures selected by us for the engagement depended on our judgment, including the assessment of the risks of material non-compliance with the said Shariah rules and principles. In making those risk assessments, we considered such internal control procedures as were relevant to the Company's compliance with Shariah rules and principles. Our engagement was, however, not intended for expressing opinion on the effectiveness of the Company's internal controls for purposes of compliance with the Shariah rules and principles.

3.3. We believe that the evidence we have obtained through performing our procedures on a sample basis were sufficient and appropriate to provide a basis for our opinion.

3.4. In addition, interpretation and conclusion of the Shariah Advisor / Shariah Board of the company is considered final for the purpose of interpretation of the Shariah matters mentioned in the Takaful Rules, 2012.

4. Framework for the Engagement

We have conducted our engagement in accordance with International Standard for Assurance Engagements 3000 (ISAE 3000) issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants. This Standard requires that we comply with ethical requirements and plan and perform the engagement to obtain reasonable assurance regarding the subject-matter i.e. the Company's compliance with the Shariah rules and principles as determined by the Shariah Advisor / Shariah Board and the Takaful Rules, 2012.

5. Our Opinion

In our opinion, based on the sample selected, the financial arrangements, contracts, products and transactions entered into by the Company and the Waqf, as the case may be, for the period from 06 May 2015 to 31 December 2015, are in compliance with the requirements of the Shariah rules and principles as prescribed by the Shariah Advisor / Shariah Board and the Takaful Rules, 2012 in all material respects.

ERNST & YOUNG FORD RHODES SIDAT HYDER
Chartered Accountants

Karachi 13 February 2016

Profile of Shariah Advisor - Window Takaful Operations

Shariah Advisor of EFU General Insurance - Window Takaful Operations is Mufti Ibrahim Essa, a well-known recognized Shariah Scholar in field of Islamic Finance and Takaful. Mufti Ibrahim Essa has completed his Darse Nizami (Masters in Quran and Sunnah) and Takhassus fil Ifta (Specialization in Islamic Jurisprudence) from Jamiah Darul Uloom Karachi.

Currently he is working as teacher and Member of Darul Ifta Darul - Uloom Karachi, Mufti Ibrahim Essa is also associated as Chairman Shariah Supervisory Board - Sindh Bank Limited and Member Shariah Supervisory Board - Habib Metropolitan Bank Limited. He is also the Shariah Advisor of Equitable Financial Solutions (Australia), ORIX Leasing Pakistan Limited, EFU Life Assurance and Allianz EFU Health Insurance Limited. Number of Charitable Institutions including The Indus Hospital, TCF, LRBT, The Hunar Foundation, etc. take Shariah advices from Mufti Sahab on their Zakat and Donation matters. Mufti Ibrahim has also written more than two thousand Fatawa on different topics.

Mufti Ibrahim Essa looks after the matters of Takaful in EFU General Insurance Limited.

Shariah Advisory Report to the Board of Directors For the period from 06 May 2015 to 31 December 2015

الحمد لله رب العالمين والعاقبة للمتقين والصلاة والسلام على اشرف الانبياء والمرسلين وعلى آله واصحابه اجمعين. اما بعد

2015 is the first year of EFU General Window Takaful Operations. On 6th May 2015 EFU General launched the Window Takaful Operations on which we all are grateful to Allah Almighty and congratulate the Management, Board of Directors and Shareholders of EFU General. By launching Window Takaful Operations, EFU General has opened a new chapter in the history of Takaful in Pakistan. In addition the company has taken a step in the direction of promoting the Islamic Economic System and has provided the most awaited Shariah Compliant Takaful facilities to the people of this Country. The commitment and dedication of EFU General to Takaful can be judged by the efforts that were started several years ago within the Company which materialized in 2015 with the launch of the Window Takaful Operations.

Progress of the Year:

During this short period of one year; EFU General Window Takaful Operations (EFU General-WTO) has achieved significant successes, details of which are as follow:

1. For the operation and record purpose of Takaful Contracts, a dedicated Window Takaful Branch has been set up in the Head Office of EFU General and the Branch recorded the Takaful contracts executed during the year.
2. Under the guidance of the undersigned EFU General-WTO developed and offered the number of Takaful Products of Motor, Marine, Property and Miscellaneous for its Customers / Participants.
3. Divisions and Branches fully participated in the business of Takaful in the different locations of the Country and by their efforts number of Takaful contracts were recorded in the Head office Branch of Takaful and later on some divisions recorded the Takaful Policies in their offices.
4. Significant success has been achieved in the Takaful Agreements with Islamic Banks. At this stage, I am thankful to the Partners Banks for the confidence they have shown on EFU General-WTO's Takaful Products. During the year, number of Islamic Banks entered into MOU with EFU General-WTO.
5. EFU General-WTO has implemented a dedicated Takaful administration system which manages all operational aspects of window Takaful operations.
6. For the investment purpose of Takaful Funds, a Shariah Compliant Investment Policy has been drafted with the consultation of undersigned and all the investments of Takaful are undertaken in accordance with this Policy. Moreover, all Bank Accounts of Takaful are separate from the conventional insurance business and are maintained in Islamic Banks.

Shariah Certification:

As Shari'ah Advisor of EFU General-WTO; I confirm that:

- I have carefully reviewed all the product documents of EFU General-WTO including Waqf Deed, PTF Policies, Takaful Policies, Brochures, MOU with Islamic Banks, and Retakaful Agreements etc. and Alhamdulillah I have found them in accordance with Shari'ah Principles. Further, I confirm that the Takaful Policies issued during the year under review are in accordance with the guidelines of Shari'ah.

- Dedicated Window Takaful Branch and other related Departments of head office, before launching any Takaful Product, take guidance and advice of Shari'ah from the undersigned and always develop the Takaful Products in accordance with the guidelines provided by me as Shari'ah Advisor.
- Segregation of Window Takaful Operations is the essential part of valid Takaful contracts. I am pleased to state that EFU General has realized criticalities of this issue and from the day one, Alhamdulillah, all the Takaful Funds, Investments, Bank Accounts, Systems and other related issues are kept separate from its conventional insurance business, as per requirement of Shari'ah.
- For the fulfillment of the financial needs of Window Takaful Operations, Shariah Compliant Funds were arranged and the expenses of Takaful including the seed money of Waqf were made with these compliant funds.
- Conducting Training and Development is an imperative for understanding the principles of Takaful and its practical outline. For this purpose EFU General fulfilled its responsibility and arranged classroom training sessions for takaful; from Head Office to the Distribution (Sales) force level working in their respective fields and I personally felt that participants gained significantly from these training sessions. I hope EFU General will continue this practice in the future.

While concluding; I state that the Shari'ah principles have been followed in every aspect of practical implementation of EFU General-WTO. I am grateful to the Board of Directors of EFU General, Management, Head of Window Takaful Operations, Divisional and Branch Heads and all relevant departments who cooperated with me and provided me every possible support to ensure Shari'ah Compliance in our Takaful practices.

In the end; I pray to Allah Almighty that the passion and dedication with which EFU General has launched its Window Takaful Operations; may Allah Almighty grant us success and help us at every step, keep us away from every hindrance and difficulty, and give financial success to EFU General Window Takaful Operations.

والسلام عليكم ورحمة الله وبركاته

Muhammad Ibrahim Essa
Shari'ah Advisor
EFU General Window Takaful Operations

Karachi 9 February 2016

Auditors' Report to the Members

We have audited the annexed financial statements comprising of:

- (i) balance sheet;
- (ii) profit and loss account;
- (iii) statement of comprehensive income;
- (iv) statement of changes in equity;
- (v) statement of cash flows;
- (vi) statement of premiums;
- (vii) statement of claims;
- (viii) statement of expenses; and
- (ix) statement of investment income

of EFU General Insurance Limited (the Company) as at 31 December 2015 together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Company's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied;
- (c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at 31 December 2015 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of the Ordinance.

ERNST & YOUNG FORD RHODES SIDAT HYDER
Chartered Accountants

Audit Engagement Partner: Arslan Khalid

Karachi 13 February 2016

Auditors' Report to the Members - Window Takaful Operations

We have audited the annexed financial statements comprising of:

- (i) balance sheet;
- (ii) profit and loss account;
- (iii) statement of comprehensive income;
- (iv) statement of changes in fund;
- (v) statement of cash flows;
- (vi) statement of contributions;
- (vii) statement of claims;
- (viii) statement of expenses of operator's fund; and
- (viii) statement of expenses of participants' takaful fund

of EFU General Insurance Limited - Window Takaful Operations (the Operator) as at 31 December 2015 together with the notes forming part thereof, for the period then ended.

It is the responsibility of the Operator's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) proper books of account have been kept by the Operator as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Operator and are further in accordance with accounting policies as disclosed in note 3 to the financial statements;
- (c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Operator's affairs as at 31 December 2015 and of the loss, its comprehensive income, its cash flows and changes in fund for the period then ended in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

ERNST & YOUNG FORD RHODES SIDAT HYDER
Chartered Accountants

Audit Engagement Partner: Arslan Khalid

Karachi 13 February 2016

Balance Sheet

As At 31 December 2015

	Note	2015	2014
Share capital and reserves			
Authorised share capital			
200 000 000 (2014: 200 000 000)			
ordinary shares of Rs. 10 each		2 000 000	2 000 000
Issued, subscribed and paid-up share capital	4	1 600 000	1 600 000
Reserves and retained earnings	5	14 247 012	11 511 099
		15 847 012	13 111 099
Underwriting provisions			
Provision for outstanding claims (including IBNR)		4 462 934	5 652 404
Provision for unearned premium		6 723 968	6 363 732
Commission income unearned	21	341 652	296 383
Total underwriting provisions		11 528 554	12 312 519
Deferred liabilities			
Deferred taxation	6	126 908	117 081
Creditors and accruals			
Premiums received in advance		5 350	5 154
Amounts due to other insurers / reinsurers		2 947 386	2 069 905
Accrued expenses		201 074	183 975
Agent balances		527 572	551 661
Unearned rentals		56 036	54 684
Taxation - provision less payments		107 183	48 366
Other creditors and accruals	7	189 443	164 599
		4 034 044	3 078 344
Other liabilities			
Other deposits		540 028	509 979
Unclaimed dividends		128 432	98 223
		668 460	608 202
Total liabilities		16 357 966	16 116 146
Total equity and liabilities		32 204 978	29 227 245
Total liabilities of takaful operations - OPF		59 057	-
Total equity and liabilities		32 264 035	29 227 245
Contingencies	8		

Rupees '000

	Note	2015	2014
Cash and bank deposits			
Cash and other equivalents	9	4 175	5 741
Current and other accounts	10	1 187 686	916 069
Deposits maturing within 12 months	11	557 135	598 985
		1 748 996	1 520 795
Loans - secured considered good			
To employees	12	2 114	2 578
Investments	13	19 166 228	15 647 043
Investment properties	14	190 646	213 313
Current assets - others			
Premiums due but unpaid - net	15	3 285 856	3 159 203
Amounts due from other insurers / reinsurers		15 839	27 137
Salvage recoveries accrued		41 999	26 189
Accrued investment income	16	141 689	137 444
Reinsurance recoveries against outstanding claims		2 232 473	3 389 989
Deferred commission expense		541 676	561 850
Prepayments	17	3 604 325	3 506 731
Security deposits		17 390	6 505
Sundry receivables	18	67 556	108 902
		9 948 803	10 923 950
Fixed assets - tangible and intangibles	19		
Land and buildings		405 164	327 942
Furniture, fixtures and office equipments		442 857	374 487
Vehicles		248 959	217 016
Computer softwares		–	121
Capital work-in-progress	20	4 338	–
		1 101 318	919 566
Total assets		32 158 105	29 227 245
Total assets of takaful operations - OPF		105 930	–
Total assets		32 264 035	29 227 245

The annexed notes 1 to 34 form an integral part of these financial statements.

RAFIQUE R. BHIMJEE
Director

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 13 February 2016

Profit and Loss Account

For the year ended 31 December 2015

Rupees '000

	Note	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty	Aggregate 2015	Aggregate 2014
Revenue account								
Net premium revenue		1 811 920	1 419 350	3 031 109	414 483	–	6 676 862	6 532 352
Net claims		(552 916)	(618 176)	(1 574 796)	(252 172)	–	(2 998 060)	(2 973 025)
Management expenses	22	(402 247)	(315 096)	(716 096)	(92 016)	–	(1 525 455)	(1 482 415)
Net commission		(217 123)	(229 218)	(261 399)	88 053	–	(619 687)	(760 510)
Underwriting result		<u>639 634</u>	<u>256 860</u>	<u>478 818</u>	<u>158 348</u>	<u>–</u>	<u>1 533 660</u>	<u>1 316 402</u>
Investment income							1 202 481	914 981
Rental income							129 910	118 699
Profit on deposits							76 283	114 692
Other income	23						25 711	30 981
Share of profit of an associate	13.1.1						640 068	404 436
Non-recurring - reversal of provision for impairment of an associate (unrealised)	13.1.2						1 987 000	–
General and administration expenses	24						(684 710)	(591 783)
Workers' welfare fund							(98 145)	(46 168)
							<u>3 278 598</u>	<u>945 838</u>
Loss before tax from takaful operations - OPF	25						(3 127)	–
Profit before tax							<u>4 809 131</u>	<u>2 262 240</u>
Provision for Taxation	26						<u>(775 229)</u>	<u>(433 189)</u>
Profit after tax							<u>4 033 902</u>	<u>1 829 051</u>
Profit and loss appropriation account								
Balance at commencement of the year							1 998 197	1 645 027
Profit after tax							4 033 902	1 829 051
Other comprehensive (loss) / income							(17 989)	34 119
Issuance of bonus shares for the year 2014: Nil (2013: Rs. 2.8 (28 %) per share)							–	(350 000)
Final dividend for the year 2014 Rs. 5.00 (50 %) per share (2013: Rs. 4.00 (40 %) per share)							(800 000)	(500 000)
First interim dividend for the year 2015 Re. 1.00 (10 %) per share							(160 000)	–
Second interim dividend for the year 2015 Re. 1.00 (10 %) per share (2014: Re 1.00 (10 %) per share)							(160 000)	(160 000)
Third interim dividend for the year 2015 Re. 1.00 (10 %) per share							(160 000)	–
Transfer to general reserve							(1 000 000)	(500 000)
Balance unappropriated profit at end of the year							<u>3 734 110</u>	<u>1 998 197</u>
Earnings per share - basic and diluted	27					(Rupees)	<u>25.21</u>	<u>11.43</u>

The annexed notes 1 to 34 form an integral part of these financial statements.

RAFIQUE R. BHIMJEE
Director

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 13 February 2016

Statement of Comprehensive Income For the year ended 31 December 2015

Rupees '000

	2015	2014
Profit after tax for the year	4 033 902	1 829 051
Other comprehensive (loss) / income		
<i>Item not to be re-classified to profit and loss account in subsequent period:</i>		
Actuarial (loss) / gains on defined benefit plans	(27 413)	50 558
Related deferred tax	9 424	(16 439)
	(17 989)	34 119
Total comprehensive income for the year	4 015 913	1 863 170

The annexed notes 1 to 34 form an integral part of these financial statements.

RAFIQUE R. BHIMJEE
Director

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 13 February 2016

Statement of Changes in Equity

For the year ended 31 December 2015

Rupees '000

	Share capital	General reserve	Reserve for exceptional losses	Unappropriated profit	Total
Balance as at 1 January 2014	1 250 000	9 000 000	12 902	1 645 027	11 907 929
Total comprehensive income for the year ended 31 December 2014					
Profit after tax for the year	-	-	-	1 829 051	1 829 051
Other comprehensive (loss) / income	-	-	-	34 119	34 119
	-	-	-	1 863 170	1 863 170
Transactions with owners, recorded directly in equity					
Final dividend for the year 2013 at the rate of Rs. 4.00 (40 %) per share	-	-	-	(500 000)	(500 000)
Issuance of bonus shares for the year 2013 Rs. 2.8 (28 %) per share	350 000	-	-	(350 000)	-
Interim dividend for the year 2014 at the rate of Re. 1.00 (10 %) per share	-	-	-	(160 000)	(160 000)
Other transfer within equity					
Transfer to general reserve	-	500 000	-	(500 000)	-
	350 000	500 000	-	(1 510 000)	(660 000)
Balance as at 31 December 2014	<u>1 600 000</u>	<u>9 500 000</u>	<u>12 902</u>	<u>1 998 197</u>	<u>13 111 099</u>
Balance as at 1 January 2015	1 600 000	9 500 000	12 902	1 998 197	13 111 099
Total comprehensive income for the year ended 31 December 2015					
Profit after tax for the year	-	-	-	4 033 902	4 033 902
Other comprehensive (loss) / income	-	-	-	(17 989)	(17 989)
	-	-	-	4 015 913	4 015 913
Transactions with owners, recorded directly in equity					
Final dividend for the year 2014 at the rate of Rs. 5.00 (50 %) per share	-	-	-	(800 000)	(800 000)
First interim dividend for the year 2015 at the rate of Re. 1.00 (10 %) per share	-	-	-	(160 000)	(160 000)
Second interim dividend for the year 2015 at the rate of Re. 1.00 (10 %) per share	-	-	-	(160 000)	(160 000)
Third interim dividend for the year 2015 at the rate of Re. 1.00 (10 %) per share	-	-	-	(160 000)	(160 000)
Other transfer within equity					
Transfer to general reserve	-	1 000 000	-	(1 000 000)	-
	-	1 000 000	-	(2 280 000)	(1 280 000)
Balance as at 31 December 2015	<u>1 600 000</u>	<u>10 500 000</u>	<u>12 902</u>	<u>3 734 110</u>	<u>15 847 012</u>

The annexed notes 1 to 34 form an integral part of these financial statements.

RAFIQUE R. BHIMJEE
Director

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 13 February 2016

Statement of Cash Flows

For the year ended 31 December 2015

Rupees '000

	2015	2014
Operating activities		
a) Underwriting activities		
Premiums received	14 882 009	14 194 374
Reinsurance premiums paid	(7 166 759)	(8 237 036)
Claims paid	(5 343 473)	(6 816 759)
Reinsurance and other recoveries received	2 308 945	3 628 115
Commissions paid	(1 329 887)	(1 409 452)
Commissions received	751 553	654 059
Management expenses paid	(1 395 991)	(1 403 973)
Net cash inflow from underwriting activities	2 706 397	609 328
b) Other operating activities		
Income tax paid	(707 092)	(343 575)
General and administration expenses	(645 299)	(464 291)
Other operating payments	(62 248)	(14 320)
Other operating receipts	49 788	(1 086)
Loans advanced	(1 704)	(1 286)
Loans repayments received	2 167	1 017
Net cash outflow from other operating activities	(1 364 388)	(823 541)
Total cash inflow / (outflow) from all operating activities	1 342 009	(214 213)
Investment activities		
Profit / return received	402 737	127 138
Dividends received	610 947	504 161
Rentals received	93 396	47 175
Payments for investments	(9 064 016)	(12 598 253)
Proceeds from disposal of investments	8 441 338	12 405 275
Fixed capital expenditures	(376 175)	(230 224)
Proceeds from disposal of fixed assets	27 756	39 160
Total cash inflow from investing activities	135 983	294 432
Financing activities		
Dividends paid	(1 249 791)	(642 566)
Net cash inflow / (outflow) from all activities	228 201	(562 347)
Cash at the beginning of the year	1 520 795	2 083 142
Cash at the end of the year	1 748 996	1 520 795
Reconciliation to profit and loss account		
Operating cash flows	1 342 009	(214 213)
Depreciation / amortisation expense	(212 055)	(177 457)
Rentals and investment income	1 294 525	960 236
Non-recurring - reversal of provision for impairment of an associate (unrealised)	1 987 000	-
Profit on deposits	76 283	114 692
Other income	30 818	27 769
Share of profit of an associate	640 068	404 436
Decrease in assets other than cash	(970 176)	(268 592)
(Increase) / decrease in liabilities other than running finance	(151 443)	982 180
Profit after tax from conventional insurance operations	4 037 029	1 829 051
Loss from takaful operations - OPF	(3 127)	-
Profit after tax at the end of the year	4 033 902	1 829 051
Definition of cash		
Cash for the purposes of the statement of cash flows consists of:		
Cash and other equivalents	4 175	5 741
Current and other accounts	1 187 686	916 069
Deposits maturing within 12 months	557 135	598 985
	1 748 996	1 520 795

The annexed notes 1 to 34 form an integral part of these financial statements.

RAFIQUE R. BHIMJEE
Director

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 13 February 2016

Statement of Premiums For the year ended 31 December 2015

Rupees '000

Class	Premiums				Reinsurance				Net premium revenue	Net premium revenue
	Written	Unearned premium reserve		Earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense		
		Opening	Closing			Opening	Closing		2015	2014
Direct and facultative										
Fire and property damage	8 131 887	4 056 159	3 997 006	8 191 040	6 354 596	2 990 368	2 965 844	6 379 120	1 811 920	1 869 012
Marine, aviation and transport	2 287 965	555 303	645 817	2 197 451	777 567	239 028	238 494	778 101	1 419 350	1 447 100
Motor	3 255 181	1 329 780	1 535 166	3 049 795	17 944	742	–	18 686	3 031 109	2 812 952
Miscellaneous	1 333 432	422 490	545 979	1 209 943	894 133	259 031	357 704	795 460	414 483	403 288
Total	15 008 465	6 363 732	6 723 968	14 648 229	8 044 240	3 489 169	3 562 042	7 971 367	6 676 862	6 532 352
Treaty - proportional	–	–	–	–	–	–	–	–	–	–
Grand total	15 008 465	6 363 732	6 723 968	14 648 229	8 044 240	3 489 169	3 562 042	7 971 367	6 676 862	6 532 352

Note: Premiums written includes administrative surcharge of Rs. 409 million (2014: Rs. 319 million)

The annexed notes 1 to 34 form an integral part of these financial statements.

RAFIQUE R. BHIMJEE
Director

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 13 February 2016

Statement of Claims For the year ended 31 December 2015

Rupees '000

Class	Claims				Reinsurance				Net claims expense 2015	Net claims expense 2014
	Paid	Outstanding		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue		
		Opening	Closing			Opening	Closing			
Direct and facultative										
Fire and property damage	2 506 599	3 143 108	2 025 050	1 388 541	1 891 674	2 394 931	1 338 882	835 625	552 916	555 884
Marine, aviation and transport	837 935	1 098 528	868 766	608 173	193 448	650 737	447 286	(10 003)	618 176	615 644
Motor	1 537 093	943 727	981 475	1 574 841	464	4 259	3 840	45	1 574 796	1 560 770
Miscellaneous	446 035	467 041	587 643	566 637	212 062	340 062	442 465	314 465	252 172	244 151
Total	5 327 662	5 652 404	4 462 934	4 138 192	2 297 648	3 389 989	2 232 473	1 140 132	2 998 060	2 976 449
Treaty - proportional	-	-	-	-	-	-	-	-	-	(3 424)
Grand total	5 327 662	5 652 404	4 462 934	4 138 192	2 297 648	3 389 989	2 232 473	1 140 132	2 998 060	2 973 025

The annexed notes 1 to 34 form an integral part of these financial statements.

RAFIQUE R. BHIMJEE
Director

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 13 February 2016

Statement of Expenses

For the year ended 31 December 2015

Rupees '000

Class	Paid or payable	Commission		Net expense	Other management expenses	Underwriting expense	Commission from reinsurers (Note 21)	Net underwriting expenses	Net underwriting expenses
		Opening	Deferred Closing					2015	2014
Direct and facultative									
Fire and property damage	653 279	359 610	315 351	697 538	402 247	1 099 785	480 415	619 370	749 353
Marine, aviation and transport	264 001	52 539	55 272	261 268	315 096	576 364	32 050	544 314	539 406
Motor	275 025	117 001	130 452	261 574	716 096	977 670	175	977 495	950 012
Miscellaneous	113 493	32 700	40 601	105 592	92 016	197 608	193 645	3 963	4 154
Total	1 305 798	561 850	541 676	1 325 972	1 525 455	2 851 427	706 285	2 145 142	2 242 925
Treaty - proportional	-	-	-	-	-	-	-	-	-
Grand total	1 305 798	561 850	541 676	1 325 972	1 525 455	2 851 427	706 285	2 145 142	2 242 925

The annexed notes 1 to 34 form an integral part of these financial statements.

RAFIQUE R. BHIMJEE
Director

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 13 February 2016

Statement of Investment Income For the year ended 31 December 2015

Rupees '000

	2015	2014
Income from non - trading investments		
Return on government securities	307 089	117 119
Return on other fixed income securities and deposits	1 953	6 415
Amortisation of discount relative to par	20 913	6 989
Dividend income	216 993	227 743
Gain on sale of non - trading investments	601 987	375 256
	1 148 935	733 522
Reversal of provision for impairment - available for sale investments - net	54 792	182 473
Investment related expenses	(1 246)	(1 014)
Net investment income	1 202 481	914 981

The annexed notes 1 to 34 form an integral part of these financial statements.

RAFIQUE R. BHIMJEE
Director

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 13 February 2016

Notes to the Financial Statements

For the year ended 31 December 2015

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. The Company operates through 53 (2014: 53) branches in Pakistan including a branch in Export Processing Zone (EPZ).

2. Basis of preparation

These financial statements have been prepared in accordance with the format prescribed under Securities and Exchange Commission (Insurance) Rules, 2002 [SEC (Insurance) Rules, 2002].

2.1 Statement of compliance

These financial statements 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 and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail.

During the year, the Company was granted permission by Securities and Exchange Commission of Pakistan to transact Window Takaful Operations. In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator Fund of the General Takaful operations of the Company have been presented as a single line item in the balance sheet and profit and loss account of the Company respectively.

Further, a separate set of financial statements of the General Takaful operations has been annexed to these financial statements as per the requirements of the Takaful Rules 2012.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for obligation under certain employee retirement benefits which are measured at present value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousand.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The judgments, estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the revision and future periods if the revision affects both current and future periods.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

	<u>Note</u>
– Provision for unearned premiums	3.3
– Premium deficiency reserve (liability adequacy test)	3.4
– Provision for outstanding claims (including IBNR)	3.6
– Employees' retirement benefits	3.10 & 18.1
– Taxation	3.11 & 26
– Receivables and payables related to insurance contracts	3.15 & 15
– Fixed assets	3.16 & 19
– Impairment in value of investments	3.21 & 13.1.2

2.5 Standards, interpretations and amendments to approved accounting standards that are not yet effective.

2.5.1 The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<u>Standard or Interpretation</u>	<u>Effective date (annual periods beginning)</u>
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Separate Financial Statements - Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016
IAS 16 – Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	01 January 2016
IAS 16 – Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	01 January 2016
IAS 27 – Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

2.5.2 Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2018
IFRS 16 – Leases	01 January 2019

3. Summary of significant accounting policies

i) New, revised and amended standards and interpretations

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

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

ii) Improvements to Accounting Standards Issued by the IASB in December 2013

IFRS 2	– Share-based Payment - Definitions of vesting conditions
IFRS 3	– Business Combinations - Accounting for contingent consideration in a business combination
IFRS 3	– Business Combinations - Scope exceptions for joint ventures
IFRS 8	– Operating Segments - Aggregation of operating segments
IAS 8	– Operating Segments - Reconciliation of total reportable segments' assets to the entity's assets
IAS 13	– Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
IAS 16	– Property, Plant and Equipment and IAS 38 Intangible Assets - Revaluation method proportionate restatement of accumulated depreciation / amortisation
IAS 24	– Related Party Disclosures - Key management personnel
IAS 40	– Investment Property - Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above did not have any effect on the financial statements for the current year except that certain disclosures are given in notes 13.1 and 30.3 to the financial statements which have been included as a result of adoption of IFRS 12 and IFRS 13.

3.1 Insurance contracts

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The Company underwrites non-life insurance contracts that can be categorised into Fire and Property Damage, Marine, Aviation and Transport, Motor and Miscellaneous contracts. Contracts may be concluded for a fixed term of one year,

for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) of a facultative nature are included within the individual category of insurance contracts, other than those which fall under Treaty. The insurance risk involved in these contracts is similar to the contracts undertaken by the Company as insurer.

Fire and Property insurance contracts mainly compensate the customers for damage suffered to their property. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Marine, Aviation and Transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships, and liabilities to third parties and passengers arising from their use.

Motor insurance covers physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

All other insurances like cash in hand, cash in transit, personal accident, infidelity, public liabilities, health, crop, livestock, travel, bankers and other financial institutions packages, product liabilities, professional indemnity, mobilisation and performance bonds, workers compensation etc. are included under Miscellaneous Insurance cover.

3.2 Premium

For all the insurance contracts, premiums including administrative surcharge received / receivable under a policy are recognised as written at the time of issuance of policy. Where premiums for a policy are payable in instalments, full premium for the duration of the policy is recognised as written at the inception of the policy and related assets set up for premiums receivable at a later date. Premiums are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on premiums.

3.3 Provision for unearned premiums

The unearned premium reserve is the unexpired portion of the premium including administrative surcharge which relates to business in force at the balance sheet date. Unearned premiums have been calculated by applying 1/24th method as specified in the SEC (Insurance) Rules, 2002.

3.4 Premium deficiency reserve (liability adequacy test)

At each balance sheet date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned premium liability for that class. It is performed by comparing the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after balance sheet date in respect of policies in force at balance sheet date with the carrying amount of unearned premium liability. Any deficiency is recognised by establishing a provision (premium deficiency reserve) to meet the deficit.

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable.

The movement in the premium deficiency reserve is recognised as an expense or income in the profit and loss account for the year.

The expected ultimate net claim ratios for the unexpired periods of policies in force at balance sheet date for each class of business is as follows:

	<u>2015</u>	<u>2014</u>
– Fire and property damage	36 %	41 %
– Marine, aviation and transport	45 %	48 %
– Motor	55 %	58 %
– Miscellaneous	62 %	57 %

3.5 Claims

Claims are charged to income as incurred based on estimated liability for compensation owed under the insurance contracts. It includes claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

3.6 Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognised in respect of all claims incurred up to the balance sheet date which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs.

Reinsurance recoveries against outstanding claims are recognized as an asset and measured at the amount expected to be received.

3.6.1 Claims reported but not settled

Provision for liability in respect of claims reported but not settled at the balance sheet date is made on the basis of individual case estimates. The case estimates are based on the assessed amounts of individual losses and where loss assessments have not been carried out, the estimates are established in light of currently available information, past experience of similar claims and in some cases in relation to the sums insured. Case estimates are reviewed periodically to ensure that the recognised outstanding claim amounts are adequate to cover expected future payments including expected claims settlement costs and are updated as and when new information becomes available.

3.6.2 Claims incurred but not reported

The provision for claims incurred but not reported at balance sheet date (IBNR) is based on an analysis of the past claims reporting pattern experienced by the Company. The provision for IBNR has been accounted for on the basis whereby all claims incurred before 31 December 2014 but reported up to 31 December 2015 were aggregated and the ratio of such claims to outstanding claims at 31 December 2014 has been applied to outstanding claims except exceptional losses at 31 December 2015 to arrive at liability for IBNR. The analysis has been carried out separately for each class of business.

3.7 Reinsurance contracts

Contracts entered into by the Company with reinsurers under which the Company cedes insurance risks assumed during normal course of its business and according to which the Company is compensated for losses on insurance contracts issued by the Company are classified as reinsurance contracts held.

Reinsurance premium is recognised as an expense at the time the reinsurance is ceded. Commission on reinsurance cessions are recognised in accordance with the policy of recognising premium revenue.

Reinsurance assets represent balances due from reinsurance companies and reinsurance recoveries against outstanding claims. Reinsurance recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Reinsurance liabilities represent balances due to reinsurance companies and are primarily premiums payable for reinsurance contracts and are recognised at the same time when reinsurance premiums are recognised as an expense.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expired.

An impairment review of reinsurance assets is performed at each balance sheet date. If there is objective evidence that the asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the profit and loss account.

3.8 Commission

3.8.1 Commission expense

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

3.8.2 Commission income

Commission from reinsurers is deferred and recognised as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Profit / commission, if any, under the terms of reinsurance arrangements is recognised when the Company's right to receive the same is established.

3.9 Revenue recognition

3.9.1 Premium

The revenue recognition policy for premiums is given under note 3.2.

3.9.2 Investment income

Return on investments, profit and loss sharing accounts and bank deposits are recognised using effective interest rate method.

Profit or loss on sale of investments is recognised at the time of sale.

Dividend income is recognised when right to receive such dividend is established.

3.9.3 Rental income

Rental income on investment properties is recognised over the term of lease.

3.9.4 Commission from reinsurers

The revenue recognition policy for commission from reinsurer is given under note 3.8.

3.10 Employees' retirement benefits

3.10.1 Defined benefit plans

The Company operates the following employee defined benefit plans:

- Funded gratuity scheme

The Company operates an approved gratuity fund for all employees who complete qualifying period of service.

- Funded pension scheme

Defined benefit funded pension for all eligible officers.

These funds are administered by trustees. The pension plan is a career average salary plan and the gratuity plan is a final basic salary plan. The actuarial valuation of both the plans is carried out on a yearly basis using the Projected Unit Credit Method and contributions to the plans are made accordingly.

Actuarial gains and losses are recognised in other comprehensive income in the year in which they arise.

3.10.2 Defined contribution plan

The Company contributes to a provident fund scheme which covers all permanent employees. Equal contributions are made both by the Company and the employees to the fund at the rate of 8.33 % of basic salary.

3.11 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income or below equity, in which case it is recognised in other comprehensive income or below equity.

3.11.1 Current

Provision for current taxation is based on taxable income determined in accordance with the prevailing law for taxation of income and is calculated using enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for the current taxation also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalized during the year or required by any other reason.

3.11.2 Deferred

Deferred tax is recognised using the balance sheet liability method for all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is provided on temporary differences arising on investments in associates stated under equity method of accounting.

3.12 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and or services received, whether or not billed to the Company.

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, the provisions are reviewed at balance sheet date and adjusted to reflect current best estimates.

3.13 Investments

All investments are initially recognised at the fair value of the consideration given and include transaction costs except for held for trading in which case transaction costs are charged to the profit and loss account. All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the Company commits to purchase or sell the investments.

3.13.1 Fair value through profit or loss - held for trading

Investments which are acquired with the intention to trade by taking advantage of short term market / interest rate movements are considered as held for trading. After initial recognition, these are measured at fair values with any resulting gains or losses recognised directly in the profit and loss account. Subsequent to initial recognition these are measured at fair value by reference to quoted market prices with the resulting gain or loss being included in net profit or loss for the year in which it arises.

Dividend income and entitlement of bonus shares are recognized when the Company's right to receive such dividend and bonus shares is established.

3.13.2 Available for sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are considered as available for sale. After initial recognition, these are stated at lower of cost or market value (if the fall in market value is other than temporary) in accordance with the requirements of SEC (Insurance) Rules, 2002.

A fall in market value is treated as other than temporary if there is a significant or prolonged decline in fair value of security below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Company evaluates among other factors, the normal volatility in share prices.

In case of fixed income securities where the cost is different from the redemption value, such difference is amortised uniformly between the date of acquisition and the date of maturity in determining "cost".

3.13.3 Investment in associates

Entities in which the Company has significant influence but not control and which are neither its subsidiary nor joint ventures are associates and are accounted for by using the equity method of accounting.

Under equity method of accounting, the investments are initially recognised at cost; thereafter its carrying amount is increased or decreased for the Company's share of post acquisition changes in the net assets of the associate and dividend distributions. Goodwill relating to an associate is included in carrying amount of the investment and is not amortised. The Company's share of the profit and loss of the associate is accounted for in the Company's profit and loss account, whereas changes in the associate's equity which has not been recognised in the associates' profit and loss account are recognised directly in other comprehensive income of the Company.

After application of equity method, the carrying amount of investment in associate is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount and loss, if any, is recognised in profit and loss account.

3.13.4 Derivatives

Derivative instruments held by the Company primarily comprise of future contracts in the capital market. These are initially recognized at fair value and are subsequently remeasured at fair value. The fair value of future contracts is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the future contracts. Derivatives with positive market values (unrealized gains) are included in assets and derivatives with negative market values (unrealized losses) are included in liabilities in the balance sheet. The resultant gains and losses are included in the profit and loss account.

3.14 Investment properties

The investment properties are accounted for under the cost model in accordance with International Accounting Standard (IAS) 40, Investment Property, where;

- Leasehold land is stated at cost.
- Building on leasehold land is depreciated to its estimated salvage value on straight line basis over its useful life at the rate of 5 %.
- Installations forming a part of building on leasehold land but having separate useful lives are depreciated to their estimated salvage values on straight line basis over their useful lives at the rate of 10 %.

Subsequent capital expenditures on existing properties and gains or losses on disposals are accounted for in the same manner as operating fixed assets.

3.15 Receivables and payables related to insurance contracts

Receivables and payables related to insurance contracts are recognised when due at cost which is the fair value of the consideration given less provision for impairment, if any. If there is objective evidence that the insurance receivable is impaired, as a result of one or more events that occurred after the initial recognition, the Company reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the profit and loss account.

Provision for impairment in premium receivables is estimated on a systematic basis after analysing the receivables as per their ageing.

3.16 Fixed assets

3.16.1 Tangible

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is calculated on the straight line basis at the rates specified in note 19 to these financial statements.

The assets' residual values, useful lives and method for depreciation are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Depreciation on additions to fixed assets is charged from the month in which an asset is available for use, while no depreciation is charged for the month in which the asset is disposed off.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to profit and loss account currently.

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

3.16.2 Intangible

Material computer software licenses acquired are capitalised on the basis of cost incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years using the straight line method. Impairment losses, if any, are deducted from the carrying amount of the intangible assets.

Amortisation on additions to intangibles is charged from the month in which an asset is available for use, while no amortisation is charged for the month in which the asset is disposed off.

Cost associated with maintaining computer software programmes are recognised as an expense when incurred.

The assets' residual values, useful lives and method for amortisation are reviewed at each financial year end and adjusted if impact on amortisation is significant.

3.16.3 Capital work in progress

Capital work in progress is stated at cost less any impairment in value. It consists of advances made to suppliers in respect of tangible and intangible fixed assets.

3.17 Expenses of management

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

3.18 Compensated absences

The liability towards compensated absences accumulated by the employees is provided in the period in which they are earned.

3.19 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include cash at bank in current and saving accounts, cash and stamps in hand and bank deposits.

3.20 Foreign currencies

Revenue transactions in foreign currencies are recorded at the rates prevailing on the date of the transactions. Income and expense amounts relating to foreign branches have been translated at the applicable exchange rates. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing on the balance sheet date. Exchange gains or losses, if any, are taken into profit and loss account.

3.21 Impairment

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if there is objective evidence that one or more events have had a negative effect on the estimated future cash flows of that asset.

The carrying amount of non financial assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If such indication exists, the recoverable amount of such asset is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

All impairment losses are recognised in the profit and loss account. Provisions for impairment are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. Changes in the provisions are recognised as income or expense.

3.22 Financial instruments

Financial instruments include cash and bank balances, loans to employees, investments, premiums due but unpaid, amount due from other insurers / reinsurers, accrued investment income, reinsurance recoveries against outstanding claims, security deposits, other receivables, outstanding claim liabilities, amount due to other insurers / reinsurers, accrued expenses, agents balances, other creditors, deposits and unclaimed dividends.

All the financial assets and liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and de-recognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of financial assets and financial liabilities is taken to income directly.

3.23 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements only when there is legally enforceable right to set off the recognised amount and the Company intends either to settle on a net basis or realise the assets and settle the liabilities simultaneously.

3.24 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.25 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Company presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 as the primary reporting format.

The Company has four primary business segments for reporting purposes namely, fire and property, marine, motor and miscellaneous. The nature and business activities of these segments are disclosed in note no. 3.1.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

3.26 Dividend and bonus shares

Dividend to shareholders is recognised as liability in the period in which it is approved. Similarly, reserve for issue of bonus shares is recognised in the year in which such issue is approved.

4. Share capital

4.1 Issued, subscribed and paid-up share capital

Number of shares '000			Rupees '000	
2015	2014		2015	2014
250	250	Ordinary shares of Rs. 10 each, fully paid in cash	2 500	2 500
159 750	159 750	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares	1 597 500	1 597 500
<u>160 000</u>	<u>160 000</u>		<u>1 600 000</u>	<u>1 600 000</u>

4.1.1 As at 31 December 2015, EFU Life Assurance Limited, an associated undertaking, held 10,900,884 (2014: 10,900,884) ordinary shares of Rs. 10 each.

Rupees '000

	Note	2015	2014
5. Reserves and retained earnings			
General reserve		10 500 000	9 500 000
Reserve for exceptional losses	5.1	12 902	12 902
Retained earnings		3 734 110	1 998 197
		<u>14 247 012</u>	<u>11 511 099</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.

Rupees '000

	2015	2014
6. Deferred taxation		
Deferred tax liability / (asset) arising in respect of:		
– accelerated tax depreciation	55 633	65 149
– provision for doubtful debts	(9 786)	(9 702)
– impairment on TFCs	(14 278)	(11 536)
– share of profit from associate	83 261	51 670
– defined benefit plans	12 078	21 500
	<u>126 908</u>	<u>117 081</u>
7. Other creditors and accruals		
Federal insurance fee payable	5 077	7 941
Federal excise duty and sales tax payable	69 269	108 268
Workers' welfare fund payable	57 756	45 519
Sundry creditors	57 341	2 871
	<u>189 443</u>	<u>164 599</u>

8. Contingencies

- 8.1 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. Further the Commissioner Inland Revenue (Audit) has also amended the tax year 2014. The Company has filed an appeal before Commissioner Inland Revenue (Appeals). 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 assesses 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.

- 8.2 In 2014 and 2015, the Searle Company Limited issued bonus shares (430,932 shares and 312,993 shares respectively) after withholding 5 percent of bonus shares (22,680 shares and 15,650 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 honorable high court decided the case against the company. Subsequently, the Company filed an appeal with a larger bench of the honorable 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. 10.7 million being withholding tax on bonus shares.

Rupees '000

	Note	2015	2014
9. Cash and other equivalents			
Policy stamps in hand and bond papers		4 175	5 741
		<u>4 175</u>	<u>5 741</u>
10. Current and other accounts			
Current accounts		166 056	121 595
Saving accounts	10.1	1 021 630	794 474
		<u>1 187 686</u>	<u>916 069</u>

- 10.1 The rate of return on saving accounts from various banks ranges from 4.25 % to 9.75 % per annum (2014: 6.5 % to 9.75 % per annum) depending on the size of average deposits.

Rupees '000

	Note	2015	2014
11. Deposits maturing within 12 months			
Term deposits certificates - local currency	11.1 & 11.3	413 224	498 223
Term deposits certificates - foreign currency	11.2	143 911	100 762
		<u>557 135</u>	<u>598 985</u>

11.1 The rate of return on term deposit certificates issued by various banks ranges from 5.75 % to 6.75 % per annum (2014: 7.5 % to 9.8 % per annum) depending on tenor. These term deposit certificates have maturities upto April 2016.

11.2 The rate of return on foreign currency term deposit certificates issued by various banks is 1.2 % per annum (2014: 1.2 % per annum) depending on tenor. These term deposit certificates have maturities upto January 2016.

11.3 This includes an amount of Rs. 20 million under lien with a bank against guarantee issued in favour of the Company.

Rupees '000

	Note	2015	2014
12. Loans - secured considered good			
Secured, considered good	12.1	3 096	3 358
Current portion	18	(982)	(780)
		<u>2 114</u>	<u>2 578</u>

12.1 This represents housing and vehicle loan to employees. These loans are recoverable over a period of one to ten years and are secured against documents of property / vehicles.

Rupees '000

	Note	2015	2014
13. Investments			
Investment in associate	13.1	11 570 646	9 324 920
Available for sale	13.2	7 595 582	6 322 123
		<u>19 166 228</u>	<u>15 647 043</u>

13.1 Investment in associate

EFU Life Assurance Limited is a listed public limited company and is engaged in life insurance business.

Rupees '000

Number of shares		Face value per share (Rupees)	Name of associate	Note	2015	2014
2015	2014				2015	2014
43 059 240	43 027 940	Rs. 10	EFU Life Assurance Limited incorporated in Pakistan (Chief Executive: Taher G. Sachak)	13.1.1	11 570 646	9 324 920

Rupees '000

	Note	2015	2014
13.1.1 Movement of investment in associate			
Opening balance		9 324 920	11 178 362
Purchases during the year		5 998	8 456
Share in profit of associate		640 068	404 436
Dividend received during the year		(387 340)	(279 334)
		<u>9 583 646</u>	<u>11 311 920</u>
Reversal / (Provision) in impairment	13.1.2	1 987 000	(1 987 000)
Closing balance		<u>11 570 646</u>	<u>9 324 920</u>

13.1.2 The carrying amount of the investment in EFU Life Assurance Limited has been tested for impairment as at 31 December 2015 based on "value in use" methodology, in accordance with IAS 36 - Impairment of Assets. The "value in use" calculations were carried out by an independent actuary using cash flow projections which are based on the budget and forecasts approved by the management of the investee company up to five years. The following significant assumptions were used for the purpose of "value in use" computations:

- Discount rate: 17.5 %
- Terminal growth rate: 12.5 %

Considering the fact that the value in use of this investment exceeds the gross carrying value of Rs. 11,571 million as on 31 December 2015 the provision for impairment of Rs. 1,987 million made in the year 2008 in respect of this investment is no longer required and hence the same has been reversed during the year in accordance with the requirements of IAS-36.

Market value of investment and percentage of holding in associate are Rs. 8,569 million and 43.06 % respectively (2014: Rs. 7,308 million and 43.03 %)

13.1.3 Summarised financial information in respect of associate based on its financial statements as at 31 December 2015 (2014: 31 December 2014) is set out below:

Rupees '000

	2015	2014
Total assets - shareholders' fund	3 614 663	2 901 674
Total liabilities - shareholders' fund	(188 632)	(67 401)
Net assets	<u>3 426 031</u>	<u>2 834 273</u>
Company's share of net assets of its associate	<u>1 475 249</u>	<u>1 219 588</u>
Total assets - statutory fund	87 655 994	64 326 808
Balance of statutory fund	83 825 307	61 222 367
Total liabilities - statutory fund	<u>3 830 687</u>	<u>3 104 441</u>
Total revenue - gross premium	<u>31 033 830</u>	<u>18 219 910</u>
Profit after tax	<u>1 486 483</u>	<u>950 901</u>

Rupees '000

	Note	2015	2014
13.2 Available for sale	13.2.2		
In related parties	13.3.1		
Mutual funds		205 000	171 052
Ordinary shares - net of provision		396 298	323 741
		601 298	494 793
Others - quoted	13.3.2		
Mutual funds		1 994 500	988 380
Ordinary shares - net of provision		2 288 907	2 254 368
Preference shares		–	20 000
Fixed income securities			
Government securities	13.3.3	2 710 877	2 521 889
Term finance certificates	13.3.3	44 618	77 651
		7 038 902	5 862 288
Provision for impairment – net of reversals			
Term finance certificates		(44 618)	(34 958)
		7 595 582	6 322 123

13.2.1 The fair value of available for sale - equity securities / mutual funds as at 31 December 2015 is Rs. 9,351 million (2014: Rs. 7,857 million) and fixed income securities as at 31 December 2015 is Rs. 2,904 million (2014: Rs. 2,702 million).

13.2.2 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 December 2015 would have been higher by Rs. 4,659 million (2014: higher by Rs. 4,237 million).

13.3.1 In related parties - quoted

Number of shares / certificates / units		Face value per share / unit		Name of entity		Rupees '000	
2015	2014					2015	2014
Mutual funds							
Open end mutual funds							
2 114 037	1 596 635	100		JS Income Fund		205 000	142 736
–	915 108	100		JS Large Capital Fund		–	28 316
2 114 037	2 511 743					205 000	171 052
Ordinary shares							
Commercial Banks							
6 603 975	6 603 975	10		Bank Islami Pakistan Limited		76 797	64 785
Financial Services							
19 711 876	17 809 897	10		Jahangir Siddiqui & Company Limited		319 501	258 956
26 315 851	24 413 872					396 298	323 741

13.3.2 Others - quoted

Number of shares / certificates / units		Face value per share certificate / unit	Name of entity	Rupees '000	
2015	2014			2015	2014
Mutual funds					
Open end mutual funds					
17 256 904	13 813 998	10	ABL Government Securities Fund	180 000	143 648
1 524 827	1 285 895	100	Alfalah GHP Sovereign Fund	162 000	132 719
1 926 366	438 272	100	Askari Sovereign Yield Enhancer Fund	205 000	46 093
118 042	19 956	500	Atlas Income Fund	62 500	10 619
1 038 520	314 444	100	Faysal Savings Growth Fund	110 000	33 444
781 076	75 884	100	First Habib Income Fund	82 000	7 919
1 262 413	173 580	100	HBL Income Fund	137 000	18 492
1 888 862	–	100	Lakson Income Fund	199 000	–
2 520 198	–	100	MCB Pakistan Sovereign Fund	139 000	–
–	1 365 509	50	Meezan Sovereign Fund	–	69 495
–	2 584 112	50	MetroBank Pakistan Sovereign Fund	–	133 332
17 184 011	–	10	NAFA Income Opportunity Fund	191 000	–
–	15 064 770	10	NAFA Government Securities Saving Fund	–	150 648
1 288 656	258 734	100	PICIC Income Fund	137 000	26 889
1 956 088	385 738	100	PIML Income Fund	210 000	40 000
–	101 692	100	Primus Daily Reserve Fund	–	9 849
1 613 829	1 616 050	100	UBL Government Securities Fund	180 000	165 233
50 359 792	37 498 634			1 994 500	988 380
Ordinary shares					
Oil and Gas					
550 000	550 000	10	Attock Petroleum Limited	189 556	189 556
350 000	350 000	10	National Refinery Limited	92 570	92 570
225 000	125 000	10	Oil & Gas Development Company Limited	32 438	20 808
500 000	300 000	10	Pakistan Oilfields Limited	162 590	108 513
–	1 072 500	10	Pakistan Petroleum Limited	–	115 285
335 140	335 140	10	Shell (Pakistan) Limited	70 276	70 276
Chemicals					
89 000	89 000	10	Archroma Pakistan Limited	8 916	8 916
25 000	–	10	Dawood Hercules Limited	3 292	–
80 000	–	10	Engro Corporation Limited	23 630	–
–	250 000	10	Fatima Fertilizer Company Limited	–	6 009
85 000	–	10	Fauji Fertilizer Bin Qasim Limited	5 136	–
1 500 700	2 000 700	10	Fauji Fertilizer Limited	174 941	210 038
50 000	50 000	10	ICI Pakistan Limited	8 077	8 077
300 000	300 000	10	Linde Pakistan Limited	38 702	38 702

Number of shares		Face value per share	Name of entity	Rupees '000	
2015	2014			2015	2014
Ordinary shares					
75 000	–	10	Forestry and Paper Century Paper & Board Mills Limited	5 127	–
1 242 240	1 242 240	10	Industrial Metals and Mining International Industries Limited	63 110	63 110
Construction and Materials (Cement)					
46 100	46 100	10	Akzo Nobel Pakistan Limited	3 385	3 385
25 000	–	10	Attock Cement Limited	5 043	–
300 000	–	10	Dewan Cement Limited	5 467	–
–	150 000	10	D.G. Khan Cement Limited	–	8 014
General Industrials					
1 024 125	975 000	10	Cherat Packaging Limited	93 398	86 526
350 000	375 000	10	Packages Limited	49 364	52 890
350 000	350 000	5	Thal Limited	20 644	20 644
Electronic and Electrical Goods					
50 000	–	10	Pak Electron Limited	4 232	–
122 540	122 540	10	Pakistan Cables Limited	11 084	11 084
Automobile and Parts					
230 100	215 100	10	General Tyre & Rubber Company Limited	8 094	5 326
55 140	70 400	10	Indus Motor Company Limited	11 284	14 407
Beverages					
531 659	531 659	10	Murree Brewery Pakistan Limited	40 487	40 487
Food Producers					
10 000	10 000	100	Rafhan Maize Products Limited	100 110	100 110
78 800	78 800	10	Shahtaj Sugar Limited	5 343	5 718
Personal Goods					
2 380 260	2 380 260	10	Azgard Nine Limited	10 521	14 020
309 776	309 776	10	Bata (Pakistan) Limited	279 875	279 875
–	550 000	10	Nishat Mills Limited	–	28 961
854 000	854 000	10	Samin Textiles Limited	6 832	9 881

Number of shares		Face value per share	Name of entity	Rupees '000	
2015	2014			2015	2014
Pharma and Bio tech					
954 441	964 441	10	Ferozsons Laboratories Limited	97 736	99 227
330 000	330 000	10	Glaxosmithkline Pakistan Limited	21 090	21 090
19 200	19 200	10	Sanofi Aventis Pakistan Limited	5 096	5 096
1 961 668	1 587 644	10	Searle Pakistan Limited	57 439	32 171
16 000	16 000	100	Wyeth Pakistan Limited	32 404	32 404
Media					
9 440 400	28 165 400	1	Hum Network Limited	–	72 713
Electricity					
750 000	–	10	Hub Power Company Limited	76 182	–
500 000	500 000	10	Kot Addu Power Company Limited	28 018	28 018
500 000	500 000	10	Nishat Chunian Power Limited	9 467	9 467
206 000	206 000	10	Pakgen Power Limited	4 560	4 560
800 000	–	10	Saif Power Limited	30 635	–
Commercial Banks					
120 000	220 000	10	Allied Bank Limited	5 171	12 517
350 000	350 000	10	Bank Al-Habib Limited	8 166	8 166
675 000	275 000	10	Habib Bank Limited	81 704	1 298
–	195 000	10	United Bank Limited	–	15 191
Non Life Insurance					
1 314 661	1 314 661	10	Adamjee Insurance Company Limited	36 405	36 405
793 546	793 546	5	Habib Insurance Limited	15 911	17 458
172 500	172 500	10	Jubilee General Insurance Limited	11 310	11 310
6 500 000	6 500 000	10	Pakistan Reinsurance Company Limited	168 248	168 248
Life Insurance					
1 063 709	1 063 709	10	Jubilee Life Insurance Limited	65 841	65 841
<u>38 591 705</u>	<u>56 856 316</u>			<u>2 288 907</u>	<u>2 254 368</u>
Preference shares					
<u>–</u>	<u>2 000 000</u>	10	Household Goods Pakistan Electron Limited	<u>–</u>	<u>20 000</u>

13.3.3 Fixed income securities

Name of investment	Maturity year	Effective yield %	Profit payment	Face value	Rupees '000	
					2015	2014
Government securities						
3 Years Pakistan Investment Bonds	2016	11.84 - 12.02	Half yearly	417 500	415 982	413 388
3 Years Pakistan Investment Bonds	2017	12.36	Half yearly	2 150 000	2 117 430	2 098 729
3 Years Pakistan Investment Bonds	2018	7.83 - 8.08	Half yearly	165 000	167 578	–
5 Years Pakistan Investment Bonds	2016	12.66	Half yearly	9 000	8 939	8 851
10 Years Pakistan Investment Bonds	2017	13.24	Half yearly	1 000	948	921
					2 710 877	2 521 889
The amount of Pakistan Investment Bonds includes Rs. 165 million (2014: Rs. 162 million) deposited with the State Bank of Pakistan as required by Section 29 of the Insurance Ordinance, 2000.						
Term Finance Certificates (TFCs) – quoted						
New Allied Electronics Limited	2012	12.92	Quarterly	3 981	3 981	4 481
Engro Fertilizers Limited	–	–	–	–	–	32 533
Agritech Limited – 3rd Issue (B)	2017	11.00	Half yearly	5 665	5 665	5 665
Agritech Limited – 3rd Issue (A)	2019	13.35	Quarterly	34 972	34 972	34 972
					44 618	77 651
					2 755 495	2 599 540

13.3.3.1 The term finance certificates are held under non-performing status and full provision has been made against these term finance certificates.

14. Investment properties

Rupees '000

	2015									
	Cost					Depreciation				Written down value
	As at 01 January	Additions	Disposals / Adjustments	As at 31 December	Rate %	As at 01 January	For the year	Disposals / Adjustments	As at 31 December	As at 31 December
Leasehold land	47 468	–	–	47 468		–	–	–	–	47 468
Buildings	359 072	928	–	360 000	5	243 380	17 996	–	261 376	98 624
Lifts and other installations	63 926	776	–	64 702	10	13 773	6 375	–	20 148	44 554
	470 466	1 704	–	472 170		257 153	24 371	–	281 524	190 646

2014

	Cost				Rate %	Depreciation				Written down value
	As at 01 January	Additions	Disposals / Adjustments	As at 31 December		As at 01 January	For the year	Disposals / Adjustments	As at 31 December	As at 31 December
Leasehold land	47 468	-	-	47 468		-	-	-	-	47 468
Buildings	356 600	2 472	-	359 072	5	225 478	17 902	-	243 380	115 692
Lifts and other installations	59 599	4 327	-	63 926	10	7 781	5 992	-	13 773	50 153
	<u>463 667</u>	<u>6 799</u>	<u>-</u>	<u>470 466</u>		<u>233 259</u>	<u>23 894</u>	<u>-</u>	<u>257 153</u>	<u>213 313</u>

- 14.1 The market value of land and buildings is estimated at Rs. 1,549 million (2014: Rs. 1,514 million). The valuations have been carried out by independent valuers. Rental income from these properties amounts to Rs. 130 million (2014: Rs. 119 million).

Rupees '000

	Note	2015	2014
15. Premiums due but unpaid – net – unsecured			
Considered good		3 285 856	3 159 203
Considered doubtful		30 580	29 400
		<u>3 316 436</u>	<u>3 188 603</u>
Provision for doubtful balances		(30 580)	(29 400)
		<u>3 285 856</u>	<u>3 159 203</u>
16. Accrued investment income			
Return accrued on fixed income securities		139 413	123 366
Dividend income		750	7 366
Return on bank deposits		1 526	6 712
		<u>141 689</u>	<u>137 444</u>
17. Prepayments			
Prepaid reinsurance premium ceded		3 562 042	3 489 169
Prepaid rent		8 646	11 471
Others		33 637	6 091
		<u>3 604 325</u>	<u>3 506 731</u>
18. Sundry receivables			
Advances to employees		2 566	1 676
Advances to suppliers and contractors		25 005	22 678
Current portion of loans to employees	12	982	780
Receivable from gratuity and pension fund	18.1	38 522	72 443
Receivable from sale of shares		-	11 299
Others		481	26
		<u>67 556</u>	<u>108 902</u>

18.1 Staff retirement benefits

The latest actuarial valuation as at 31 December 2015, uses a discount rate of 9 % (2014: 10.50 %) for defined benefit obligation and plan assets. Basic salary and pension increases to average 5.50 % and 0.85 % (2014: 7 % and 2.25 %) respectively per annum in the long term.

Rupees '000

	2015		2014	
	Pension	Gratuity	Pension	Gratuity
Obligation				
At the beginning of the year	208 786	268 232	195 560	268 728
Current service cost	1 828	13 481	1 678	13 245
Interest cost	20 931	26 457	23 891	31 142
Remeasurement loss / (gain) due to:				
Change in financial assumptions	–	–	–	–
Experience	16 348	10 639	4 024	4 073
Benefits paid	(18 871)	(32 537)	(16 367)	(48 956)
At the end of the year	<u>229 022</u>	<u>286 272</u>	<u>208 786</u>	<u>268 232</u>
Plan assets				
At the beginning of the year	242 916	306 545	199 090	296 591
Interest income	24 573	30 480	24 425	34 694
Remeasurement gain / (loss) due to:				
Investment return	(4 526)	4 099	34 439	24 216
Contributions paid by company	224	–	289	–
Contributions paid by employees	893	–	1 040	–
Benefits paid	(18 871)	(32 537)	(16 367)	(48 956)
At the end of the year	<u>245 209</u>	<u>308 587</u>	<u>242 916</u>	<u>306 545</u>
Defined benefit cost				
Service cost				
Current service cost	1 828	13 481	1 678	13 245
Employee contributions	(893)	–	(1 040)	–
Net interest (cost) / income	(3 642)	(4 023)	(534)	(3 552)
Chargeable in profit and loss account	(2 707)	9 458	104	9 693
Remeasurement due to:				
Change in financial assumptions	–	–	–	–
Experience on obligation	16 348	10 639	4 024	4 073
Investment return	4 526	(4 099)	(34 439)	(24 216)
Chargeable in statement of comprehensive income	20 874	6 540	(30 415)	(20 143)
Total defined benefit (cost) / income	<u>18 167</u>	<u>15 998</u>	<u>(30 311)</u>	<u>(10 450)</u>
Net liability (asset)				
At the beginning of the year	(34 130)	(38 313)	(3 530)	(27 863)
Defined benefit cost	18 167	15 998	(30 311)	(10 450)
Contributions paid by company	(224)	–	(289)	–
At the end of the year	<u>(16 187)</u>	<u>(22 315)</u>	<u>(34 130)</u>	<u>(38 313)</u>
Reconciliation				
Obligation	229 022	286 272	208 786	268 232
Plan assets	(245 209)	(308 587)	(242 916)	(306 545)
Net liability (asset)	<u>(16 187)</u>	<u>(22 315)</u>	<u>(34 130)</u>	<u>(38 313)</u>

	Pension				Gratuity				Rupees '000
	2015		2014		2015		2014		
Fund investments									
Debt	54 %	133 020	53 %	129 006	69 %	214 229	70 %	214 934	
Equity	22 %	53 830	22 %	53 510	27 %	81 670	26 %	80 733	
NIT	23 %	56 289	24 %	58 772	3 %	10 252	4 %	10 704	
Cash	1 %	2 070	1 %	1 628	1 %	2 436	–	174	
	100 %	245 209	100 %	242 916	100 %	308 587	100 %	306 545	

The expected charge to pension and gratuity fund for the year 2016 amounts to Rs. 12 million.

Impact on obligation of 1 % change in assumption

Assumptions	1 % increase	1 % decrease
Discount rate	(32 243)	36 468
Salary increase	19 425	(17 663)
Pension increase	17 952	(13 845)

Weighted average duration of the plan is 7.6 years.

Projected payments	Rupees '000	
	Pension	Gratuity
Company contributions 2016	228	–
Benefit payments:		
2016	21 736	32 524
2017	23 221	36 725
2018	23 633	23 650
2019	24 702	32 615
2020	24 538	23 541
2021 - 2025	126 835	234 017

19. Fixed assets – tangible and intangible

Rupees '000

	2015									
	Cost					Depreciation / Amortisation				Written down value
	As at 01 January	Additions	Disposals	As at 31 December	Rate %	As at 01 January	For the year	Disposals	As at 31 December	As at 31 December
Tangible										
Leasehold land	–	–	–	–	–	–	–	–	–	–
Buildings	479 630	103 022	–	582 652	5	151 688	25 800	–	177 488	405 164
Furniture and fixtures	469 735	14 342	3 500	480 577	10	267 566	34 629	2 669	299 526	181 051
Office equipments	258 257	12 142	1 154	269 245	10	101 514	25 308	727	126 095	143 150
Computers	142 225	5 457	637	147 045	30	126 650	10 567	609	136 608	10 437
Vehicles	533 486	115 294	51 613	597 167	20	316 470	79 600	47 862	348 208	248 959
Tracker equipments	–	119 877	–	119 877	20	–	11 658	–	11 658	108 219
Intangible										
Computer softwares	74 796	–	–	74 796	33	74 675	121	–	74 796	–
	1 958 129	370 134	56 904	2 271 359		1 038 563	187 683	51 867	1 174 380	1 096 980

2014

	Cost				Rate %	Depreciation / Amortisation				Written down value
	As at 01 January	Additions	Disposals / Adjustments	As at 31 December		As at 01 January	For the year	Disposals / Adjustments	As at 31 December	As at 31 December
Tangible										
Leasehold land	5 580	-	5 580	-	-	-	-	-	-	-
Buildings	438 424	41 206	-	479 630	5	128 740	22 948	-	151 688	327 942
Furniture and fixtures	436 911	43 797	10 973	469 735	10	246 013	32 526	10 973	267 566	202 169
Office equipments	244 131	16 523	2 397	258 257	10	79 748	24 163	2 397	101 514	156 743
Computers	137 747	4 979	501	142 225	30	114 435	12 599	384	126 650	15 575
Vehicles	469 512	125 428	61 454	533 486	20	311 870	60 597	55 997	316 470	217 016
Intangible										
Computer softwares	74 796	-	-	74 796	33	74 391	284	-	74 675	121
	<u>1 807 101</u>	<u>231 933</u>	<u>80 905</u>	<u>1 958 129</u>		<u>955 197</u>	<u>153 117</u>	<u>69 751</u>	<u>1 038 563</u>	<u>919 566</u>

19.1 The market value of land and buildings is estimated at Rs. 1,526 million (2014: Rs. 1,325 million). The valuations have been carried out by independent valuers.

19.2 Details of tangible assets disposed off during the year are as follows:

Mode of disposal	Rupees '000					Sold to
	Original cost	Accumulated depreciation	Book value	Sale proceeds		
Furniture and Fixtures (Negotiation)	764	611	153	120	Mr. Nisar, Karachi	
	1 143	869	274	320	Mr. Faisal, Karachi	
	745	373	372	300	Mr. Nisar, Karachi	
Written down value below Rs. 50,000	848	816	32	220	Various	
	<u>3 500</u>	<u>2 669</u>	<u>831</u>	<u>960</u>		
Office equipment (Negotiation)	840	497	343	35	Gemco, Karachi	
	248	164	84	10	Mr. Muhammad Tariq, Karachi	
Written down value below Rs. 50,000	66	66	-	5	Various	
	<u>1 154</u>	<u>727</u>	<u>427</u>	<u>50</u>		
Computers (Negotiation)	-	-	-	-		
Written down value below Rs. 50,000	637	609	28	93	Various	
	<u>637</u>	<u>609</u>	<u>28</u>	<u>93</u>		
Vehicles (Negotiation)	2 016	941	1 075	1 200	Mr. Nawaz (employee), Lahore	
	1 051	123	928	950	Mrs. Naureen Yousuf (employee), Karachi	
	1 497	873	624	1 000	Mr. Khurram Nasim (employee), Karachi	
	983	410	573	450	Mr. Mohammad Pervez (employee), Karachi	
	749	449	300	200	Mr. Muhammad Iqbal, Karachi	
	741	543	198	413	Mr. Muhammad Arfeen (employee), Karachi	
Written down value below Rs. 50,000	44 576	44 523	53	22 440	Various	
	<u>51 613</u>	<u>47 862</u>	<u>3 751</u>	<u>26 653</u>		

Rupees '000

		2015	2014
20. Capital work-in-progress			
Furniture and fixtures		1 000	–
Lifts and other installations		3 338	–
		<u>4 338</u>	<u>–</u>

Rupees '000

		2015		2014	
21. Commission from reinsurers	Commission received or receivable	Unearned Commission		Commission from reinsurers	Commission from reinsurers
		Opening	Closing		
Fire and property damage	505 195	218 615	243 395	480 415	437 214
Marine, aviation and transport	28 680	12 819	9 449	32 050	34 743
Motor	4	171	–	175	230
Miscellaneous	217 675	64 778	88 808	193 645	172 848
	<u>751 554</u>	<u>296 383</u>	<u>341 652</u>	<u>706 285</u>	<u>645 035</u>

Rupees '000

		Note	2015	2014
22. Management expenses				
Salaries, wages and benefits		22.1	1 089 412	992 539
Bonus to staff			87 806	84 564
Rent, rates and taxes			36 649	40 859
Telephone			9 452	10 309
Postage			5 089	4 632
Gas and electricity			36 619	41 204
Printing and stationery			21 286	21 692
Travelling and entertainment			64 153	51 763
Depreciation			112 915	88 601
Repairs and maintenance			10 034	8 643
Charges for vehicle tracking devices			31 531	110 599
Other expenses			20 509	27 010
			<u>1 525 455</u>	<u>1 482 415</u>

22.1 These include Rs. 17.75 million (2014: Rs. 16.78 million) being contribution for employees' provident fund.

Rupees '000

	Note	2015	2014
23. Other income			
Income from financial assets			
Interest on loans to employees		142	150
Income from non-financial assets			
Gain on sale of fixed assets		22 719	28 006
Exchange gain		2 850	2 825
		<u>25 711</u>	<u>30 981</u>
24. General and administration expenses			
Salaries, wages and benefits	24.1	215 030	185 311
Bonus to staff		13 587	17 699
Gratuity	18.1	9 424	9 643
Rent, rates and taxes		3 643	3 773
Telephone		2 086	2 923
Postage		971	1 043
Gas and electricity		10 161	14 618
Printing and stationery		6 966	7 750
Travelling and entertainment		35 469	28 140
Depreciation		74 068	63 821
Repairs and maintenance		45 460	41 980
Auditors' remuneration	24.2	3 402	2 366
Legal and professional charges		40 887	14 013
Publicity		53 841	61 650
Property management expenses		62 928	59 879
Donations	24.3	14 306	8 438
Provision for doubtful debts		1 180	3 400
Statutory levies		29 042	26 089
Other expenses		62 259	39 247
		<u>684 710</u>	<u>591 783</u>

24.1 These include Rs. 3.11 million (2014: Rs. 4.28 million) being contribution for employees' provident fund.

Rupees '000

	2015	2014
24.2 Auditors' remuneration		
Audit fee	1 600	1 525
Interim review	500	125
Other professional fee	1 046	515
Out of pocket expenses	256	201
	<u>3 402</u>	<u>2 366</u>

24.3 Donations

Donations include the following in whom the directors are interested:

Rupees '000

Name of Director	Interest in donee	Name and address of donee	2015	2014
Saifuddin N. Zoomkawala	Board member	Shaukat Khanum Memorial Trust 7A Block R-3, M.A. Johar Town, Lahore.	1 000	200
	Board member	Sindh Institute of Urology and Transplantation, Civil Hospital, Karachi, Pakistan.	500	250
	Member	Institute of Business Administration, Garden, Kayani Shaheed Road, Karachi.	1 667	1 667
Saifuddin N. Zoomkawala, Jahangir Siddiqui and Ali Raza Siddiqui	Board Member	Fakhr-e-Imdad Foundation, Mirpurkhas Digri Road, Mirwah Gorchani, Mirpurkhas.	500	350
Hasanali Abdullah	Board Member	The Aga Khan Hospital and Medical College Foundation, Stadium Road, Karachi.	1 667	1 667

Rupees '000

	Note	2015	2014
25. Takaful operations - OPF			
Wakala fee		(13 326)	—
Management expenses		3 462	—
Commission expenses		3 167	—
Other income		(2 033)	—
General and administration expenses		11 857	—
Loss before tax		3 127	—
26. Provision for taxation			
For the year			
– Current		517 802	418 512
– Prior year	26.1	238 177	—
		755 979	418 512
Deferred tax		19 250	14 677
		775 229	433 189

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

26.2 Reconciliation of tax charge

	Effective tax rate %		Rupees '000	
	2015	2014	2015	2014
Profit before taxation			4 809 129	2 262 240
Tax at the applicable rate	32.00	33.00	1 538 921	746 539
Tax effects of deductions not allowed	(0.27)	0.42	(12 831)	9 391
Tax effects of income taxed at reduced rates	(6.92)	(11.72)	(332 924)	(265 100)
Tax effects of exempt income	(13.64)	(2.80)	(656 114)	(63 320)
Prior year tax	4.95	0.25	238 177	5 679
Average effective tax rate charged on income	16.12	19.15	775 229	433 189

26.3 The Finance Act, 2015 introduced a tax on every public company at the rate of 10 % of such undistributed reserves which exceed the amount of its paid up capital. However, this tax shall not apply in case of a public company which distributes cash dividend equal to at least either 40 % of its after tax profits or 50 % of its paid up capital which ever is less, within the prescribed time after the end of the relevant tax year.

The final dividend proposed by the Board of Directors of the Company as disclosed in note 31 to these financial statement, along with interim dividends paid during the year, exceed the prescribed minimum dividend requirement as referred above. Accordingly no provision of income tax in this respect has been made in these financial statements.

27. Earnings per share

Rupees '000

		2015	2014
27.1 Basic earnings per share			
Profit after tax	(Rupees '000)	4 033 902	1 829 051
Weighted average number of ordinary shares	(Numbers '000)	160 000	160 000
Earnings per share	(Rupees)	25.21	11.43

27.2 Diluted earnings per share

No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

28. Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the accounts for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

Rupees '000

	2015				2014			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
Managerial remuneration	25 380	3 568	196 861	225 809	19 440	-	169 333	188 773
Bonus	-	-	34 565	34 565	2 438	-	30 342	32 780
Retirement benefits	-	-	14 002	14 002	1 034	-	12 207	13 241
Utilities	301	59	15 624	15 984	221	-	13 852	14 073
Medical expenses	698	175	6 947	7 820	422	-	6 636	7 058
Leave passage	841	-	5 371	6 212	-	-	2 997	2 997
Total	27 220	3 802	273 370	304 392	23 555	-	235 367	258 922
Number of persons	1	1	120	122	1	-	107	108

- 28.1 Chief Executive Officer is provided with Company maintained cars, furniture accommodation and medical insurance cover. Certain Executives are provided with free use of Company cars and certain items of household furniture and fixtures in accordance with their entitlements. The Chief Executive is not given any rent allowance but is provided with maintained furnished accommodation. The Chairman is provided with free use of Company cars, maintained furnished accommodation, medical insurance cover and residential utilities.

29. Segment reporting

Rupees '000

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Corporate segment assets - conventional	6 145 157	7 258 696	1 524 182	1 621 153	628 904	593 300	1 381 642	1 180 388	-	-	9 679 885	10 653 537
Corporate segment assets - Takaful OPF	8 801	-	823	-	32 674	-	2 269	-	-	-	44 567	-
Corporate unallocated assets - conventional											22 478 220	18 573 708
Corporate unallocated assets - Takaful OPF											61 363	-
Consolidated total assets											32 264 035	29 227 245
Corporate segment liabilities	8 814 324	9 355 618	1 928 162	1 989 424	2 597 296	2 350 083	2 209 108	1 754 093	-	-	15 548 890	15 449 218
Corporate segment liabilities - Takaful OPF	10 147	-	561	-	42 597	-	5 320	-	-	-	58 625	-
Corporate unallocated liabilities											809 076	666 928
Corporate unallocated liabilities - Takaful OPF											432	-
Consolidated total liabilities											16 417 023	16 116 146
Capital expenditures											376 175	230 224
Capital expenditures - Takaful OPF											3 724	-
Unallocated depreciation - conventional											212 055	177 457
Unallocated depreciation - Takaful OPF											409	-
Total despreciation											212 464	177 457

Location	External premium less reinsurance by geographical segments		Carrying amount of assets by geographical segments		Carrying amount of liabilities excluding branch account by geographical segments		Capital expenditures	
	2015	2014	2015	2014	2015	2014	2015	2014
Pakistan - conventional	6 650 644	6 500 342	32 067 890	29 057 969	16 334 631	16 034 695	376 175	230 224
Pakistan - Takaful OPF	-	-	-	-	-	-	3 724	-
* EPZ - conventional	26 218	32 010	196 145	169 276	82 392	81 451	-	-
Total	6 676 862	6 532 352	32 264 035	29 227 245	16 417 023	16 116 146	379 899	230 224

* This represents US Dollar equivalent in Pak Rupees

30. Management of insurance and financial risk

30.1 Insurance risk

The principal risk the Company faces under insurance contracts is the possibility that the insured event occurs, the uncertainty of the amount of the resulting claims i.e. the frequency and severity of claims and that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy aims to minimise insurance risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. The Company underwrites mainly property, motor, marine cargo and transportation and other miscellaneous business. These classes of insurance are generally regarded as short-term insurance contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate insurance risk.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. For large risks, particularly in property segment of business, risk inspections are carried out before accepting the risks. Similarly, in case of large risks, annual renewals are also preceded by on-site surveys. Where needed, risk mitigation measures are identified and communicated to the clients to improve the risk to an acceptable level.

Reinsurance arrangements in place include treaty and facultative arrangements, on proportional and non-proportional basis and also include catastrophe cover. The effect of such reinsurance arrangements is that the Company may not suffer ultimate net insurance losses beyond the Company's risk appetite in any one year.

The Company's arrangement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor the operations of the Company are substantially dependent upon any single reinsurance contract. The Company obtains reinsurance cover only from companies with sound financial health.

30.1.1 Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Company manages these risk through the measures described above. The Company has limited its exposure to catastrophic and riot events by use of reinsurance arrangements.

The Company monitors concentration of insurance risks primarily by class of business. The table below sets out the concentration of the claims and premium liabilities (in percentage terms) by class of business at balance sheet date:

Class	2015				2014			
	Gross claims liabilities	Net claims liabilities	Gross premium liabilities	Net premium liabilities	Gross claims liabilities	Net claims liabilities	Gross premium liabilities	Net premium liabilities
	%	%	%	%	%	%	%	%
Fire and property damage	45	31	59	33	56	33	64	37
Marine, aviation and transport	19	19	10	13	19	20	9	11
Motor	22	44	23	49	17	42	21	46
Miscellaneous	14	6	8	5	8	5	6	6
	100	100	100	100	100	100	100	100

The Company also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighbouring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk.

The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company.

The Company's class wise major gross risk exposure is as follows:

Class	Rupees '000	
	2015	2014
Fire and property damage	95 470 000	95 338 000
Marine, aviation and transport	86 984 000	21 630 000
Motor	47 000	50 000
Miscellaneous	7 210 000	12 766 000

Since the Company operates in Pakistan only, hence, all the insurance risks relate to policies written in Pakistan.

30.1.2 Sources of uncertainty in estimation of future claim payments

The key source of estimation uncertainty at the balance sheet date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under insurance contracts. Such estimates are necessarily based on assumptions about several factors involving varying and possibly significant degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the

future, for example one-off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the balance sheet date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the balance sheet date. The details of estimation of outstanding claims (including IBNR) are given under note 3.6.2.

30.1.3 Process used to decide on assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information is available.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, in which case information about the claim event is available. IBNR provisions are initially estimated at a gross level and a separate calculation is carried out to estimate the size of the reinsurance recoveries. The estimation process takes into account the past claims reporting pattern and details of reinsurance programs.

The premium liabilities have been determined such that the total premium liability provisions (unearned premium reserve and premium deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as of balance sheet date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

30.1.4 Sensitivity analysis

The Company believes that the claim liabilities under insurance contracts outstanding at the year end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The impact on the profit before tax and shareholders' equity of the changes in the claim liabilities net of reinsurance is analysed below. The sensitivity to changes in claim liabilities net of reinsurance is determined separately for each class of business while keeping all other assumptions constant.

	Profit before tax		Shareholders' equity	
	2015	2014	2015	2014
Rupees '000				
Impact of change in claim liabilities by + 10				
Fire and property damage	(68 617)	(74 818)	(46 660)	(50 128)
Marine, aviation and transport	(42 148)	(44 779)	(28 661)	(30 002)
Motor	(97 764)	(93 947)	(66 480)	(62 944)
Miscellaneous	(14 518)	(12 698)	(9 872)	(8 508)
	<u>(223 047)</u>	<u>(226 242)</u>	<u>(151 673)</u>	<u>(151 582)</u>
Impact of change in claim liabilities by - 10				
Fire and property damage	68 617	74 818	46 660	50 128
Marine, aviation and transport	42 148	44 779	28 661	30 002
Motor	97 764	93 947	66 480	62 944
Miscellaneous	14 518	12 698	9 872	8 508
	<u>223 047</u>	<u>226 242</u>	<u>151 673</u>	<u>151 582</u>

30.1.5 Claim development

The Company maintains adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year.

Claims which involve litigation and, in the case of Marine general average adjustments take longer for the final amounts to be determined which exceed one year. All amounts are presented in gross numbers before reinsurance. Claims of last five years are given below:

	Rupees '000				
Accident year	2011	2012	2013	2014	2015
Estimate of ultimate claims costs:					
– At end of accident year	84 819	57 244	–	200 746	62 928
– One year later	48 767	22 848	7 769	213 387	–
– Two years later	59 293	57 513	7 661	–	–
– Three years later	58 682	52 488	–	–	–
– Four years later	59 457	–	–	–	–
Current estimate of cumulative claims	59 457	52 488	7 661	213 387	62 928
Cumulative payments to date	27 546	7 448	475	180 850	741
Liability recognised in balance sheet	31 911	45 040	7 186	32 537	62 187

30.2 Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (comprising of currency risk, interest rate risk and other price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. There are Board Committees and Management Committees for developing and monitoring the risk management policies.

30.2.1 Credit risk

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The management monitors exposure to credit risk through regular review of credit exposure, undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in similar manner. Due to the nature of financial assets, the Company believes it is not exposed to any major concentration of credit risk.

The carrying amounts of the following financial assets represent the Company's maximum exposure to credit risk:

	Rupees '000	
	2015	2014
Financial assets		
Bank balances and deposits	1 744 821	1 515 054
Loans to employees	3 096	3 358
Investments (Term Finance Certificates)	44 618	77 651
Premiums due but unpaid - net - unsecured	3 285 856	3 159 203
Amount due from other insurers / reinsurers	15 839	27 137
Accrued investment income	141 689	137 444
Reinsurance recoveries against outstanding claims	2 232 473	3 389 989
Security deposits	17 390	6 505
Sundry receivables	66 574	108 122
	7 552 356	8 424 463

The credit quality of Company's bank balances and deposits can be assessed with reference to external credit ratings as follows:

			Rupees '000	
Rating			2015	2014
AAA			281 126	332 839
AA+			739 970	718 215
AA			155 069	69 083
AA-			48 018	130 180
A+			504 411	230 401
A			16 227	34 336
			<u>1 744 821</u>	<u>1 515 054</u>

The credit quality of Company's investment in term finance certificates and commercial papers can be assessed with reference to external credit ratings as follows:

					Rupees '000	
Rating	Short Term	Rating Agency	2015	2014		
Engro Fertilizers Limited	A+	PACRA	–	32 533		
Agritech Limited - 3rd Issue (B)	D	PACRA	5 665	5 665		
Agritech Limited - 3rd Issue (A)	D	PACRA	34 972	34 972		
New Allied Electronics Limited	N/A	–	3 981	4 481		
			<u>44 618</u>	<u>77 651</u>		

The management monitors exposure to credit risk in premium receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables. As at 31 December 2015, the premiums due but unpaid (other than impaired balances) includes amount receivable within one year and above one year amounting to Rs. 2,932 million (2014: Rs. 2,810 million) and Rs. 384 million (2014: Rs. 379 million) respectively.

The credit quality of amounts due from other insurers / reinsurers and claim recoveries from reinsurers can be assessed with reference to external credit ratings as follows:

					Rupees '000	
Rating	2015		2014			
	Amounts due from insurers / reinsurers	Reinsurance recoveries against outstanding claims	Amounts due from insurers / reinsurers	Reinsurance recoveries against outstanding claims		
A or above (including Pakistan Reinsurance Company Limited)	7 236	2 035 504	926	3 077 893		
B or above	8 603	183 876	10 318	206 801		
Others	–	13 093	15 893	105 295		
	<u>15 839</u>	<u>2 232 473</u>	<u>27 137</u>	<u>3 389 989</u>		

As at 31 December 2015, the amounts due from insurers / reinsurers includes amount receivable within one year and above one year amounting to Rs. 2.205 million (2014: Rs. 1 million) and Rs. 13.634 million (2014: Rs. 26 million) respectively.

30.2.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. In respect of major loss event, there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected re-insurance recoveries.

The objective of the Company's liquidity management process is to ensure, as far as possible, that it will always have sufficient liquidity to meet its claim and other liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation. It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis, maintaining sufficient cash reserves in bank accounts and a portfolio of highly marketable financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

The table below provides the maturity analysis of the Company's liabilities as at balance sheet date. All liabilities are presented on a contractual cash flow basis except for the provision of outstanding claims (including IBNR), which are presented with their expected cash flows.

Rupees '000

	2015		
	Carrying amount	Up to one year	Greater than one year
Financial liabilities			
Provision for outstanding claims (including IBNR)	4 462 934	4 462 934	–
Amounts due to other insurers / reinsurers	2 947 386	2 947 386	–
Accrued expenses	201 074	201 074	–
Agent balances	527 572	527 572	–
Other creditors and accruals	57 341	57 341	–
Other deposits	540 028	540 028	–
Unclaimed dividends	128 432	128 432	–
	<u>8 864 767</u>	<u>8 864 767</u>	<u>–</u>
	2014		
	Carrying amount	Up to one year	Greater than one year
Financial liabilities			
Provision for outstanding claims (including IBNR)	5 652 404	5 652 404	–
Amounts due to other insurers / reinsurers	2 069 905	2 069 905	–
Accrued expenses	183 975	183 975	–
Agent balances	551 661	551 661	–
Other creditors and accruals	2 871	2 871	–
Other deposits	509 979	509 979	–
Unclaimed dividends	98 223	98 223	–
	<u>9 069 018</u>	<u>9 069 018</u>	<u>–</u>

30.2.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market prices such as interest rates, foreign exchange rates and equity prices.

The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in Government securities, equity and term finance certificates markets. In addition, the Company actively monitors the key factors that affect the underlying value of these securities.

30.2.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company has securities and deposits that are subject to interest rate risk. The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its financial assets are denominated.

The information about Company's exposure to interest rate risk based on contractual repricing or maturity dates whichever is earlier is as follows:

Rupees '000

	2015						
	Interest / mark-up bearing					Non-interest / mark-up bearing	Total
	Effective yield %	Upto one year	Over one year to five years	Over five years	Sub total		
Financial assets							
Cash and other equivalents	4.25 - 9.75	1 578 765	–	–	1 578 765	170 231	1 748 996
Loans to employees	4.73	982	1 701	413	3 096	–	3 096
Investments	12.03	424 921	2 285 956	–	2 710 877	16 455 351	19 166 228
Premiums due but unpaid-net-unsecured		–	–	–	–	3 285 856	3 285 856
Premiums due from other insurers / reinsurers		–	–	–	–	15 839	15 839
Accrued investment income		–	–	–	–	141 689	141 689
Reinsurance recoveries against outstanding claims		–	–	–	–	2 232 473	2 232 473
Security deposits		–	–	–	–	17 390	17 390
Sundry receivables		–	–	–	–	66 574	66 574
		<u>2 004 668</u>	<u>2 287 657</u>	<u>413</u>	<u>4 292 738</u>	<u>22 385 403</u>	<u>26 678 141</u>
Financial liabilities							
Provision for outstanding claims (including IBNR)		–	–	–	–	4 462 934	4 462 934
Amount due to other insurers / reinsurers		–	–	–	–	2 947 386	2 947 386
Accrued expenses		–	–	–	–	201 074	201 074
Agent balances		–	–	–	–	527 572	527 572
Other creditors and accruals		–	–	–	–	57 341	57 341
Other deposits		–	–	–	–	540 028	540 028
Unclaimed dividends		–	–	–	–	128 432	128 432
		<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>8 864 767</u>	<u>8 864 767</u>
On-balance sheet sensitivity gap		<u>2 004 668</u>	<u>2 287 657</u>	<u>413</u>	<u>4 292 738</u>		
Total yield / mark-up rate risk sensitivity gap		<u>2 004 668</u>	<u>2 287 657</u>	<u>413</u>	<u>4 292 738</u>		

	2014						Total
	Interest / mark-up bearing				Sub total	Non-interest / mark-up bearing	
	Effective yield %	Upto one year	Over one year to five years	Over five years			
Financial assets							
Cash and other equivalents	5.0-9.75	1 393 459	–	–	1 393 459	127 336	1 520 795
Loans to employees	4.73	780	1 990	588	3 358	–	3 358
Investments	11.81	5 422	2 594 118	–	2 599 540	13 047 503	15 647 043
Premiums due but unpaid-net-unsecured		–	–	–	–	3 159 203	3 159 203
Premiums due from other insurers / reinsurers		–	–	–	–	27 137	27 137
Accrued investment income		–	–	–	–	137 444	137 444
Reinsurance recoveries against outstanding claims		–	–	–	–	3 389 989	3 389 989
Security deposits		–	–	–	–	6 505	6 505
Sundry receivables		–	–	–	–	108 122	108 122
		<u>1 399 661</u>	<u>2 596 108</u>	<u>588</u>	<u>3 996 357</u>	<u>20 003 239</u>	<u>23 999 596</u>
Financial liabilities							
Provision for outstanding claims (including IBNR)		–	–	–	–	5 652 404	5 652 404
Amount due to other insurers / reinsurers		–	–	–	–	2 069 905	2 069 905
Accrued expenses		–	–	–	–	183 975	183 975
Agent balances		–	–	–	–	551 661	551 661
Other creditors and accruals		–	–	–	–	2 871	2 871
Other deposits		–	–	–	–	509 979	509 979
Unclaimed dividends		–	–	–	–	98 223	98 223
		<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>9 069 018</u>	<u>9 069 018</u>
On-balance sheet sensitivity gap		<u>1 399 661</u>	<u>2 596 108</u>	<u>588</u>	<u>3 996 357</u>		
Total yield / mark-up rate risk sensitivity gap		<u>1 399 661</u>	<u>2 596 108</u>	<u>588</u>	<u>3 996 357</u>		

Sensitivity analysis

As on 31 December 2015, the Company had no financial instruments valued at fair value through profit or loss. For cash flow sensitivity analysis of variable rate instruments, a hypothetical change of 100 basis points in interest rates during the year would have decreased / increased profit for the year by the amounts shown below.

It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Change in basis points	Effect on profit and loss before tax	Effect on shareholders' equity
31 December 2015	100	10 216	6 845
	(100)	(10 216)	(6 845)
31 December 2014	100	8 372	5 442
	(100)	(8 372)	(5 442)

Rupees '000

30.2.3.2 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistani Rupees.

30.2.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity investments amounting to Rs. 17,920 million are susceptible to market price risk arising from uncertainty about the future value of investment securities. The Company limits market risk by diversifying its equity investment portfolio and by actively monitoring the developments in equity and money markets.

The Company also has strategic equity investments in its associate amounting to Rs. 11,571 million which is held for long term. The management monitors these strategic investments based on the underlying business and economic characteristic of the investee rather than the short term price fluctuations.

The table below summarises Company's market price risk as of 31 December 2015 and 2014. It shows the effect of a 10 % increase and 10 % decrease in the market prices of equity investments as on those dates on Company's profit and equity.

Had all equity investments, other than associates, been measured at fair values as required by IAS 39, Financial Instruments: Recognition and Measurement, the impact of hypothetical change would be as follows:

					Rupees '000
	Fair value	Price change	Estimated fair value	Effect on profit and loss before tax	Effect on shareholders' equity
31 December 2015	9 350 565	10 % increase	10 285 622	–	935 057
		10 % decrease	8 415 509	–	(935 057)
31 December 2014	7 856 813	10 % increase	8 642 494	–	785 681
		10 % decrease	7 071 132	–	(785 681)

30.3 Fair value

30.3.1 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.

30.3.2 All assets and liabilities for which fair value is measured or disclosed in the 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

	2015		
	Fair value measurement using		
	Level 1	Level 2	Level 3
Investment properties	–	1 548	–
Investment in associates	8 569	–	–
Available-sale-investments	9 351	2 903	–

	2014		
	Fair value measurement using		
	Level 1	Level 2	Level 3
Investment properties	–	1 514	–
Investment in associates	7 308	–	–
Available-sale-investments	7 857	2 702	–

30.4 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and meet the regulatory, solvency and paid up capital requirements so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

31. Non-adjusting event after the balance sheet date

The Board of Directors in its meeting held on 13 February 2016 have announced a final cash dividend in respect of the year ended 31 December 2015 of Rs. 4.50 per share, 45 % (2014: Rs. 5.00 per share, 50 %) and bonus share in proportion of 1 new share for every 4 existing ordinary shares i.e. 25 % amounting to Rs. 400 million (2014: Nil). In addition, the Board of Directors have also approved the transfer to general reserve from un-appropriated profit amounting to Rs. 200 million (2014: Rs. 1,000 million). These financial statements for the year ended 31 December 2015 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

32. 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 and compensation to key management personnel is on employment terms. The transactions and balances with related parties other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Rupees '000

	2015	2014
Transactions		
Associated company		
Premiums written	19 584	17 927
Premiums paid	9 969	7 057
Claims paid	9 831	11 902
Claims lodged	2 405	3 377
Dividends received	387 339	279 334
Dividends paid	87 207	44 966
Expenses recovered	–	4 979
Bonus shares issued	–	23 846
Key management personnel		
Premiums written	924	628
Claims paid	395	400
Dividends paid	5 122	2 681
Bonus shares issued	–	1 422
Compensation	155 902	133 559

Rupees '000

	2015	2014
Others		
Premiums written	121 737	107 026
Premiums paid	13 106	9 141
Claims paid	77 402	69 122
Claims lodged	6 366	9 917
Investments made	546 035	846 238
Investments sold	476 467	928 500
Dividends paid	694 809	337 486
Bonus shares issued	–	175 976
Bank deposits made	5 000	5 000
Brokerage paid	1 680	414
Employees' funds		
Contributions to provident fund	20 897	21 060
Contributions to gratuity fund	9 458	9 693
Contributions to pension fund	(2 708)	289
Dividends paid	6 597	3 402
Bonus shares paid	–	1 804
Balances		
Others		
Balances receivable	1 170	663
Balances payable	(1 512)	(473)
Deposits maturing within 12 months	145 500	145 500
Bank balances	282 269	39 516
Employees' funds receivable		
EFU gratuity fund	22 315	38 313
EFU pension fund	16 187	34 130

33. Number of employees

Number of employees as at 31 December 2015 was 1,162 (2014: 1,165).

34. Date of authorisation for issue of financial statements

These financial statements were authorised for issue by the Board of Directors in its meeting held on 13 February 2016.

RAFIQUE R. BHIMJEE
Director

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman








Karachi 13 February 2016










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Annexure - A

Window Takaful Operations

Financial Statements

For the period from 06 May 2015 to 31 December 2015

EFU General Insurance Ltd. – Window Takaful Operations

Balance Sheet

As At 31 December 2015

		2015		
	Note	Operator's Fund	Participants' Takaful Fund	Aggregate
Operator's Fund				
Statutory Fund		50 000	–	50 000
Accumulated loss		(3 127)	–	(3 127)
		46 873	–	46 873
Waqf / Participants' Takaful Fund				
Cede money		–	500	500
Accumulated surplus		–	11 124	11 124
		–	11 624	11 624
Underwriting provisions				
Provision for outstanding claims (including IBNR)		–	19 367	19 367
Provision for unearned contribution		–	148 902	148 902
Unearned retakaful rebate	11	–	7 206	7 206
Total underwriting provisions		–	175 475	175 475
Creditors and accruals				
Contributions received in advance		–	203	203
Amounts due to other takaful / retakaful operator		–	42 875	42 875
Unearned wakala fees		50 980	–	50 980
Wakala fees payable		–	34 411	34 411
Accrued expenses		413	–	413
Agent balances		7 645	–	7 645
Other creditors and accruals	4	19	10 046	10 065
		59 057	87 535	146 592
Total liabilities		59 057	263 010	322 067
Total equity and liabilities		105 930	274 634	380 564

Rupees '000

	Note	2015		
		Operator's Fund	Participants' Takaful Fund	Aggregate
Cash and bank deposits				
Cash and other equivalents	5	–	262	262
Current and other accounts	6	7 288	40 801	48 089
Deposits maturing within 12 months	7	50 000	40 000	90 000
		57 288	81 063	138 351
Current assets - others				
Contributions due but unpaid - net		–	87 452	87 452
Accrued investment income		149	185	334
Retakaful recoveries against outstanding claims		–	10 895	10 895
Deferred commission expense		10 156	–	10 156
Wakala fees receivable		34 411	–	34 411
Deferred Wakala fees		–	50 980	50 980
Taxation - payments less provision		195	70	265
Prepayments	8	–	40 904	40 904
Security deposits		300	–	300
Sundry receivables		116	–	116
		45 327	190 486	235 813
Fixed assets - tangible				
	9			
Furniture, fixtures and office equipments		1 915	3 085	5 000
Vehicles		1 400	–	1 400
		3 315	3 085	6 400
Total assets		105 930	274 634	380 564

The annexed notes 1 to 22 form an integral part of these financial statements.

RAFIQUE R. BHIMJEE
Director

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 13 February 2016

EFU General Insurance Ltd. – Window Takaful Operations Profit and Loss Account For the period from 06 May 2015 to 31 December 2015

Rupees '000

Note	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty	Aggregate 2015
PTF Revenue Account						
	1 470	299	21 139	4 614	–	27 522
	(3 336)	(819)	(5 855)	(3 316)	–	(13 326)
	(1 138)	(2)	(7 835)	(224)	–	(9 199)
10	(1)	–	(152)	(2)	–	(155)
11	2 634	459	–	801	–	3 894
Underwriting results	(371)	(63)	7 297	1 873	–	8 736
						888
12						1 500
						2 388
Surplus for the period						11 124
OPF Revenue Account						
	3 336	819	5 855	3 316	–	13 326
13	(866)	(213)	(1 521)	(862)	–	(3 462)
	(1 336)	(226)	(932)	(673)	–	(3 167)
	1 134	380	3 402	1 781	–	6 697
						2 033
14						(11 857)
						(9 824)
Loss for the period						(3 127)

The annexed notes 1 to 22 form an integral part of these financial statements.

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Chairman

Karachi 13 February 2016

EFU General Insurance Ltd. – Window Takaful Operations

Statement of Comprehensive Income

For the period from 06 May 2015 to 31 December 2015

Rupees '000

	2015
Operator's Fund	
Loss for the period	(3 127)
Other comprehensive income / (loss)	-
Total comprehensive income / (loss) for the period	(3 127)

The annexed notes 1 to 22 form an integral part of these financial statements.

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Karachi 13 February 2016

EFU General Insurance Ltd. – Window Takaful Operations

Statement of Changes in Fund

For the period from 06 May 2015 to 31 December 2015

Rupees '000

	Operator's Fund		
	Statutory fund	Accumulated loss	Total
Contribution made during the period	50 000	–	50 000
Total comprehensive income / (loss) for the period ended 31 December 2015			
Loss for the period	–	(3 127)	(3 127)
Balance as at 31 December 2015	<u>50 000</u>	<u>(3 127)</u>	<u>46 873</u>

	Participants' Takaful Fund		
	Cede money	Accumulated surplus	Total
Cede money	500	–	500
Surplus for the period	–	11 124	11 124
Balance as at 31 December 2015	<u>500</u>	<u>11 124</u>	<u>11 624</u>

The annexed notes 1 to 22 form an integral part of these financial statements.

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EFU General Insurance Ltd. – Window Takaful Operations

Statement of Cash Flows

For the period from 06 May 2015 to 31 December 2015

Rupees '000

	Operator's Fund	Participants' Takaful Fund	2015 Aggregate
Operating activities			
a) Takaful activities			
Contributions received	–	118 283	118 283
Retakaful contributions paid	–	(26 621)	(26 621)
Claims paid	–	(737)	(737)
Retakaful and other recoveries received	–	10	10
Commissions paid	(5 678)	–	(5 678)
Retakaful rebate received	–	11 099	11 099
Wakala fees received	29 894	–	29 894
Wakala fees paid	–	(29 895)	(29 895)
Management expenses	(2 891)	(75)	(2 966)
Net cash inflow from takaful activities	21 325	72 064	93 389
b) Other operating activities			
Income tax paid	(195)	(70)	(265)
General and administration expenses	(11 605)	–	(11 605)
Other operating payments	(416)	(515)	(931)
Other operating receipts	19	11 547	11 566
Net cash (outflow) / inflow from other operating activities	(12 197)	10 962	(1 235)
Total cash inflow from all operating activities	9 128	83 026	92 154
Investment activities			
Profit / return received	1 884	703	2 587
Fixed capital expenditures	(3 724)	(3 166)	(6 890)
Total cash outflow from investing activities	(1 840)	(2 463)	(4 303)
Financing activities			
Contribution to the operator's fund	50 000	–	50 000
Cede money	–	500	500
Total cash inflow from financing activities	50 000	500	50 500
Net cash inflow from all activities	57 288	81 063	138 351
Cash at the beginning of the period	–	–	–
Cash at the end of the period	57 288	81 063	138 351
Reconciliation to profit and loss account			
Operating cash flows	9 128	83 026	92 154
Depreciation / amortisation expense	(409)	(81)	(490)
Profit on deposits	2 033	888	2 921
Decrease in assets other than cash	45 178	190 301	235 479
(Increase) in liabilities other than running finance	(59 057)	(263 010)	(322 067)
(Loss) / surplus for the period	(3 127)	11 124	7 997
Attributed to			
Operator's Fund	(3 127)	–	(3 127)
Participants' Takaful Fund	–	11 124	11 124
	(3 127)	11 124	7 997
Definition of cash			
Cash for the purposes of the statement of cash flows consists of:			
Cash and other equivalents	–	262	262
Current and other accounts	7 288	40 801	48 089
Deposits maturing within 12 months	50 000	40 000	90 000
	57 288	81 063	138 351

The annexed notes 1 to 22 form an integral part of these financial statements.

RAFIQUE R. BHIMJEE
Director

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Chairman

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EFU General Insurance Ltd. – Window Takaful Operations Statement of Contributions For the period from 06 May 2015 to 31 December 2015

Rupees '000

Class	Contribution				Retakaful			Net contribution revenue 2015	
	Written	Unearned contribution reserve		Earned	Retakaful ceded	Prepaid retakaful contribution ceded			Retakaful expense
		Opening	Closing			Opening	Closing		
Direct and facultative									
Fire and property damage	42 866	–	29 414	13 452	38 512	–	26 530	11 982	1 470
Marine, aviation and transport	3 190	–	853	2 337	2 750	–	712	2 038	299
Motor	126 091	–	98 541	27 550	6 411	–	–	6 411	21 139
Miscellaneous	33 385	–	20 094	13 291	21 823	–	13 146	8 677	4 614
Total	205 532	–	148 902	56 630	69 496	–	40 388	29 108	27 522
Treaty - proportional	–	–	–	–	–	–	–	–	–
Grand total	205 532	–	148 902	56 630	69 496	–	40 388	29 108	27 522

Note: Contributions written includes administrative surcharge of Rs. 32.98 million

The annexed notes 1 to 22 form an integral part of these financial statements.

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Director

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Chairman

Karachi 13 February 2016

EFU General Insurance Ltd. – Window Takaful Operations

Statement of Claims

For the period from 06 May 2015 to 31 December 2015

Rupees '000

Class	Claims			Claims expense	Retakaful			Retakaful and other recoveries revenue	Net claims expense 2015
	Paid	Outstanding			Retakaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims			
		Opening	Closing		Opening	Closing			
Direct and facultative									
Fire and property damage	11	–	11 363	11 374	10	–	10 226	10 236	1 138
Marine, aviation and transport	–	–	25	25	–	–	23	23	2
Motor	726	–	7 755	8 481	–	–	646	646	7 835
Miscellaneous	–	–	224	224	–	–	–	–	224
Total	737	–	19 367	20 104	10	–	10 895	10 905	9 199
Treaty - proportional	–	–	–	–	–	–	–	–	–
Grand total	737	–	19 367	20 104	10	–	10 895	10 905	9 199

The annexed notes 1 to 22 form an integral part of these financial statements.

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Chairman

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EFU General Insurance Ltd. – Window Takaful Operations
Statement of Expenses - OPF
For the period from 06 May 2015 to 31 December 2015

Rupees '000

Class	Paid or payable	Commission		Net expense	Other management expenses	Net OPF expenses
		Deferred				2015
		Opening	Closing			
Direct and facultative						
Fire and property damage	5 016	–	3 680	1 336	866	2 202
Marine, aviation and transport	460	–	234	226	213	439
Motor	6 137	–	5 205	932	1 521	2 453
Miscellaneous	1 710	–	1 037	673	862	1 535
Total	13 323	–	10 156	3 167	3 462	6 629
Treaty - proportional	–	–	–	–	–	–
Grand total	13 323	–	10 156	3 167	3 462	6 629

The annexed notes 1 to 22 form an integral part of these financial statements.

RAFIQUE R. BHIMJEE
Director

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SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 13 February 2016

EFU General Insurance Ltd. – Window Takaful Operations

Statement of Expenses - PTF

For the period from 06 May 2015 to 31 December 2015

Rupees '000

Class	Gross wakala fee	Deferred wakala fee		Net expense	PTF Direct expense	Rebate from retakaful operators (Note 11)	Net PTF expenses
		Opening	Closing				2015
Direct and facultative							
Fire and property damage	10 717	–	7 381	3 336	1	2 634	703
Marine, aviation and transport	1 117	–	298	819	–	459	360
Motor	44 126	–	38 271	5 855	152	–	6 007
Miscellaneous	8 346	–	5 030	3 316	2	801	2 517
Total	64 306	–	50 980	13 326	155	3 894	9 587
Treaty - proportional	–	–	–	–	–	–	–
Grand total	64 306	–	50 980	13 326	155	3 894	9 587

The annexed notes 1 to 22 form an integral part of these financial statements.

RAFIQUE R. BHIMJEE
Director

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 13 February 2016

EFU General Insurance Ltd. – Window Takaful Operations

Notes to the Financial Statements

For the period from 06 May 2015 to 31 December 2015

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

2.1 Statement of compliance

These financial statements of the WTO for the period from 6 May 2015 to 31 December 2015 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 Basis of measurement

These financial statements have been prepared on the historical cost basis.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Operator's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousand.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The judgments, estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the revision and future periods if the revision affects both current and future periods.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

	<u>Note</u>
– Provision for unearned contributions	3.3
– Contributions deficiency reserve	3.4
– Provision for outstanding claims (including IBNR)	3.6
– Receivables and payables related to takaful contracts	3.11
– Fixed assets	3.13 & 9

2.5 Standards, interpretations and amendments to approved accounting standards that are not yet effective.

2.5.1 The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<u>Standard or Interpretation</u>	<u>Effective date (annual periods beginning)</u>
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Separate Financial Statements - Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016
IAS 16 – Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	01 January 2016
IAS 16 – Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	01 January 2016
IAS 27 – Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The above standards and amendments are not expected to have any material impact on the Operator's financial statements in the period of initial application other than IFRS 12. IFRS 12 prescribes disclosures related to consolidated financial statements and an entity's interests in subsidiaries, joint arrangements, associates and structured entities. It is expected that adoption of IFRS 12 will result in enhanced disclosures in the financial statements of the Operator for future periods.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 July 2014 and 01 January 2016. The Operator expects that such improvements to the standards will not have any material impact on the Operator's financial statements in the period of initial application.

2.5.2 Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

<u>Standard</u>	<u>IASB Effective date (annual periods beginning on or after)</u>
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2018
IFRS 16 – Leases	01 January 2019

2.5.3 In November 2012, the SECP vide its notifications SRO No. 1383 / 2012 and SRO No. 1384 / 2012 published revised draft of insurance accounting regulations and draft amendments in SEC (Insurance) Rules, 2002 respectively. These regulations and amendments are not yet effective.

3. Summary of significant accounting policies

3.1 Takaful contracts

Takaful contracts are those contracts where the Participants' Takaful Fund (PTF) has accepted significant Takaful risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event adversely affects the policyholders.

Once a contract has been classified as a Takaful contract, it remains a Takaful contract for the remainder of its lifetime, even if the Takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The Operator underwrites non-life takaful contracts that can be categorised into Fire and Property Damage, Marine, Aviation and Transport, Motor and Miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Takaful contracts entered into by the Operator under which the contract holder is another Takaful Operator (inwards retakaful) of a facultative nature are included within the individual category of takaful contracts, other than those which fall under Treaty. The takaful risk involved in these contracts is similar to the contracts undertaken by the Operator as takaful operator.

Fire and Property takaful contracts mainly compensate the customers for damage suffered to their property. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the covered properties in their business activities (business interruption cover).

Marine, Aviation and Transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships, and liabilities to third parties and passengers arising from their use.

Motor takaful covers physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

All other takaful contracts like cash in hand, cash in transit, personal accident, infidelity, public liabilities, health, crop, livestock, travel, bankers and other financial institutions packages, product liabilities, professional indemnity, workers compensation etc. are included under Miscellaneous takaful cover.

3.2 Contribution

For all the takaful contracts, contributions including administrative surcharge received / receivable under a policy are recognised as written at the time of issuance of policy. Where contributions for a policy are payable in instalments, full contribution for the duration of the policy is recognised as written at the inception of the policy and related assets set up for contributions receivable at a later date. Contributions are stated on gross basis and exclusive of taxes and duties levied on contributions.

3.3 Provision for unearned contributions

The unearned contribution reserve is the unexpired portion of the contribution including administrative surcharge which relates to business in force at the balance sheet date. Unearned contribution has been calculated by applying 1/24th method as specified in the SEC (Insurance) Rules, 2002.

3.4 Contribution deficiency reserve (liability adequacy test)

At each balance sheet date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned contribution liability for that class. It is performed by comparing the expected future liability, after retakaful, from claims and other expenses, including retakaful expense, wakala and other underwriting expenses, expected to be incurred after balance sheet date in respect of policies in force at balance sheet date with the carrying amount of unearned contribution liability. Any deficiency is recognised by establishing a provision (contribution deficiency reserve) to meet the deficit.

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable.

The movement in the contribution deficiency reserve is recognised as an expense or income in the profit and loss account for the year.

The expected ultimate net claim ratios for the unexpired periods of policies in force at balance sheet date for each class of business is as follows:

	<u>2015</u>
– Fire and property damage	38 %
– Marine, aviation and transport	46 %
– Motor	56 %
– Miscellaneous	62 %

3.5 Claims

Claims are charged to PTF as incurred based on estimated liability for compensation owed under the takaful contracts. It includes claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

3.6 Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognised in respect of all claims incurred up to the balance sheet date which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs.

Retakaful recoveries against outstanding claims are recognized as an asset and measured at the amount expected to be received.

3.7 Retakaful contracts

Contracts entered into by the Operator with retakaful operator under which the Operator arranges to cede takaful risks of PTF assumed during normal course of the business and according to which the PTF is compensated for losses on takaful contracts issued by the Operator are classified as retakaful contracts held.

Retakaful contribution is recognised as an expense at the time the retakaful is ceded. Commission on retakaful cessions are recognised in accordance with the policy of recognising contribution revenue.

Retakaful assets represent balances due from retakaful companies and retakaful recoveries against outstanding claims. Retakaful recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the retakaful contracts. Retakaful liabilities represent balances due to retakaful companies and are primarily contributions payable for retakaful contracts and are recognised at the same time when retakaful contributions are recognised as an expense.

Retakaful assets or liabilities are derecognised when the contractual rights are extinguished or expired.

An impairment review of retakaful assets is performed at each balance sheet date. If there is objective evidence that the asset is impaired, the Operator reduces the carrying amount of the retakaful asset to its recoverable amount and recognises that impairment loss in the profit and loss account.

3.8 Commission

3.8.1 Commission expense

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

3.8.2 Rebate from retakaful operators

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

3.9 Wakala fees

The Operator manages the general takaful operations for the participants and charges 25 % for Fire and Property Damage, 35 % for Marine, Aviation and Transport, 35 % for Motor, 25 % for miscellaneous, of gross contribution written including administrative surcharge as wakala fee against the services.

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

3.10 Revenue recognition

3.10.1 PTF

3.10.1.1 Contribution

The revenue recognition policy for Contributions is given under note 3.2.

3.10.1.2 Rebate from retakaful operators

The revenue recognition policy for rebate from retakaful operator is given under note 3.8.2.

3.10.2 OPF

The revenue recognition policy for wakala fee is given under note 3.9.

3.10.3 PTF / OPF

3.10.3.1 Investment Income

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

3.11 Receivables and payables related to takaful contracts

Receivables and payables related to takaful contracts are recognised when due at cost which is the fair value of the consideration given less provision for impairment, if any. If there is objective evidence that the takaful receivable is impaired, as a result of one or more events that occurred after the initial recognition, the Operator reduces the carrying amount of the takaful receivable accordingly and recognises that impairment loss in the profit and loss account.

Provision for impairment in contribution receivables is estimated on a systematic basis after analysing the receivables as per their ageing.

3.12 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and or services received, whether or not billed to the Operator.

Provisions are recognised when the Operator has a legal or constructive obligation as a result of a past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, the provisions are reviewed at balance sheet date and adjusted to reflect current best estimates.

3.13 Fixed assets

3.13.1 Tangible

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is calculated on the straight line basis as specified in note 9 to these financial statements.

The assets' residual values, useful lives and method for depreciation are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Depreciation on additions to fixed assets is charged from the month in which an asset is available for use, while no depreciation is charged for the month in which the asset is disposed off.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefit associated with the item will flow to the Operator and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to profit and loss account currently.

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

3.13.2 Capital work in progress

Capital work in progress is stated at cost less any impairment in value. It consists of advances made to suppliers in respect of tangible and intangible fixed assets.

3.14 Expenses of management

Expenses allocated to the PTF represent directly attributable expenses and these are allocated to various revenue accounts on equitable basis. Expenses not directly allocable to PTF are charged to OPF.

3.15 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include cash at bank in current and saving accounts, cash and stamps in hand and bank deposits.

3.16 Foreign currencies

Revenue transactions in foreign currencies are recorded at the rates prevailing on the date of the transactions.

3.17 Impairment

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if there is objective evidence that one or more events have had a negative effect on the estimated future cash flows of that asset.

The carrying amount of non financial assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If such indication exists, the recoverable amount of such asset is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

All impairment losses are recognised in the profit and loss account. Provisions for impairment are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. Changes in the provisions are recognised as income or expense.

3.18 Financial instruments

Financial instruments include cash and bank balances, loans to employees, investments, contributions due but unpaid, amount due from other takaful operators / retakaful operators , accrued investment income, retakaful recoveries against outstanding claims, security deposits, other receivables, outstanding claim liabilities, amount due to other takaful operators / retakaful operators, accrued expenses, agents balances, other creditors, deposits and unclaimed dividends.

All the financial assets and liabilities are recognised at the time when the Operator or PTF becomes a party to the contractual provisions of the instrument and de-recognised when the Operator or PTF loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of financial assets and financial liabilities is taken to income directly.

3.19 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements only when there is legally enforceable right to set off the recognised amount and the Operator intends either to settle on a net basis or realise the assets and settle the liabilities simultaneously.

3.20 Operating segments

An operating segment is a component of the Operator that engages in business activities from which it may earn revenues and incur expenses. The Operator presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000, Takaful Rules 2012 and the SEC (Insurance) Rules, 2002 as the primary reporting format.

The Operator has four primary business segments for reporting purposes namely, fire and property, marine, motor and miscellaneous. The nature and business activities of these segments are disclosed in note no. 3.1.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

Rupees '000

		2015
4.	Other creditors and accruals - PTF	
	Federal insurance fee payable	684
	Federal excise duty payable	9 156
	Sundry creditors	206
		<u>10 046</u>

Rupees '000

		2015		
		OPF	PTF	Aggregate
5.	Cash and other equivalents			
	Policy stamps in hand	-	262	262
		<u>-</u>	<u>262</u>	<u>262</u>
6.	Current and other accounts			
	Current accounts	5	5	10
	Saving accounts	6.1 7 283	40 796	48 079
		<u>7 288</u>	<u>40 801</u>	<u>48 089</u>

6.1 The rate of profit on profit and loss sharing accounts from various banks range from 4.36 % to 6.25 % per annum depending on the size of average deposits.

Rupees '000

		2015		
		OPF	PTF	Aggregate
7.	Deposits maturing within 12 months			
	Terms deposit certificates - local currency	7.1 50 000	40 000	90 000
		<u>50 000</u>	<u>40 000</u>	<u>90 000</u>

7.1 The rate of profit on term deposit certificates issued by our banks range from 4.90 % to 6.25 % per annum depending on tenor. These term deposit certificates have maturities upto June 2016.

Rupees '000

		2015
8.	Prepayments	
	Prepaid retakaful contribution ceded	40 388
	Others	516
		<u>40 904</u>

9. Fixed assets - tangible and intangible

OPF - 2015										
	Cost				Rate %	Depreciation / amortisation				Written down value
	As at 06 May	Additions	Disposal	As at 31 December		As at 06 May	For the period	Disposal	As at 31 December	As at 31 December
	Tangible									
Furniture & Fixtures	-	1 421	-	1 421	10	-	28	-	28	1 393
Office equipments	-	333	-	333	10	-	19	-	19	314
Computers	-	290	-	290	30	-	82	-	82	208
Vehicles	-	1 680	-	1 680	20	-	280	-	280	1 400
	-	3 724	-	3 724		-	409	-	409	3 315

PTF - 2015										
	Cost				Rate %	Depreciation / amortisation				Written down value
	As at 06 May	Additions	Disposal	As at 31 December		As at 06 May	For the period	Disposal	As at 31 December	As at 31 December
	Tangible									
Tracker equipments	-	3 166	-	3 166	20	-	81	-	81	3 085
	-	3 166	-	3 166		-	81	-	81	3 085

2015

10. Direct expenses - PTF

Depreciation	81
Charges for vehicle tracking devices	60
Others expenses	14
	155

11. Rebate from retakaful

	2015			Rebate from retakaful operators
	Rebate received or receivable	Unearned Rebate		
		Opening	Closing	
Fire and property damage	8 465	-	5 831	2 634
Marine, aviation and transport	619	-	160	459
Motor	-	-	-	-
Miscellaneous	2 016	-	1 215	801
	11 100	-	7 206	3 894

Rupees '000

	Note	2015
12. Other income		
Donation from takaful operator		1 500
		<u>1 500</u>
13. Management Expenses - OPF		
Salaries, wages and benefits	13.1	1 197
Bonus to staff		126
Rent, rates and taxes		463
Telephone		44
Postage		8
Gas and electricity		295
Printing and stationery		937
Travelling and entertainment		9
Depreciation		158
Repairs and maintenance		40
Other expenses		185
		<u>3 462</u>

13.1 These include Rs. 25 thousand being contribution for employees' provident fund.

Rupees '000

	Note	2015
14. General and administration expenses		
Salaries, wages and benefits	14.1	6 698
Bonus to staff		31
Gratuity		19
Travelling and entertainment		86
Depreciation		251
Repairs and maintenance		13
Auditors' remuneration		488
Legal and professional charges		300
Publicity		1 962
Donation		1 500
Cede money		500
Other expenses		9
		<u>11 857</u>

14.1 These include Rs. 8 thousand being contribution for employees' provident fund.

Rupees '000

2015

15. Auditors' remuneration

Audit fee	300
Interim review	150
Professional fee for certifications	30
Out of pocket expenses	8
	<u>488</u>

Rupees '000

16. Operating segments

	Fire and property damage	Marine, aviation & transport	Motor	Miscella- neous	Treaty	Total
16.1 Operator's Fund						
	2015					
Corporate segment assets	<u>8 801</u>	<u>823</u>	<u>32 674</u>	<u>2 269</u>	<u>–</u>	<u>44 567</u>
Corporate unallocated assets						<u>61 363</u>
Total assets						<u>105 930</u>
Corporate segment liabilities	<u>10 147</u>	<u>561</u>	<u>42 597</u>	<u>5 320</u>	<u>–</u>	<u>58 625</u>
Corporate unallocated liabilities						<u>432</u>
Total liabilities						<u>59 057</u>
Capital expenditures						<u>3 724</u>
Segment depreciation	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Unallocated depreciation						<u>409</u>
Total depreciation						<u>409</u>

Rupees '000

	Fire and Property damage	Marine, aviation & Transport	Motor	Miscella- neous	Treaty	Total
16.2 Participants' Takaful Fund						
	2015					
Corporate segment assets	<u>62 611</u>	<u>2 814</u>	<u>104 031</u>	<u>23 345</u>	<u>–</u>	<u>192 801</u>
Corporate unallocated assets						<u>81 833</u>
Total assets						<u>274 634</u>
Corporate segment liabilities	<u>81 006</u>	<u>3 951</u>	<u>137 311</u>	<u>30 696</u>	<u>–</u>	<u>252 964</u>
Corporate unallocated liabilities						<u>10 046</u>
Total liabilities						<u>263 010</u>
Capital expenditures						<u>3 166</u>
Segment depreciation	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Unallocated depreciation						<u>81</u>
Total depreciation						<u>81</u>

17. Surplus distribution

Takaful surplus attributable to the participants is calculated after charging all direct cost and setting aside various reserves.

18. Qard-e-Hasna

If there is a deficit of admissible assets over its liabilities in the PTF, the operator from the Operator's fund may provide Qard-e-Hasana to the PTF so that the PTF may become solvent as per Takaful Rules 2012.

Operator would be allowed to recover this qard from the PTF over any period without charging any profit.

19. Management of takaful and financial risk

19.1 Takaful risk

The principal risk that is faced under takaful contracts is the possibility that the covered event occurs, the uncertainty of the amount of the resulting claims i.e. the frequency and severity of claims and that the actual claims and benefit payments exceed the carrying amount of the takaful liabilities. By the very nature of the takaful contract, this risk is random and therefore unpredictable. The objective of the Operator is to ensure that sufficient reserves are available to cover these liabilities.

The Operator manages these risks through its underwriting strategy, adequate retakaful arrangements and proactive claims handling. The underwriting strategy aims to minimise takaful risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. The Operator underwrites mainly property, motor, marine cargo and transportation and other miscellaneous business. These classes of takaful are generally regarded as short-term takaful contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate takaful risk.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Operator has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. For large risks, particularly in property segment of business, risk inspections are carried out before accepting the risks. Similarly, in case of large risks, annual renewals are also preceded by on-site surveys. Where needed, risk mitigation measures are identified and communicated to the clients to improve the risk to an acceptable level.

Retakaful arrangements in place include treaty and facultative arrangements, on proportional and non-proportional basis and also include catastrophe cover. The effect of such retakaful arrangements is that the PTF may not suffer ultimate net takaful losses beyond the PTF's risk appetite in any one year.

The Operator's arrangement of retakaful is diversified such that it is neither dependent on a single retakaful operator nor the operations of the Operator are substantially dependent upon any single retakaful contract. The Operator obtains retakaful cover only from companies with sound financial health.

19.1.1 Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Operator manages these risk through the measures described above. The Operator has limited its exposure to catastrophic and riot events by use of retakaful arrangements.

The Operator monitors concentration of takaful risks primarily by class of business. The table below sets out the concentration of the claims and contribution liabilities (in percentage terms) by class of business at balance sheet date:

Class	2015			
	Gross claims liabilities	Net claims liabilities	Gross contribution liabilities	Net contribution liabilities
	%	%	%	%
Fire and property damage	59	13	20	3
Marine, aviation and transport	–	–	1	–
Motor	40	84	66	91
Miscellaneous	1	3	13	6
	100	100	100	100

The Operator also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighbouring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk.

The Operator evaluates the concentration of exposures to individual and cumulative takaful risks and establishes its retakaful policy to reduce such exposures to levels acceptable to the Operator.

The Operator's class wise major gross risk exposure is as follows:

Class	Rupees '000
	2015
Fire and property damage	1 670 000
Marine, aviation and transport	87 290
Motor	8 800
Miscellaneous	500 000

Since the Operator operates in Pakistan only, hence, all the takaful risks relate to policies written in Pakistan.

19.1.2 Sources of uncertainty in estimation of future claim payments

The key source of estimation uncertainty at the balance sheet date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under takaful contracts. Such estimates are necessarily based on assumptions about several factors involving varying and possibly significant degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the balance sheet date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the balance sheet date. The details of estimation of outstanding claims (including IBNR) are given under note 3.6.

19.1.3 Process used to decide on assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information is available.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Operator, in which case information about the claim event is available. IBNR provisions are initially estimated at a gross level and a separate calculation is carried out to estimate the size of the retakaful recoveries. The estimation process takes into account the past claims reporting pattern and details of retakaful programs.

The contribution liabilities have been determined such that the total contribution liability provisions (unearned contribution reserve and contribution deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as of balance sheet date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

19.1.4 Sensitivity analysis

The Operator believes that the claim liabilities under takaful contracts outstanding at the period end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The impact on the PTF surplus of the changes in the claim liabilities net of retakaful is analysed below. The sensitivity to changes in claim liabilities net of retakaful is determined separately for each class of business while keeping all other assumptions constant.

Rupees '000

	PTF Revenue	PTF Equity
	2015	2015
Impact of change in claim liabilities by +10 %		
Fire and property damage	(114)	(114)
Marine, aviation and transport	–	–
Motor	(711)	(711)
Miscellaneous	(22)	(22)
	<u>(847)</u>	<u>(847)</u>
Impact of change in claim liabilities by -10 %		
Fire and property damage	114	114
Marine, aviation and transport	–	–
Motor	711	711
Miscellaneous	22	22
	<u>847</u>	<u>847</u>

19.2 Financial risk

The Operator's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (comprising of currency risk, profit rate risk and other price risk). The Operator's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Operator's financial performance.

The Board of Directors has overall responsibility for establishment and oversight of the Operator's risk management framework. There are Board Committees and Management Committees for developing and monitoring the risk management policies.

19.2.1 Credit risk

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The management monitors exposure to credit risk through regular review of credit exposure, undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in similar manner. Due to the nature of financial assets, the Operator believes it is not exposed to any major concentration of credit risk.

The carrying amounts of the following financial assets represent the Operator's maximum exposure to credit risk:

Rupees '000

	2015		
	OPF	PTF	Aggregate
Financial assets:			
Bank balances and deposits	57 288	80 801	138 089
Contributions due but unpaid - net	–	87 452	87 452
Accrued investment income	149	185	334
Retakaful recoveries against outstanding claims	–	10 895	10 895
Wakala fees receivable	34 411	–	34 411
Security deposits	300	–	300
Other receivables	116	–	116
	<u>92 264</u>	<u>179 333</u>	<u>271 597</u>

The credit quality of Operator's bank balances and deposits can be assessed with reference to external credit ratings as follows:

Rupees '000

Rating	2015		
	OPF	PTF	Aggregate
AA+	–	323	323
A+	7 288	40 478	47 766
	<u>7 288</u>	<u>40 801</u>	<u>48 089</u>

The management monitors exposure to credit risk in contribution receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables.

The credit quality of claim recoveries from retakaful operators can be assessed with reference to external credit ratings as follows:

Rupees '000

Rating	Retakaful recoveries against outstanding claims
	2015
A or above	10 895
	<u>10 895</u>

19.2.2 Liquidity risk

Liquidity risk is the risk that the Operator will encounter difficulty in meeting its obligations associated with financial liabilities. In respect of major loss event, there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected retakaful recoveries.

The objective of the Operator's liquidity management process is to ensure, as far as possible, that it will always have sufficient liquidity to meet its claim and other liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Operator's reputation. It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis, maintaining sufficient cash reserves in bank accounts and a portfolio of highly marketable financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

The table below provides the maturity analysis of the Operator's liabilities as at balance sheet date. All liabilities are presented on a contractual cash flow basis except for the provision of outstanding claims (including IBNR), which are presented with their expected cash flows.

Rupees '000

	OPF		
	Carrying amount	Up to one year	Greater than one year
Financial liabilities:			
Accrued expenses	413	413	–
Agent balances	7 645	7 645	–
Other creditors and accruals	19	19	–
	<u>8 077</u>	<u>8 077</u>	<u>–</u>

Rupees '000

	PTF		
	Carrying amount	Up to one year	Greater than one year
Financial liabilities:			
Provision for outstanding claims (including IBNR)	19 367	19 367	–
Amounts due to other takaful / retakaful operator	42 875	42 875	–
Wakala fees payable	34 411	34 411	–
Other creditors and accruals	206	206	–
	<u>96 859</u>	<u>96 859</u>	<u>–</u>

19.2.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market prices such as profit rates, foreign exchange rates and equity prices.

The Operator limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in Government securities, equity and term finance certificates' markets. In addition, the Operator actively monitors the key factors that affect the underlying value of these securities.

19.2.3.1 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market profit rates. The Operator has securities and deposits that are subject to profit rate risk. The Operator limits profit rate risk by monitoring changes in profit rates in the currencies in which its financial assets are denominated.

The information about Operator's exposure to profit rate risk based on contractual reprising or maturity dates whichever is earlier is as follows:

Rupees '000

	2015 - OPF						
	Profit / mark-up bearing					Non-profit / mark-up bearing	Total
	Effective yield %	Upto one year	Over one year to five years	Over five years	Sub total		
Financial assets							
Cash and other equivalents	5-6.5	57 283	–	–	57 283	5	57 288
Accrued investment income		–	–	–	–	149	149
Wakala fees receivable		–	–	–	–	34 411	34 411
Security deposits		–	–	–	–	300	300
Sundry receivables		–	–	–	–	116	116
		<u>57 283</u>	<u>–</u>	<u>–</u>	<u>57 283</u>	<u>34 981</u>	<u>92 264</u>
Financial liabilities							
Accrued expenses		–	–	–	–	413	413
Agent balances		–	–	–	–	7 645	7 645
Other creditors and accruals		–	–	–	–	19	19
		<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>8 077</u>	<u>8 077</u>
On-balance sheet sensitivity gap							
Total yield / mark-up rate risk sensitivity gap		<u>57 283</u>	<u>–</u>	<u>–</u>	<u>57 283</u>		
		<u>57 283</u>	<u>–</u>	<u>–</u>	<u>57 283</u>		

	2015 - PTF						
	Profit / mark-up bearing					Non-profit / mark-up bearing	Total
	Effective yield %	Upto one year	Over one year to five years	Over five years	Sub total		
Financial assets							
Cash and other equivalents	5-6.5	80 796	–	–	80 796	267	81 063
Contributions due but unpaid-net		–	–	–	–	87 452	87 452
Accrued investment income		–	–	–	–	185	185
Retakaful recoveries against outstanding claims		–	–	–	–	10 895	10 895
		<u>80 796</u>	<u>–</u>	<u>–</u>	<u>80 796</u>	<u>98 799</u>	<u>179 595</u>
Financial liabilities							
Provision for outstanding claims (including IBNR)		–	–	–	–	19 367	19 367
Amounts due to other takaful / retakaful operator		–	–	–	–	42 875	42 875
Wakala fees payable		–	–	–	–	34 411	34 411
Other creditors and accruals		–	–	–	–	10 046	10 046
		<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>106 699</u>	<u>106 699</u>
On-balance sheet sensitivity gap		80 796	–	–	80 796		
Total yield / mark-up rate risk sensitivity gap		<u>80 796</u>	<u>–</u>	<u>–</u>	<u>80 796</u>		

Sensitivity analysis

As on 31 December 2015, the Operator had no financial instruments valued at fair value through profit or loss.

19.2.3.2 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. The Operator, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistani Rupees.

19.2.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

19.3 Fair value

The fair value of all major financial assets is estimated to be not significantly different from their carrying values.

20. 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 for the period from 06 May 2015 to 31 December 2015 are as follows:

	Rupees '000
	For the period ended 31 December
Transactions	2015
Key management personnel	
Contributions written	7

21. General

Being the first year of financial statements of Window Takaful Operations, there were no comparative figures to report. Statement of Investment Income is not included in these financial statements as there were no investments and related income earned by Window Takaful Operations.

22. Date of authorisation for issue of financial statements

These financial statements were authorised for issue by the Board of Directors in its meeting held on 13 February 2016.

RAFIQUE R. BHIMJEE
Director

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 13 February 2016

Pattern of Shareholding as at 31 December 2015

Number of shareholders	Shareholdings		Shares held
	From	To	
321	1	100	11 940
386	101	500	106 610
192	501	1 000	146 541
327	1 001	5 000	796 732
128	5 001	10 000	926 131
63	10 001	15 000	776 362
40	15 001	20 000	695 526
20	20 001	25 000	447 541
12	25 001	30 000	320 375
16	30 001	35 000	511 197
11	35 001	40 000	413 821
10	40 001	45 000	418 368
8	45 001	50 000	384 252
2	50 001	55 000	105 794
6	55 001	60 000	339 053
12	60 001	65 000	764 366
2	65 001	70 000	134 567
7	70 001	75 000	509 596
10	75 001	80 000	786 920
3	85 001	90 000	263 346
1	90 001	95 000	93 977
4	95 001	100 000	384 000
3	100 001	105 000	308 424
1	105 001	110 000	109 300
2	120 001	125 000	244 457
2	125 001	130 000	255 998
1	130 001	135 000	131 040
1	135 001	140 000	138 609
1	150 001	155 000	151 226
2	160 001	165 000	324 836
2	165 001	170 000	334 500
1	175 001	180 000	179 409
1	190 001	195 000	192 000
1	215 001	220 000	218 000
1	220 001	225 000	224 640
1	255 001	260 000	256 000
1	270 001	275 000	270 910
1	275 001	280 000	275 375
2	295 001	300 000	592 992
1	305 001	310 000	309 741
1	310 001	315 000	313 390
6	315 001	320 000	1 920 000
1	365 001	370 000	368 803
2	420 001	425 000	845 651
1	480 001	485 000	483 994
1	605 001	610 000	608 000
1	630 001	635 000	633 745
2	635 001	640 000	1 280 000
1	765 001	770 000	768 757
1	815 001	820 000	817 287
1	995 001	1 000 000	1 000 000
1	1 075 001	1 080 000	1 075 178
1	1 275 001	1 280 000	1 280 000
1	1 905 001	1 910 000	1 905 621
1	2 010 001	2 015 000	2 013 545
1	2 185 001	2 190 000	2 185 153
1	3 155 001	3 160 000	3 155 100
1	3 450 001	3 455 000	3 452 541
1	6 115 001	6 120 000	6 116 548
1	8 235 001	8 240 000	8 239 750
1	9 215 001	9 220 000	9 216 352
1	10 900 001	10 905 000	10 900 884
1	11 075 001	11 080 000	11 076 284
1	12 770 001	12 775 000	12 772 595
1	13 260 001	13 265 000	13 263 948
1	19 425 001	19 430 000	19 428 480
1	31 020 001	31 025 000	31 023 922
1640			160 000 000

Categories of shareholders	Shareholders	Shares held	Percentage
Associated Companies, Undertakings and Related Parties			
EFU Life Assurance Ltd		10 900 884	
JS Bank Limited.		3 155 100	
Jahangir Siddiqui & Co. Ltd.		31 023 922	
Jahangir Siddiqui & Sons Limited		6 116 548	
Jahangir Siddiqui Securities Services Limited		8 239 750	
Trustee EFU General Insurance Ltd., Staff Provident Fund		483 994	
Trustee EFU General Insurance Ltd., Officer's Pension Fund		161 280	
Trustee EFU General Insurance Ltd., Employees Gratuity Fund		179 409	
	8	60 260 887	37.66
Mutual Funds			
CDC - Trustee AKD Index Tracker Fund		20 313	
Prudential Stock Fund Ltd.		26	
	2	20 339	0.01
Directors, CEO, & their spouses and minor children			
Rafique R. Bhimjee		13 263 948	
Saifuddin N. Zoomkawala		256 000	
Abdul Rehman Haji Habib		6 727	
Muneer R. Bhimjee		12 772 595	
Hasanali Abdullah		295 807	
Taher G. Sachak		1 637	
Ali Raza Siddiqui		640	
Mohammed Iqbal Mankani		500	
Mahmood Lotia		1 063	
Naila Bhimjee		1 075 178	
Lulua Saifuddin Zoomkawala		640 000	
	11	28 314 095	17.70
Executives	18	384 001	0.24
Public sector companies & corporations	1	3 452 541	2.16
Joint Stock companies	33	496 772	0.31
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Co. Modaraba and Pension Funds	10	2 143 830	1.34
Charitable Institutions	2	19 559 520	12.22
Individuals / Others	1 551	35 487 194	22.18
Foreign Investors (repatriable basis)	4	9 880 821	6.18
Total	1 640	160 000 000	100.00
Shareholders holding 5 % or more voting interest			
Jahangir Siddiqui & Co. Ltd.		31 023 922	
Managing Committee of Ebrahim Alibhai Foundation		19 428 480	
Rafique R. Bhimjee		13 263 948	
Muneer R. Bhimjee		12 772 595	
Bano R. Bhimjee		11 076 284	
EFU Life Assurance Ltd		10 900 884	
Castle Hill Limited		9 216 352	
Jahangir Siddiqui Securities Services Limited		8 239 750	
		115 922 215	

Glossary

- **Authorised Share Capital** - The maximum value of share that a Company can issue.
- **Bonus Shares** - Free shares given to current shareholders out of profit.
- **Book Value** - The value of an asset as entered in a company's books.
- **Capital Expenditure** - The cost of long-term improvements and fixed assets.
- **Capital Gain** - Portion of the total gain recognised on the sale of investments.
- **Claims** - The amount payable under a contract of insurance arising from occurrence of an insured event.
- **Claims Incurred** - The aggregate of all claims paid during the accounting period together with attributable claims handling expenses, where appropriate, adjusted by the gross claims reserve at the beginning and end of the accounting period.
- **Commission** - Remuneration to an intermediary for services such as selling and servicing an insurer's products.
- **Contribution** - The amount payable by a Participant to the Participant Takaful Fund under a Takaful Contract for the purpose of mutual protection and assistance.
- **Corporate Social Responsibility** - Is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, and all other members of the public who may also be considered as stakeholders.
- **Deferred Commission** - Expenses which vary with and are primarily related to the acquisition of new insurance contracts and renewal of existing contracts, which are deferred as they relate to a period of risk subsequent to the Balance Sheet date.
- **Deferred Tax** - An accounting concept (also known as future income taxes), meaning a future tax liability or asset in respect of taxable temporary differences.
- **Defined Benefit Plans** - Are post-employment benefit plans.
- **Depreciation** - Is the systematic allocation of the cost of an asset over its useful life.
- **Doubtful Debts** - Is a debt where circumstances have rendered its ultimate recovery uncertain.
- **Earnings per Share** - Amounts of After Tax profit or loss attributable to ordinary shareholders of the entity.
- **Equity Method** - Method of accounting whereby the investment is initially recognized at cost and adjusted periodically for the post-acquisition change in the investor's share of net assets of the investee.
- **Exchange Gain (Loss)** - Difference resulting from translating a given number of units of one currency into another currency at different exchange rates.
- **Facultative Reinsurance** - The reinsurer assumes a share of selected individual risks. The primary insurer can offer an individual risk in reinsurance, which the reinsurer accepts on a case by case basis.
- **Fair Value** - The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing business partners in an arm's length transaction.
- **General Insurance** - All kinds of non-life Insurance i.e, Fire, Marine, Motor and all Other Insurance as defined in the Insurance Ordinance 2000.
- **General Takaful** - Takaful other than Family Takaful.
- **Gross Premium** - Premium which an insurer is contractually entitled to receive from the insured in relation to contracts of insurance.
- **Group Health Insurance** - A single health policy covering a group of individuals, usually employees of the same company or members of the same association and their dependents.
- **Human Resource Development** - A framework for the expansion of within an organization through the development of both the organization and the individual to achieve performance improvement.

- **Impairment** - The amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount.
- **Incurred but not Reported (IBNR)** - Claim incurred but not reported to the insurer until the financial statements reporting date.
- **Inflation** - A general increase in prices and fall in the purchasing value of money.
- **Insurance Contract** - A contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder for a specified uncertain future event at an agreed consideration.
- **Insurer Financial Strength Rating** - Provides an assessment of the financial strength of an insurance company.
- **Intangible** - An identifiable non-monetary asset without physical substance.
- **Internal Control** - An accounting procedure or system designed to promote efficiency or assure the implementation of a policy or safeguard assets or avoid fraud and error etc.
- **Loss Ratio** - Percentage ratio of claims expenses to premium.
- **Market Share** - The portion of a market controlled by a particular company or product.
- **Market Value** - The highest estimated price that a buyer would pay and a seller would accept for an item in an open and competitive market.
- **Mudaraba** - A Mudaraba is an Investment partnership, whereby the investor (the Rab ul Mal) provides capital to another party/entrepreneur (the Mudarib) in order to undertake a business/investment activity. While profits are shared on a pre-agreed ratio, loss of investment is born by the investor only. The mudarib loses its share of the expected income.
- **Mudaraba Based Contract** - An investment Contract based on the principle of Mudaraba.
- **National Exchequer** - The account into which tax funds and other public funds are deposited.
- **Net Asset Value** - The value of all tangible and intangible assets of a company minus its liabilities.
- **Net Premium Revenue** - Gross earned premium less Reinsurance expense.
- **Non-Life Insurance** - Non Life Insurance and General Insurance have the same meaning.
- **Operator** - A Takaful Operator or a Window Takaful Operator, authorized under SECP Takaful Rules, 2012.
- **Operator Fund** - A fund set up by a General Takaful Operator which shall undertake all transactions which the Operator undertakes other than those which pertain to Participant Takaful Funds set up by the Operator.
- **Outstanding Claim** - A type of technical reserve or accounting provision in the financial statements of an insurer to provide for the future liability for claims.
- **Paid up Capital** - The amount paid or contributed by shareholders in exchange for shares of a company's Stock.
- **Participant** - A Person who participates in a Takaful scheme and to whom a Takaful Contract is issued.
- **Participants' Membership Documents** - The documents detailing the benefits and obligations of a Participant under a Takaful Contract.
- **Participant Takaful Fund** - A Separate Waqf Fund set up into which the Participant's Risk related contributions are paid and from which risk related benefits are paid out.
- **Period of Takaful or Policy Period** - The length of time for which the Takaful protection will be effective.
- **Premium** - The amount that has to be paid as consideration for the insurance cover provided by an insurer.
- **Present Value** - Future amounts that have been discounted to the present.
- **Proxy** - Power of attorney by which the shareholder transfers the voting rights to another shareholder.

- **Qard-e-Hasna** - An interest free loan to the PTF from the Operator's Fund, when the PTF is in deficit and insufficient to meet their all liabilities.
- **Quoted** - Being listed on a Stock Exchange.
- **Registered Office** - The registered office is an address which is registered with the government registrar as the official address of a company.
- **Reinsurance** - A method of insurance arranged by insurers to share the exposure of risks accepted.
- **Reinsurance Commission** - Commission received or receivable in respect of premium paid or payable to a reinsurer.
- **Reinsurance Premium** - The premium payable to the reinsurer in respect of reinsurance contract.
- **Related Party** - Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.
- **Retrocession** - Transfer of risk from a reinsurer to another reinsurer.
- **Revenue Reserves** - Reserve that is normally regarded as available for distribution through the profit and loss account, including general reserves and other specific reserves created out of profit and unappropriated profit.
- **Risk** - Condition in which there is a possibility of loss.
- **Risk Management** - Includes analyzing all exposures to gauge the likelihood of loss and choosing options to better manage or minimize loss.
- **Shariah Advisor** - Shariah Advisor of the Operator working in such capacity appointed by the Operator under Rule 26 of the SECP Takaful Rules, 2012.
- **Statutory Levies** - Fee charged (levied) by a government on a product, income, or activity.
- **Strategic Objective** - A broadly defined objective that an organization must achieve to make its strategy succeed.
- **Subsequent Event-Non Adjusting** - Are events concerning conditions which arose after the balance sheet date, but which may be of such materiality that their disclosure is required to ensure that the financial statements are not misleading.
- **Takaful** - Takaful is an arrangement based on the principles of brotherhood and mutual help wherein participants contribute in a fund to help those who need it most in times of financial difficulties.
- **Takaful Contract** - Any contract of Family Takaful or General Takaful.
- **Tangible** - An asset whose value depends on particular physical properties.
- **Term Finance Certificate** - A debt instrument issued by an entity to raise funds.
- **Underwriting Profit** - This is the profit generated purely from the General Insurance business without taking into account the investment income and other non-technical income and expenses.
- **Unearned Premium** - It represents the portion of premium already entered in the accounts as due but which relates to a period of risk subsequent to the Balance Sheet date.
- **Window Takaful Operator** - A Registered Insurer authorized under SECP Takaful Rules, 2012 to carry on Takaful business as Window Operations in addition to Conventional Insurance Business.
- **Wakala** - Agent-principal relationship, where a person nominates another to act on his behalf.
- **Wakala Based Contract** - A contract based on the principle of Wakala (agency).

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Abdul Hameed
Executive Vice President

Ali Raza
Executive Vice President

Riaz Ahmed
Executive Vice President

Asif Mehmood
Senior Vice President

Shahzeb Lodhi
Senior Vice President

Muhammad Saleem Gaho
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اس اثاثے کے مستقبل میں ہونے والے یکیش فلو پر منفی اثر ڈالا ہے۔

کوڈ آف کارپوریٹ گورننس پر عملدرآمد

ریگولٹری اتھارٹیز کی جانب سے جاری شدہ کوڈ آف کارپوریٹ گورننس کے تقاضوں کو پورا کیا گیا ہے۔ اس رپورٹ میں اس مفہوم کا ایک بیان شامل ہے۔

آپ کی کمپنی کے ڈائریکٹرز غیر معمولی اجلاس عام منعقدہ 9 جولائی 2014 میں 3 سالہ مدت کے لئے منتخب کئے گئے ہیں یہ مدت 9 جولائی 2017 کو ختم ہو جائے گی۔

ہر ایک ڈائریکٹرز کی جانب سے اجلاسوں میں شرکت کی تعداد مندرجہ ذیل میں دی گئی ہے:

نمبر شمار	ڈائریکٹرز کے نام	شرکت کردہ اجلاس کی تعداد
1-	سیف الدین ابن - زومکالا (ٹان ایگزیکٹو ڈائریکٹر)	4 میں سے 4 میں
2-	حسن علی عبداللہ (ایگزیکٹو ڈائریکٹر)	4 میں سے 4 میں
3-	رفیق آر۔ جمیم جی (ٹان ایگزیکٹو ڈائریکٹر)	4 میں سے 4 میں
3-	عبدالرحمن حاجی حبیب (ٹان ایگزیکٹو ڈائریکٹر)	4 میں سے 4 میں
5-	جہانگیر صدیقی (رزا سنڈ 2015-6-30) (ٹان ایگزیکٹو ڈائریکٹر)	2 میں سے 2 میں
6-	منیر آر۔ جمیم جی (ٹان ایگزیکٹو ڈائریکٹر)	4 میں سے 4 میں
7-	طاہر جی۔ ساجد (ٹان ایگزیکٹو ڈائریکٹر)	4 میں سے 4 میں
8-	علی رضا صدیقی (ٹان ایگزیکٹو ڈائریکٹر)	4 میں سے 3 میں
9-	محمد اقبال منگانی (انڈیپنڈنٹ ڈائریکٹر)	4 میں سے 3 میں
10-	محمود لونیا (کوآپٹڈ 2015-8-29) (ایگزیکٹو ڈائریکٹر)	1 میں سے 1 میں

جو ڈائریکٹرز بورڈ کے اجلاسوں میں شریک نہیں ہوئے تھے ان ڈائریکٹرز کے لئے غیر حاضری کی چھٹی منظور کر لی گئی۔

جناب جہانگیر صدیقی صاحب 30 جون 2015 کو بورڈ سے مستعفی ہو گئے اور ان کی اتھارٹی خالی ہونے والی جگہ پر 29 اگست 2015 کو جناب محمود لونیا کو بورڈ میں شریک کر لیا گیا۔

ضابطہ اخلاق اور کاروباری طریقہ کار

بورڈ نے ضابطہ اخلاق اور کاروباری طریقہ کار کا اسٹیٹمنٹ اپنایا ہے۔ تمام ایملکاروں کو اس اسٹیٹمنٹ سے آگاہ کیا گیا ہوا ہے اور ان کے لئے ضروری ہے کہ وہ کاروباری اور قواعد و ضوابط سے متعلق ضابطہ اخلاق اور کاروبار کے طریقہ کار اور قواعد پر عملدرآمد کریں۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

اے۔ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمنٹ اس کی تمام معلومات کو صاف و شفاف انداز میں واضح کرنے کے ساتھ اس کے آپریٹرز کے نتائج، نقد کی آمد و رفت اور ایکویٹی میں تبدیلیاں شامل ہیں۔

ب۔ اکاؤنٹس کی کتابیں کمپنی کی جانب سے قواعد و ضوابط کے مطابق تیار کی گئی ہیں۔

سی۔ موزوں اکاؤنٹنگ پالیسیز پر مالیاتی اسٹیٹمنٹ اور اکاؤنٹنگ تخمینہ جات کی تیاری کے لئے مستقل اپنائی جاتی ہیں جو موزوں اور حفاظت اندازوں پر منحصر ہوتی ہیں۔

ڈی۔ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) پر، جیسا کہ پاکستان میں نافذ العمل ہے، مالیاتی اسٹیٹمنٹ کی تیاری کی جاتی ہے اور انہیں اس سے انحراف کیا گیا ہو تو اس کو واضح طور پر ظاہر کر دیا جاتا ہے۔

ای۔ داخلی کنٹرول کا نظام مستحکم طور پر ترتیب دیا گیا ہے اور موثر طور پر عملدرآمد کے ساتھ اس کی نگرانی بھی کی جاتی ہے۔

ایف۔ کمپنی کی اس صلاحیت پر کسی قسم کے شکوک و شبہات نہیں کہ یہ چلتے رہنے والا ادارہ ہے۔

جی۔ کارپوریٹ گورننس کے بہترین طریقہ کار سے جیسا کہ لسٹنگ ریگولیشنز میں درج ہے کوئی قابل اثر اندازی انحراف نہیں کیا گیا۔

ایچ۔ گزشتہ 6 سال کیلئے نمایاں آپریٹنگ اور فنانشل اعداد و شمار منسلک ہیں۔

آئی۔ پراویڈنٹ فنڈ، گریجویٹ اور پنشن فنڈز کی سرمایہ کاریوں کی مالیت 31 دسمبر 2015 کے مطابق ان کے آڈٹ شدہ حسابات پر مبنی ہیں، ان کی تفصیل یہ ہے:

پراویڈنٹ فنڈ	695 ملین روپے
گریجویٹ فنڈ	309 ملین روپے
پنشن فنڈ	245 ملین روپے

بے۔ کمپنی میں 31 دسمبر 2015 کو شیئر ہولڈنگ کی جو صورتحال تھی اس کا اسٹیٹمنٹ رپورٹ میں شامل ہے۔

میسرز ارنسٹ اینڈ یوگ فورڈ رہوڈز سیدات حیدر، چارٹرڈ اکاؤنٹنٹس سبڈوش ہورے ہیں اور دوبارہ تقرری کے خواہشمند ہیں جیسا کہ آڈٹ کمیٹی کی جانب سے آنے والے سال کیلئے انہیں کمپنی کے آڈیٹرز کی حیثیت سے دوبارہ تقرری کی سفارش کی گئی ہے۔

ہم اپنے معزز کسٹمرز کی مسلسل سرپرستی اور حمایت کے لئے ان کا شکریہ ادا کرتا جا رہے ہیں جبکہ پاکستان ری انشورنس کمپنی لمیٹڈ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی جانب سے ان کی رہنمائی اور معاونت پر بھی شکریہ ادا کرتے ہیں۔

آپ کے ڈائریکٹرز تہذیب دل سے یہ امر ریکارڈ پر لاتے ہیں کہ ہمارے آفیسرز، فیلڈ فورس اور دیگر اسٹاف نے نہایت جانفشانی سے کمپنی کی ترقی کے لئے محنت کی ہے اور کاروبار کے اضافے اور کامیابیوں کے تسلسل کو برقرار رکھنے میں مثالی کردار ادا کیا ہے۔

سیف الدین ابن - زومکالا
چیئرمین

حسن علی عبداللہ
چیئنگ ڈائریکٹر و چیف ایگزیکٹو

منیر آر۔ جمیم جی
ڈائریکٹر

رفیق آر۔ جمیم جی
ڈائریکٹر

کراچی 13 فروری 2016

- اپنے ملازمین کو کام کرنے کا بہترین ماحول فراہم کرتی ہے
- اپنے کسٹمرز کو بہترین معیار کی سروس فراہم کر کے کمپنی پر ان کے اعتماد میں روز افزوں اضافہ کرتے ہیں
- کاروباری دنیا سے دیا نندارہ معاملات سے
- حکومت سے تجارتی آزادی اور مسابقتی عمل کو فروغ دے کر اور متعلقہ قوانین کی پابندی سے اور
- عمومی طور پر سوسائٹی میں محفوظ اور صحت مند جائے کار فراہم کرنے اور اپنے ملازمین کو اپنی صلاحیتیں اجاگر کرنے کے مواقع فراہم کرتے ہیں۔

عطیات برائے قومی مقاصد، فلاح عامہ و پسماندہ طبقات

آپ کی کمپنی ایک ذمہ دار کارپوریٹ سہری ہونے کی حیثیت سے ہر سال عطیات دیتی ہے۔ 2015 میں کمپنی نے مختلف اداروں کو 14.3 ملین روپے عطیات دئے۔ عطیات دئے جانے والے اداروں میں انسٹی ٹیوٹ آف بزنس ایڈمنسٹریشن، دی آغا خان اسپتال اور میڈیکل کالج فاؤنڈیشن، ایڈجی ڈنٹا روڈ پراجیکٹ ٹرسٹ، سندھ انڈسٹریل ٹریڈنگ اسٹیٹ، فخر امداد فاؤنڈیشن، سندھ انسٹی ٹیوٹ آف پورولاجی اینڈ ٹرانسپلنٹیشن، دی کڈنی سینٹر، شوکت خانم میموریل ٹرسٹ، برہانی میڈیکل و پالیسیز ایسوسی ایشن، چینیوٹ انجمن اسلامیہ وغیرہ شامل ہیں۔

قومی خزانے میں ادائیگی

آپ کی کمپنی ٹیکسوں اور ڈیوٹیز کی مد میں قومی معیشت کے لئے مستقل بنیادوں پر شریک کار ہے اور یہ شراکت کمپنی کی ترقی کے ساتھ مسلسل بڑھ رہی ہے۔ اس سال کمپنی نے فیڈرل ایکسائز ڈیوٹی، سیلز ٹیکس، انکم ٹیکس، فیڈرل انشورنس ٹیکس، سٹیم ڈیوٹی، پالیسی انشورنس وغیرہ کی شکل میں سرکاری خزانے میں 3.4 بلین روپے جمع کرائے۔

مکمل غیر یقینی صورت حالات کے تعین کے ماخذ

مالیاتی اسٹیٹمنٹ کی تیاری میں جوڈ آف ڈائریکٹرز کے ایسے تخمینہ جات اور اندازوں کی متقاضی ہوتی ہے جو کہ اثاثہ جات، مالی ذمہ داریوں، ریویژوز اور اخراجات اور منسلک اتفاقی اخراجات کی رقوم کے حوالے ہوتے ہیں۔ یہ تخمینہ جات، سابق تجربات اور دیگر مختلف مشاہدوں پر مبنی ہوتے ہیں جن کے بارے میں انتظامیہ اور بورڈ کو حالات کے تحت مناسب ہونے کا یقین ہوتا ہے جن کے نتائج اثاثہ جات کی آگے لائی ہوئی قدر و قیمت اور مالی ذمہ داریوں کے بارے میں اندازے تشکیل دینے کی بنیاد فراہم کرتے ہیں جو کہ دیگر وسائل سے حاصل نہیں ہوتے۔ اصل نتائج مختلف مشاہدوں اور صورتحال کے تحت ان تخمینہ جات سے مختلف ہو سکتے ہیں۔ تخمینہ کردہ غیر یقینی صورتحال کے اہم شعبے جو مالیاتی اسٹیٹمنٹس میں ظاہر کردہ شدہ رقوم پر اثر انداز ہو سکتے ہیں، ان پر ذیل میں روشنی ڈالی جا رہی ہے۔

ان ارٹ (Unearned) پر بیمہ کے لئے مختص کردہ گنجائش

ان ارٹ پر بیمہ ریڈ، حاصل شدہ پر بیمہ کے لئے رکھا جاتا ہے جس کا تعلق ایسی پالیسیز سے ہوتا ہے جن کی معاہدہ بنائے گئے تاریخ تک پوری نہیں ہوئی ہوتی۔ ان ارٹ پر بیمہ کا حساب SEC (Insurance Rules, 2002) میں بیان کردہ 1/24 کے طریقہ کار کے مطابق لگایا گیا ہے۔

پر بیمہ ڈیٹیلز ریڈ (لائسنس ایڈیکو کیٹی ٹیسٹ)

مستقبل میں متوقع ذمہ داری کا تخمینہ معاہدے کے اس حصے کے دوران تجربے کے حوالے سے لگایا جاتا ہے جو کہ پورا ہو چکا ہو اور اس میں ان نمایاں نقصانات کو بھی پیش نظر رکھا جاتا ہے جن کی

پالیسی کی بقید مدت کے دوران پھر واقع ہونے کی توقع نہیں ہوتی، معہ مستقبل میں ایسے ممکنات کی توقع جن کا معقول امکان ہو۔ پر بیمہ ڈیٹیلز ریڈ ہر پالیسی کو زیر نظر سال کے پرافٹ اینڈ لاس اکاؤنٹ میں اخراجات یا آمدن کے طور پر ظاہر کیا جاتا ہے۔

واجب الادا کھیز کے لئے گنجائش (بشمول IBNR)

واجب الادا کھیز بنائے گئے تاریخ تک واقع ہونے والے ان تمام کھیز کے ضمن میں ہوتی ہے اور اس کو مستقبل میں متوقع ادائیگیوں کی غیر تخفیف شدہ مالیت کے طور پر ظاہر کیا جاتا ہے۔

اسٹاف کی ریٹائرمنٹ پینشنس

آپ کی کمپنی اپنے تمام اہل اسٹاف کے لئے صراحت شدہ پینشن فنڈ اور صراحت شدہ گریجویٹ فنڈ پینشنس فراہم کرتی ہے۔ اس کا تخمینہ انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز (IAS) 19- ایمپلائئی پینشنس کے مطابق لگایا جاتا ہے۔ مذکورہ بالا ایکسٹیموں کے سلسلے میں ظاہر کی ہوئی رقوم طے کردہ مالی ذمہ داریوں کی موجودہ قدر و قیمت کی نمائندگی کرتی ہیں اور ان کو حاصل شدہ فوائد اور نقصانات کے مطابق دوبارہ جانچا جاتا ہے۔

ڈیفروڈیکس

ڈیفروڈیکس کا اظہار بنائے گئے اسٹاف کے حساب سے ان تمام وقتی تقادوں کو پیش نظر رکھتے ہوئے مالیاتی رپورٹنگ اور ٹیکسیشن مقاصد کے لئے اثاثوں اور واجب الادا ذمہ داریوں کی رقوم کے طور پر ظاہر کی جاتی ہیں۔ ڈیفروڈیکس کی رقم کا تعین بنائے گئے تاریخ پر ٹیکس کی موثر شرح کے مطابق آگے لائے ہوئے اثاثوں اور ذمہ داریوں کی وصولی یا ادائیگی کے متوقع طریقے کار پر مبنی ہوتا ہے۔

سرمایہ کاریوں کی مالیت میں ممکنہ نقص

سرمایہ کاری میں نقصانات کو پرافٹ اینڈ لاس اکاؤنٹ میں ظاہر کیا جاتا ہے۔ ایسے نقصانات کے لئے پینشنس کی گئی گنجائش پر ہر پینشن شیٹ کی تاریخ پر نظر ثانی کی جاتی ہے اور اس میں اس وقت کے بہترین تخمینوں کے مطابق رد و بدل کیا جاتا ہے۔ اس گنجائش میں رد و بدل آمدن یا اخراجات کی شکل میں ظاہر کیا جاتا ہے۔

انویسٹمنٹ پراپرٹیز

انویسٹمنٹ پراپرٹیز کا حساب کتاب IAS-40 انویسٹمنٹ پراپرٹی کے مطابق کاسٹ ماڈل کے تحت لگایا جاتا ہے۔

انویسٹمنٹ پراپرٹیز کی مالیت کا تعین متعلقہ پیشروانہ قابلیت کے حامل ویلیویٹرز کے ذریعے بھی کرایا جاتا ہے۔ موز و مالیت کا تعین ان پراپرٹیز کے مواقعوں میں موجود ویکی ہی حالت میں ویکی ہی پراپرٹیز کی بنائے گئے تاریخ کے وقت پیشروانہ جانچ کی بنیاد پر کیا جاتا ہے۔

فلسفہ اثاثہ جات کی کارآمد مدت

اثاثوں کی باقی ماندہ مالیت، کارآمد مدت، اور اس مدت میں کمی کا تخمینہ لگانے کے طریقہ کار پر ہر مالی سال کے اختتام پر نظر ثانی کی جاتی ہے اور اگر اس کارآمد مدت میں کمی کا اثر نمایاں ہو تو اس میں رد و بدل کیا جاتا ہے۔

غیر موصول واجب الادا پر بیمہ

ہر مالیاتی اثاثے کی قیمت کا اندازہ ہر پینشن شیٹ کی تاریخ پر لگایا جاتا ہے تاکہ اس بات کا تعین کیا جاسکے کہ آیا کوئی معروضی شواہد موجود ہیں کہ یہ نقصان زدہ ہے۔ مالیاتی اثاثے اس وقت نقصان زدہ سمجھے جاتے ہیں جب معروضی شواہد موجود ہوں کہ کسی ایک یا ایک سے زائد واقعات نے

انویسٹمنٹ کمیٹی

چڑھاؤ کی روشنی میں ان انتظامات کے لئے موزوں ترین اقدامات کرتی ہے۔ علاوہ ازیں مستقبل کے حوالے سے ری انشورنس پروگرام کے موثر ہونے کی جانچ بھی کرتی رہتی ہے۔

کاروبار کے لئے خطرات

کاروبار میں ممکنہ طور پر پیش آنے والے خطرات اور ان سے منسلک عناصر کی تفصیل سے وضاحت اس سالانہ رپورٹ کے صفحہ نمبر 23 پر کی گئی ہے۔

کارپوریٹ سوشل ریسپانسیبلٹی کاروباری ضابطہ اخلاق اور کسٹمرز کا تحفظ

بورڈ نے کاروباری طریقہ کار اور ضابطہ اخلاق کے اسٹیٹمنٹ کو رائج کیا ہوا ہے۔ تمام ملازمین کو اس سے آگاہ کیا گیا ہوا ہے۔ تمام اسٹاف کے لئے لازم ہے کہ اس پر عمل کرے۔ ضابطہ اخلاق کی بنیاد دیانتداری، وقار، بہترین کارکردگی کی لگن اور کسٹمرز، ہمسروں اور عام لوگوں سے ایٹاندرانہ معاملات پر ہے۔

اسپورٹس کی ایکٹیوٹی

صحت مند اندازہ سرگرمیوں کی حوصلہ افزائی کے لئے کمیٹی نے اپنے احاطے میں اسپورٹس کلب موجود ہے جس میں ٹیبل ٹینس، اسنوکر، شطرنج اور دیگر بورڈ گیمز تمام مرد و خواتین ملازمین کے لئے موجود ہیں۔ اس کے علاوہ مرد اور خواتین اسٹاف کو جم نیزیم کی سہولیات بھی فراہم کی گئی ہیں۔ کمیٹی کی اپنی کرکٹ ٹیم بھی ہے جو کہ مختلف ٹورنامنٹس میں حصہ لیتی رہی ہے۔ کھیلوں کی یہ تمام سرگرمیاں ہر سطح کے ملازمین کو میسر ہیں اور یہ عموماً لائق تحسین مانی جاتی ہیں۔

ماحولیات (Environment)

آپ کی کمیٹی توانائی کے باکفایت استعمال اور ماحولیات کے تحفظ کے لئے پرعظم ہے۔ ہم نے توانائی کے باکفایت تصرف کے لئے ازبجی سپورٹس لگا رکھے ہیں۔ اس کے ساتھ ہی ٹائم کے دوران ہم روشنیوں کا استعمال بھی کم کر دیتے ہیں۔

دوران کار تحفظ اور صحت

کمیٹی کے دفاتر میں آگ بجھانے کے مختلف آلات موجود ہیں۔ مزید برآں کمیٹی نے کراچی اسٹاف کے لئے ایک کلینک بھی قائم کر رکھی ہے جس میں ایک گل و قتی چیف میڈیکل آفیسر موجود ہے تاکہ ہلاکاروں اور ان کے اہل خانہ کے صحت سے متعلق مسائل کی دیکھ بھال کے ساتھ انہیں صحت کے بارے میں مشورے بھی دیئے جاسکیں۔

سماجی اور ماحولیاتی ذمہ داری کی پالیسی

اسٹاف کے اہل خانہ میں تعلیمی سرگرمیوں کی حوصلہ افزائی کے لئے ہلاکاروں کے ان بچوں کو فی 25 ہزار روپے اسکالرشپ دیا جاتا ہے جو میٹرک یا انٹرمیڈیٹ کے امتحانات 70 فیصد یا اس سے زائد نمبروں کے ساتھ پاس کرتے ہیں۔ کمیٹی کی پالیسی کو مدنظر رکھتے ہوئے 2015 کے دوران نمایاں رہنے والے طلباء کی حوصلہ افزائی کیلئے اسکالرشپس دی گئیں۔ ای ایف بی جرنل نے نیشنل فورم برائے ماحولیات اور صحت (NFEH) کی جانب سے کارپوریٹ سوشل ریسپانسیبلٹی ایوارڈ 2015 حاصل کیا۔

دیگر اسٹیک ہولڈرز کے ساتھ تعلقات

آپ کی کمیٹی تمام اسٹیک ہولڈرز کے ساتھ خوشگوار تعلقات قائم رکھتی ہے:

کمیٹی کے پاس بورڈ کی سطح کی ایک انویسٹمنٹ کمیٹی ہے جو کہ انویسٹمنٹ پورٹ فولیو کا جائزہ لینے کے لئے سہ ماہی بنیاد پر اجلاس بلاتی ہے۔ کمیٹی کمیٹی کے لئے سرمایہ کاری کی پالیسی تیار کرنے کی بھی ذمہ دار ہے۔ بورڈ کی انویسٹمنٹ کمیٹی درج ذیل ارکان پر مشتمل ہے:

- 1 جناب سیف الدین این۔ زومکا والا
- 2 جناب حسن علی عبداللہ
- 3 جناب رفیق آر۔ مجیم جی

ہیومن ریسورس اور ریویو نیریشن کمیٹی

یہ کمیٹی بورڈ کو کمیٹی کی ہیومن ریسورس مینجمنٹ پالیسیوں کے لئے سفارشات دینے کے ساتھ سلیکشن، جائزہ لینے اور کمیٹی کے اہم افسران کے مشاہروں کے تعین کی ذمہ دار ہے۔ بورڈ کی ہیومن ریسورس اور ریویو نیریشن کمیٹی میں مندرجہ ذیل ارکان شامل ہیں:

- 1 جناب سیف الدین این۔ زومکا والا
- 2 جناب رفیق آر۔ مجیم جی
- 3 جناب حسن علی عبداللہ

مینیجمنٹ کمیٹی

کارپوریٹ گورننس کے حوالے سے آپ کی کمیٹی نے درج ذیل تین انتظامی کمیٹیز قائم کی ہیں جو ہر سہ ماہی میں کم از کم ایک بار اجلاس منعقد کرتی ہیں۔

انڈر رائٹنگ کمیٹی

انڈر رائٹنگ کمیٹی آپ کی کمیٹی کی انڈر رائٹنگ پالیسی تشکیل دیتی ہے۔ یہ انشورنس میں ممکنہ طور پر پیش آنے والے مختلف اقسام کے خطرات کا جائزہ لیتی ہے، اس کے لئے معیارات کا تعین کرتی ہے اور مختلف انشورنس کوریج پر پیئمنٹ پالیسی طے کرتی ہے، کمیٹی باقاعدگی سے کمیٹی کی انڈر رائٹنگ اور ریویو پالیسیوں کا جائزہ، متعلقہ عناصر مثلاً کاروباری پورٹ فولیو اور مارکیٹ میں ہونے والی تبدیلیوں کو مدنظر رکھتے ہوئے لیتی ہے۔

گھمرو سٹیلٹ کمیٹی

یہ کمیٹی کمیٹی کے گھمرو کو نمٹانے کی پالیسی تشکیل دیتی ہے۔ یہ آپ کی کمیٹی کے گھمرو کی پوزیشن پر نگاہ رکھنے کے ساتھ اس امر کو یقینی بناتی ہے کہ گھمرو کیلئے مناسب ریزرو موجود ہوں۔ خاص نوعیت کے گھمرو کے کیسز یا ایسے واقعات جن کی بدولت گھمرو کا ایک مخصوص سلسلہ شروع ہو جانے پر خصوصی توجہ دی جاتی ہے، اسے دیکھنا بھی اس کمیٹی کی ذمہ داری ہے۔ گھمرو سٹیلٹ کمیٹی ان حالات کا بھی تعین کرتی ہے جس کے تحت گھمرو کا تنازع اس کے علم میں لایا گیا ہو اور فیصلہ کرتی ہے کہ ایسے گھمرو کے تنازعات سے کس طرح نمٹنا چاہئے۔ دعوے کے پرمی گھمرو کے کیسز سے نمٹنے کے لئے بھی اقدامات کی نگرانی کرتی ہے۔

ری انشورنس اور کو انشورنس کمیٹی

یہ کمیٹی اس امر کو یقینی بناتی ہے کہ کمیٹی کے انشورنس کاروبار کے لئے ری انشورنس کیلئے مناسب انتظامات کئے گئے ہیں۔ یہ مجوزہ ری انشورنس کے معاہدوں سے قبل ان کا تنقیدی نگاہ سے مشاہدہ کرتی ہے، وقتاً فوقتاً کئے جانے والے انتظامات کا جائزہ لیتی رہتی ہے اور شرکت کرنے والے ری انشوررز سے اتفاق رائے حاصل کرنے کی ذمہ دار ہوتی ہے اس کے علاوہ مارکیٹ کے آثار

ادارے کے اہم مقاصد

آپ کی کمپنی انشورنس کرانے والوں کا پسندیدہ انشورر بنے اور اس صنعت میں اپنی لیڈرشپ برقرار رکھنے کے لئے مستقل سرگرم رہتی ہے۔

کارگزاری کے اہم اشاریے

کمپنی کے اعلان کردہ مقاصد کے مطابق کارگزاری کے اہم اشاریے درج ذیل ہیں:

- انڈر رائٹنگ کے نتائج میں بہتری
- اور ہیزڈ میں بہتری
- مارکیٹ لیڈرشپ برقرار رکھنا
- ادارے پر کسٹمرز کے اطمینان میں روز افزوں اضافہ
- شیئر ہولڈرز کے سرمائے میں اضافہ

اس امر کا تجزیہ کہ ادارے کی کارکردگی کس طرح آنے والی مدتوں کے ضمن میں اظہارات کے مطابق رہی/ ان سے تجاوز ہوئی/ ان سے کم رہی۔

آپ کی کمپنی نے انشورنس کے شعبے کی وسیع ترین اور بہترین کمپنی ہونے کی حیثیت سے 2015 کے لئے مالیاتی اہداف طے کئے تھے اور بسرت اطلاع دیتے ہیں کہ آپ کی کمپنی کی اولین پوزیشن برقرار ہے۔ آپ کی کمپنی نے سال 2015 میں کاروبار میں 3 فیصد اضافہ حاصل کیا کمپنی کا محفوظ سرمایہ اور قابل تصرف آمدن بڑھ کر 14.3 بلین روپے رہی بہتابلہ 2014 میں 11.5 بلین روپے۔

اس امر کا تجزیہ کہ آنے والے وقت میں کمپنی کے لئے امکانات بشمول مالی اور غیر مالی امور میں کارکردگی۔

گزشتہ سالوں کی طرح سروس کا معیار، کسٹمرز کا ادارے کی خدمات پر اطمینان اور اہلکاروں کو جذبہ اور لگن سے سرشار رکھنا ایسے اہم شعبے ہیں جن پر انتظامیہ متواتر توجہ مرکوز رکھتی ہے اور ان میں تسلسل سے بہتری لانے کے لئے اقدامات کرتی ہے۔ کمپنی اس امر پر یقین رکھتی ہے کہ کسٹمرز کا ہماری خدمات پر اطمینان ہی ہمارے استحکام اور کامیابی کی کلید ہے۔ اس سال کے دوران بھی انتظامیہ نے مختلف سطحوں کے اہلکاروں کی کارکردگی اور ان کی صلاحیتوں کی مزید تعمیر و ترقی کے لئے مختلف ترقیتی کورسز کا انعقاد کیا۔

کارکردگی کی کلیدی اشاریے انتظامیہ کے مقاصد کے حصول کیلئے ضروری ہوتے ہیں جیسا کہ کسٹمرز کے اطمینان کو مزید مستحکم بنانا، انڈر رائٹنگ کے نتائج میں بہتری، اخراجات پر کنٹرول کرنا، شیئر ہولڈرز کے منافع میں اضافہ اور مارکیٹ لیڈر کی حیثیت سے اپنی پوزیشن برقرار رکھنا۔

2016 کے لئے امکانات

انشورنس انڈسٹری غیر روایتی زاویوں سے پھیلاؤ اختیار کر رہی ہے جس میں فصلوں اور موسمیاتیوں کی انشورنس بھی شامل ہے۔ 2016 میں موثر انشورنس میں اضافہ متوقع ہے کیونکہ چیلنس نے لیز فنانس کی گنجائش مارک اپ کی شرح کم ہونے کی وجہ سے بڑھادی ہے۔ آپ کی کمپنی کیونکہ مارکیٹ لیڈر ہے اس لئے لیز شدہ گاڑیوں کے ہمارے انشورنس بزنس میں بھی اضافہ ہوگا۔ وٹڈنگ فائل بزنس بھی 2016 میں ترقی میں کردار ادا کرے گا کیونکہ اسے کارکردگی دکھانے کیلئے پورے سال کی مدت طے لگی بہ نسبت 2015 جو مختصر مدت تک تھی۔

دوسری جانب تیل کی گرتی ہوئی قیمتیں میرین بزنس پر منفی اثر ڈال رہی ہیں کیونکہ درآمدات کی نسبتاً کم مالیت کم پر بیمہ کا باعث بنتی ہے۔

2016 کے لئے ہماری حکمت عملی منافع بخش ترقی کو جاری و ساری رکھنے کے لئے تیار کی گئی ہے تاکہ بدلتے ہوئے مسابقتی ماحول میں ہماری برتری قائم رہے۔

ہم مسلسل اپنے لوگوں اور ای ایف یو جنرل کو کیریئر (career) کی تعمیر کے لئے بہترین وسیلہ بنانے پر کثیر سرمایہ صرف کرتے ہیں۔ ہم سسٹمز اور طریقہ کار میں بھی تواتر سے سرمایہ کاری کرتے ہیں تاکہ کسٹمرز کی ضروریات کو بہتر طور پر سمجھ سکیں ان کی خدمات ان کے حسب منشا کر سکیں، باہمی تعاون بڑھا سکیں اور کارکردگی میں بہتری لاتے جائیں۔ ہمیں علم ہے کہ کامیابی کا راستہ ہماری حکمت عملی پر بغیر کسی خامی کے اور عزم و صمیم سے عمل درآمد سے ہی ممکن ہے تاکہ ہم ایک زیادہ کامیاب، زیادہ مسابقت رکھنے والا ادارہ بنیں جسے صنعت کا بہترین ادارہ مانا جائے۔

ری انشورنس

آپ کی کمپنی کے ری انشورنس انتظامات نہایت معتبر ہیں۔ سرکردہ بین الاقوامی (سیکیورٹیز) مثلاً SCOR گلوبل P&C، سوئس ری انشورنس کمپنی، آلیانز SE ری انشورنس، کورین ری انشورنس کمپنی، اسپین ری انشورنس اور لائیونز آف لندن جن سب کو "A" یا اس سے بہتر ریٹنگ حاصل ہے۔

متعلقہ پارٹی ٹرانزیکشنز

مشکل کمپنیوں/ متعلقہ پارٹیوں کے ساتھ کمپنی کی ٹرانزیکشنز کی منظوری ہر بورڈ میٹنگ میں دی جاتی ہے۔ متعلقہ پارٹیوں کے ساتھ طے پانے والی تمام ٹرانزیکشنز آرمز لیٹھ (Arm's Length) کی بنیاد پر کئے جاتے ہیں۔

کمپنل میجمنٹ اور لیکویڈیٹی

کمپنی سرمائے کی مستحکم پوزیشن برقرار رکھتی ہے۔ آپ کی کمپنی لیکویڈیٹی کے بارے میں مستقل محتاط رہتی ہے تاکہ اپنی انشورنس کی ذمہ داریوں کو فی الفور انجام دے سکے۔ کمپنی اپنے بنیادی کاروبار، سرمایہ کاری اور دیگر آمدنی سے حاصل ہونے والے نقد وسائل سے اپنے روزمرہ کے اخراجات اور اپنی انشورنس کی ذمہ داریوں سے عہدہ براہ ہوتی ہے۔

بورڈ کمیٹی

آپ کی کمپنی نے مندرجہ ذیل تین بورڈ کمیٹیوں قائم کی ہوئی ہیں:

آڈٹ کمیٹی

بورڈ داخلی کنٹرول کے ایک مستحکم نظام کے موثر نفاذ بشمول کنٹرول کے تمام طریقہ کار پر عمل درآمد کا ذمہ دار ہے۔ آڈٹ کمیٹی کو انتظامی کنٹرول کی موثر ذمہ داری کے جائزے اور ممکنہ خطرات پر نظر رکھنے اور ان کو سنبھالنے میں انٹرنل آڈیٹر کی معاونت حاصل ہے تاکہ کمپنی کی وقعت میں اضافہ ہو اور کمپنی کے آپریشنز غیر جانبدار اور معروضی یقین دہانی میسر رہے۔ انٹرنل آڈیٹر کی بنیادی ذمہ داری وقتاً فوقتاً آپریٹنگ کنٹرولز کی موثر ذمہ داری کے آڈٹ کرنا پالیسیز اور طریقہ کار کا تواتر سے نفاذ جانچنے رہنا، قوانین اور ریگولیشنز سے مطابقت کو پرکھنے رہنا ہے۔ بورڈ کی آڈٹ کمیٹی میں مندرجہ ذیل ارکان شامل ہیں:

- 1 جناب رفیق آر۔ مجیم جی
- 2 جناب طاہر جی۔ ساچک
- 3 جناب علی رضا صدیقی
- 4 جناب محمد اقبال منگانی

مارکیٹ شیئر

30 ستمبر 2015 تک کے دستیاب شائع شدہ مالیاتی معلومات کے مطابق آپ کی کمپنی کا مارکیٹ شیئر پاکستان میں نئی ٹان لائف انشورنس شعبے کے کاروبار کا کل 24 فیصد ہے۔ یہ اعداد و شمار انشورنس ایسوسی ایشن آف پاکستان کی جانب سے اکٹھے کر کے شائع کئے جاتے ہیں۔

کرڈیٹ ریٹنگ

آپ کی کمپنی گزشتہ سال تک JCR-VIS سے ریٹنگ حاصل کرتی رہی اس سال آپ کی کمپنی نے PACRA سے بھی ریٹنگ کی جانچ کروائی ہے JCR-VIS اور PACRA دونوں نے آپ کی کمپنی کو AA+ کی ریٹنگ مستحکم رجحان (stable outlook) کے ساتھ نوازا ہے۔

ہیومن ریسورس

ای ایف یو جنرل انشورنس لمیٹڈ میں ہم خاندان جیسے ماحول پر یقین رکھتے ہیں اور اپنے تمام اہلکاروں کو ایک متوازن زندگی گزارنے اور اپنے پیشہ ورانہ اور ذاتی تعلقات میں توازن رکھنے کی حوصلہ افزائی کرتے ہیں۔

ہم اپنے اہلکاروں کی تربیت اور حوصلہ افزائی پر کثیر سرمایہ کاری کرتے ہیں اور انہیں زمانے کے نشیب و فراز سے بطریق احسن نمٹنے کے لئے آراستہ کرتے ہیں۔ ہم اپنے ملازمین کو ضروری تربیت فراہم کرتے ہیں تاکہ ان میں اپنے کام بخوبی ادا کرنے کی صلاحیت اور ہنرمند وجود ہے۔ ای ایف یو کے آفیسرز کو یہ تربیت دینے کے لئے خصوصی انسٹرکٹرز کو یہ ذمہ داری سونپی جاتی ہے۔ ہمارے یہاں علم اور ہنر کی تربیت کے لئے مختلف کارآمد اور حقیقت پسندانہ حکمت عملی اختیار کی جاتی ہے۔ لیکچرز کے علاوہ گروپ مباحثے اور مشاہدے تربیت کو مزید کارگر بناتے ہیں۔

ای ایف یو میں ہر سپروائزر کا مقصد یہ ہوتا ہے کہ اپنے تحت کام کرنے والوں سے بہترین کارکردگی موثر اور کارگر طریقہ سے حاصل کرے۔ ہم جذبہ سے سرشار اور بہتر رویے رکھنے والے اہلکار رکھتے ہیں، ان سے خوش اسلوبی سے کام لیتے ہیں اور ان کی صلاحیتوں کو بھرتی کرتے ہیں ہماری کامیابی کا راز یہ ہے کہ ہمارے اہلکار ہی ہماری اصل قوت ہیں۔

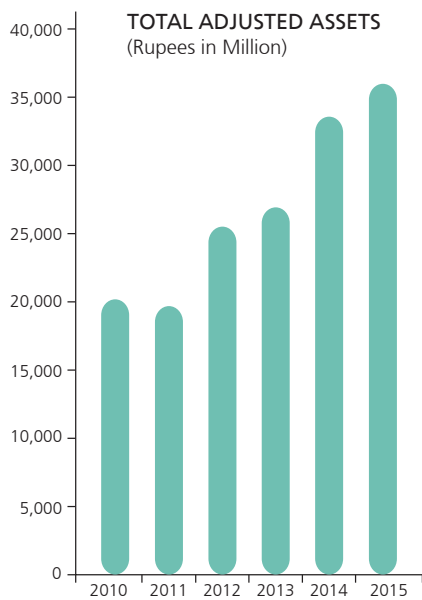
ہمارے کئی اہلکار ACII کے کورسز کر رہے ہیں۔ ACII برطانیہ کے چارٹرڈ انشورنس انسٹی ٹیوٹ (CII) کی جانب سے دی جانے والی عالمی طور پر قابل قبول سند ہے۔ ہمارے یہاں CII، UK سے سند یافتہ "25" چارٹرڈ انشورنس مصروف کار ہیں، "16" انجینئر، "13" مستند پروفیشنل اکاؤنٹنٹس بھی ہمارے اہلکاروں میں شامل ہیں۔

ای ایف یو میں خاندان جیسے ماحول میں انفرادی خیال اور رہنمائی دوستانہ طریقے سے ہمارے فلسفہ کی روح ہے۔ ہم اپنے ہر اہلکار کو اس کی تمام تر صلاحیت بہترین طریقے سے اجاگر کرنے میں مدد کرتے ہیں جیسے ہمارے مرحوم چیئرمین جناب روشن علی بھیم جی کہا کرتے تھے "سب سے بڑھ کر ہم سب سے زیادہ اہمیت دیں گے اچھے شو ہونے کو، اچھے بھائی ہونے کو اور اچھے بیٹے ہونے کو جو اپنے گھرانے کا بہترین خیال رکھے۔"

دیگر اسناد

آپ کی کمپنی نے ادارے کے معیاری انتظامی نظام کے ضمن میں ISO 9001: 2008 کا سرٹیفکیٹ آف رجسٹریشن حاصل کر لیا ہے جو کہ اس بات کا اقرار ہے کہ ہماری انتظامی نظام ISO 9001: 2008 کے تقاضوں پر پورا اترتا ہے۔ دیگر ایوارڈ کی تفصیل درج ذیل ہے:

ایوارڈ	سال	آرگنائزر
SAFA ہیٹ پرڈیٹو ایوارڈ ایگزیکٹو رپورٹ ایوارڈ	2014	ساؤتھ ایشین فیڈریشن آف اکاؤنٹنٹس (SAARC) کا ایک اعلیٰ ترین ادارہ
FPCCI انجیمنٹ ایوارڈ	2014	فیڈریشن آف پاکستان نیچرز آف کامرس اینڈ انڈسٹری FPCCI
ہیٹ کارپوریشن رپورٹ ایوارڈ	2014	انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP)
کمز یور چانس ایوارڈ	2014	انسٹی ٹیوٹ آف کاسٹ اینڈ منجمنٹ اکاؤنٹنٹس آف پاکستان (ICMAP)
کمز یور چانس ایوارڈ	2014	کنز یور ایسوسی ایشن پاکستان (CAP)
کمز یور چانس ایوارڈ	2015	نیٹ ورک فار ریٹائرمنٹ اینڈ ہیلتھ - NFEH
کوآپٹی گلوب ایوارڈ	2015	دی کنز یور آئی پاکستان (TCEP)
برینڈز آف دی ایوارڈ	2015-2014	برانڈ فاؤنڈیشن



سرمایہ کاری سے آمدن

آپ کی کمپنی کی اس سال سرمایہ پر پیشی (capital gains) 602 ملین روپے رہی جب کہ گزشتہ سال میں 375 ملین روپے تھی اور 2015 میں 217 ملین روپے ڈیویڈنڈ آمدن حاصل کی جب کہ 2014 میں 228 ملین روپے تھی۔ سرمایہ کاری سے کل آمدن 2015 میں 1,202 ملین روپے رہی جب کہ 2014 میں 915 ملین روپے تھی۔ ایکویٹی اور میچل فنڈز کے تمکات میں کل سرمایہ کاری 31 دسمبر 2015 میں مارکیٹ قیمت کے مطابق 9.4 ملین روپے تھی جبکہ 31 دسمبر 2014 کو یہ 7.9 ملین روپے تھی۔ ای ایف یو لائف انشورنس لمیٹڈ، جو ایک منسلک کمپنی ہے، کے منافع میں ہمارا حصہ 2015 کیلئے 640 ملین روپے رہا جب کہ 2014 میں 404 ملین روپے تھا۔

منسلک کمپنی ای ایف یو لائف انشورنس لمیٹڈ (ای ایف یو لائف) میں آپ کی کمپنی کی سرمایہ کاری کا حساب آئی اے ایس 28 کی شرائط کے مطابق اکاؤنٹنگ کے ایکویٹی طریقہ کار کے تحت کیا جا رہا ہے۔ ای ایف یو لائف میں سرمایہ کاری کے آگے لے جانی گئی قدر غیر جانبدار ایکچیکری کے ذریعے سرمایہ کاری کی زیر استعمال استعداد پر مبنی طریقہ کار کے مطابق جانچی گئی اور اس کی جانب سے تصدیق کی گئی کہ قابل وصول کل آگے لے جانی گئی قدر کی مقدار سے زیادہ ہے۔

اس امر کو سامنے رکھتے ہوئے کہ 31 دسمبر 2015 میں سرمایہ کاری کی زیر استعمال استعداد جو کہ 11,571 ملین روپے تھی اور کل آگے لے جانی گئی قدر سے زیادہ تھی اس لئے نقصان کے گنجائش کے لئے رکھی گئی رقم 1,987 ملین روپے جو کہ منسلک کمپنی میں سرمایہ کاری کے سلسلے میں 2008 میں رکھی گئی تھی اب اس کی ضرورت نہیں لہذا اسے واپس نفع و نقصان کے حساب میں بطور ایک غیر کمر آؤٹ شامل کیا گیا جو کہ انٹرنیشنل اکاؤنٹنگ اسٹینڈرز کے تقاضوں کے عین مطابق ہے۔

انفارمیشن ٹیکنالوجی

کمپنی مسلسل طور پر ٹیکنالوجی کے حصول میں سرمایہ لگا رہی ہے تاکہ سفر میں بہتری آئے اور کسٹمرز کیلئے مختلف آن لائن سروسز متعارف کرانے کے ذریعے ایک بہتر مسابقتی سطح حاصل کر رہی ہے خصوصاً اپنے کاروبار کے موثر انشورنس کے شعبے کے لئے۔ ہمارے سفر کرنے اب ہمیں یہ استعداد دے دی ہے کہ ہم اپنے کسٹمرز کے ساتھ ایس ایم ایس اور آن لائن دونوں ذرائع سے رابطے میں رہیں جس سے نہ صرف گھنٹوں میں بہتری آئی ہے بلکہ ہم اپنے پالیسی ہولڈرز کو پالیسیز کے ریویو اور کمپنی کو پریمیم کی وصولی کی بروقت اطلاعات دے سکتے ہیں۔ ونڈو نکالنے پر پیشتر کا اجراء مکمل طور پر خود کار نظام کے تحت عمل میں لایا گیا جیسا کہ ہمارا روایتی بزنس ہوتا آیا ہے۔

آمدنی فی شیئر

آپ کی کمپنی نے فی شیئر آمدن 25.21 روپے ظاہر کی ہے جب کہ 2014 میں یہ آمدن 11.43 روپے تھی۔

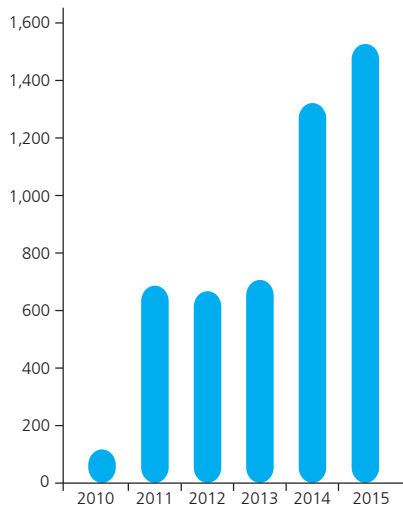
مختص رقوم اور منافع منقسمہ

بعد از ٹیکس منافع 4,034 ملین روپے رہا جب کہ 2014 میں 1,829 ملین روپے تھا۔ آپ کے ڈائریکٹرز نے حتمی منافع منقسمہ بحساب 4.5 روپے فی شیئر (45%) ادا کرنے کی اور ایک بونس شیئر برائے 4 موجودہ شیئرز (25%) جو کہ کسی شیئر ہولڈر کے نام 25 مارچ 2015 کو کاروباری

اوقات کے اختتام پر کمپنی کے شیئر رجسٹر میں موجود ہوں کیلئے اجراء کی سفارش کی ہے۔ نقد منافع منقسمہ سال کے دوران اعلان کردہ 3 روپیہ فی شیئر یعنی (30%) کے عبوری نقد منافع منقسمہ کے علاوہ ہے۔

روپے '000	سال کی ابتدا میں بیلنس
1 998 197	منہا: حتمی منافع منقسمہ 2014 @ 50% 800 000
1 800 000	2014 میں جزل ریزرو کو ٹرانسفر 1 000 000
198 197	گزشتہ سال سے آگے لایا گیا بیلنس
4 033 902	اس سال کیلئے بعد از ٹیکس منافع
(17 989)	دیگر کمپری ہمنو نقصان
4 214 110	مختص کرنے کے لئے دستیاب رقم
	ڈائریکٹرز سفارش کرتے ہیں کہ یہ رقم حسب ذیل حساب سے مختص کی جائے:
	منہا: مختص رقوم
	عبوری نقد منافع منقسمہ 2015 @ 30% جو
480 000	کہ ادا کیا جا چکا ہے (2014 : @ 10%)
	مجوزہ حتمی منافع منقسمہ 2015
720 000	@ 45% @ 50% (2014)
	مجوزہ بونس شیئر کے اجراء کے لئے ٹرانسفر 2015
400 000	@ 25% @ 0% (2014)
3 600 000	جزل ریزرو کو ٹرانسفر 2 000 000
614 110	آئندہ سال کے لئے آگے لیجا یا گیا

UNDERWRITING RESULTS
(Rupees in Million)



ممبران کے لئے ڈائریکٹرز کی رپورٹ

(یہ انگریزی رپورٹ کا ترجمہ ہے)

نظر آیا۔ اسٹیٹنڈ رائیڈ پور اور موڈی نے بھی پاکستان کی کریڈٹ ریٹنگ کو مستحکم سے مثبت میں بہتر کر دیا ہے۔

مختلف شعبوں میں کارگزاری حسب ذیل رہی:

فائبروپراپرٹی بزنس

تحریری پریمیم 8,132 ملین روپے رہا جو کہ 2014 میں 8,391 ملین روپے تھا۔ اس شعبہ کا تحریری پریمیم کمپنی کے کل تحریری پریمیم کا 54 فیصد ہے۔ گھیز کی شرح کمپنی کی خالص پریمیم ریونیو کے تناسب سے 31 فیصد رہی جب کہ 2014 میں 30 فیصد تھی۔ اس سال انڈر رائٹنگ منافع 640 ملین روپے تک بڑھ گیا جو کہ 2014 میں 564 ملین روپے تھا۔

میرین، ایوی ایشن و ٹرانسپورٹ

تحریری پریمیم بڑھ کر 2,288 ملین روپے ہو گیا جب کہ 2014 میں 2,200 ملین روپے تھا اور یہ کمپنی کے کل تحریری پریمیم کا 15 فیصد ہے۔ گھیز کی شرح کمپنی کے خالص پریمیم ریونیو کا 44 فیصد رہی جو کہ 2014 میں 43 فیصد تھی اور اس سال کیلئے انڈر رائٹنگ منافع 257 ملین روپے رہا جب کہ 2014 میں 292 ملین روپے تھا۔

موٹر

تحریری پریمیم بڑھ کر 3,255 ملین روپے ہو گیا جو کہ 2014 میں 2,853 ملین روپے تھا۔ اس شعبہ میں تحریری پریمیم کی شرح کمپنی کے کل تحریری پریمیم کا 22 فیصد رہی۔ گھیز کی صورت حال میں پرسکون لاء اینڈ آرڈر کی بدولت بہتری ہوئی اور کمپنی کے کل تحریری پریمیم میں ان کی شرح 52 فیصد ہو گئی جب کہ 2014 میں 55 فیصد تھی۔ انڈر رائٹنگ سے منافع 479 ملین روپے رہا جب کہ 2014 میں 302 ملین روپے تھا۔

دیگر شعبہ جات

تحریری پریمیم بڑھ کر 1,333 ملین روپے ہو گیا جو کہ 2014 میں 1,070 ملین روپے تھا۔ اس شعبہ کا تحریری پریمیم کمپنی کے کل تحریری پریمیم کا 9 فیصد رہا۔ گھیز کی شرح کل کا تحریری پریمیم ریونیو کا 61 فیصد رہی۔ انڈر رائٹنگ منافع اس سال 158 ملین روپے رہا جو کہ 2014 میں 155 ملین روپے تھا۔

وٹڈ وکافل آپریشن

آپ کے ڈائریکٹرز بخوشی اطلاع دیتے ہیں کہ آپ کی کمپنی نے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) انشورنس ڈویژن سے 16 اپریل 2015 کو SECP وکافل روٹڈ، 2012 کے تحت اجازت ملنے پر وٹڈ وکافل بزنس شروع کر دیا ہے۔ اس سے ملک بھر میں عمومی طور پر انشورنس (روایتی اور وکافل) کے رسوخ میں اضافے میں مدد ملے گی۔

6 مئی 2015 سے 31 دسمبر 2015 تک کی مدت کے لئے تحریری کنٹریبیوشن مبلغ 206 ملین روپے رہی جبکہ خالص کنٹریبیوشن مبلغ 28 ملین روپے رہی۔ پارٹیشننگ وکافل فنڈ کا سرپلس اس مدت کے لئے مبلغ 11 ملین روپے رہا اور آپریٹرز فنڈ خسارہ زیر نظر مدت کے لئے مبلغ 3 ملین روپے رہا۔

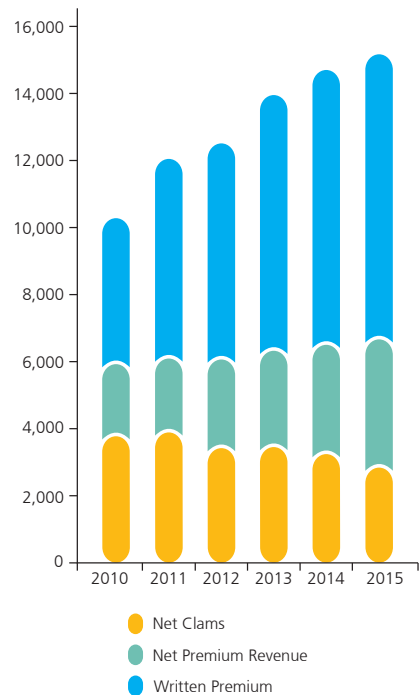
آپ کی کمپنی کے ڈائریکٹرز کو کمپنی کی 83 ویں سالانہ رپورٹ اختتام سال 31 دسمبر 2015 پیش کرتے ہوئے خوشی ہو رہی ہے۔

سال 2015 میں کمپنی کا منافع بعد از ٹیکس بڑھ کر 4.03 بلین روپے ہو گیا، جب کہ 2014 میں یہ 1.83 بلین روپے تھا۔ یہ انڈر رائٹنگ میں بہتری، سرمایہ کاری پر زائد منافع ملنے اور 1.99 بلین روپے کی ایک بڑی غیر سرکردہ رقم جو کہ 2008 میں نقصان کے گنجائش کے لئے (provision for impairment) رکھی گئی تھی جس کی اب ضرورت نہیں، کیونکہ سرمایہ کاری کی زیر استعمال استعداد (value in use) اس کی آگے لے جائیگی قدر (carrying value) سے زیادہ ہے اس وجہ سے اسے الٹ دیا گیا ہے۔ انڈر رائٹنگ اور سرمایہ کاری کے ضمن میں آپ کی کمپنی کے محتاط رویوں پر مسلسل عمل درآمد سے بھی نتائج میں بہتری واقع ہوئی ہے۔ فی شیئر آمدن 25.21 روپے رہی جب کہ گزشتہ سال 11.43 روپے تھی۔

اس سال کیلئے کل تحریری پریمیم (written premium) بڑھ کر 15.2 بلین روپے (بشمول 206 ملین روپے تکافل کنٹریبیوشن) ہو گیا جب کہ 2014 میں 14.5 بلین روپے تھا اور خالص پریمیم آمدن 6.7 بلین روپے جب کہ 2014 میں 6.5 بلین روپے تھی۔

2015 میں پاکستان میں امن و امان کی صورتحال میں بہتری، افراط زر کی کم سطح اور چین کی طرف سے متوقع سرمایہ کاری کے سلسلے میں ایک خوش آئند تصویر کی وجہ سے ایک مثبت رجحان

WRITTEN PREMIUM, NET PREMIUM REVENUE AND NET CLAIMS (Rupees in Million)





E F U GENERAL INSURANCE LIMITED

Form Of Proxy

I / We _____

of _____

being a member of E F U GENERAL INSURANCE LIMITED hereby appoint

Mr. _____

of _____

or failing him _____

of _____

as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the 83rd Annual General Meeting of the Company to be held on Saturday, 02 April 2016 at 10:30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2016.

WITNESSES:

1. Signature: _____

Name: _____

Address: _____

CNIC Or
Passport No: _____



Signature of Member(s)

2. Signature: _____

Name: _____

Address: _____

CNIC Or
Passport No: _____

Shareholder's Folio No. _____

and / or CDC

Participant I.D.No. _____

and Sub Account No. _____

Important:

This form of Proxy, duly completed, must be deposited at the Company's Registered Office at Kamran Centre, 1st Floor, 85 East, Jinnah Avenue, Blue Area Islamabad, not later than 48 hours before the time appointed for the meeting.

CDC Shareholders and their Proxies are each requested to attach attested photocopy of their Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.

CDC Shareholders or their Proxies are requested to bring with them their Original Computerized National Identity Card or Passport along with the Participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.



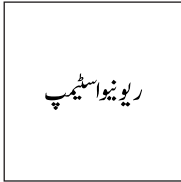
ای ایف یو جنرل انشورنس لمیٹڈ پراکسی فارم

میں/ہم _____
ساکن _____
بحیثیت ممبر ای ایف یو جنرل انشورنس لمیٹڈ بذریعہ مذکورہ مسمی
_____ ساکن
_____ کو بیان کی عدم دستیابی کی صورت میں مسمی
_____ ساکن

_____ کو اپنی/ہماری جانب سے پراکسی مقرر کر رہا/رہی ہوں تاکہ وہ ہفتہ ۲ اپریل ۲۰۱۶ء بوقت ۱۰:۳۰ بجے صبح منعقد ہونے والے ۸۳ ویں سالانہ اجلاس عام
یا اس کے کسی بھی التواء میں میری/ہماری جگہ شرکت کرے اور ووٹ ڈالے۔

دستخط بروز _____ بتاریخ _____ ۲۰۱۶ء

گواہان:



ممبر (ممبران) کے دستخط

۱- دستخط: _____
نام: _____
پتہ: _____
سی این آئی سی یا پاسپورٹ نمبر _____

۲- دستخط: _____
شیر ہولڈر کا فوٹیو نمبر اور/یا سی ڈی سی _____
نام: _____
پارٹیسپنٹ کا آئی ڈی نمبر _____
پتہ: _____
اور ذیلی اکاؤنٹ نمبر _____
سی این آئی سی یا پاسپورٹ نمبر _____

اہم نوٹ:

پراکسی کا یہ فارم جو ہر طرح سے مکمل ہو، لازماً کمپنی کے رجسٹرڈ آفس واقع کامران سینٹر، پہلی منزل، ۸۵ ایسٹ، جناح ایونیو، بلیو ایریا، اسلام آباد میں اجلاس کے
طے شدہ وقت سے کم از کم ۴۸ گھنٹے قبل جمع کر دیا جائے۔

سی ڈی سی شیر ہولڈرز اور ان کے پراکسیز سے درخواست ہے کہ ہر ایک اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) یا پاسپورٹ کی مصدقہ نقل کمپنی کو پراکسی
فارم جمع کرانے سے قبل اس کے ساتھ منسلک کرے۔

سی ڈی سی شیر ہولڈرز یا ان کے پراکسیز سے درخواست ہے کہ اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ بشمول پارٹیسپنٹ کا آئی ڈی نمبر اور ان کے
اکاؤنٹ نمبر اپنی شناخت میں سہولت کی غرض سے سالانہ اجلاس عام میں شرکت کے وقت ہمراہ لائیں۔

