

## Defined by Values






## Defined by Values

One of the fruits of longevity in the public sphere is that an organization's audience tends to attribute certain values to it. These attributed values become the organization's definition over time. We at EFU find a measure of satisfaction in being defined as: DISCIPLINED in safeguarding the interests of all stakeholders; DETERMINED to be a better insurance services provider each passing day; DEDICATED to the interests of our customers; DARING to be a role-model in our chosen field; DYNAMIC in the pursuit of excellence in products, service and customer-care; DEMONSTRATIVE in caring and sharing for the communities we serve; DIGNIFIED in everything we do and DIFFERENTIATED by conscious and purposive design.

We have lived up to these values each day for 85 years long. We are committed to keep it this way.



EFU GENERAL INSURANCE LTD.  
INSURER FINANCIAL STRENGTH AA+

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

# Contents



Access to Reports and Enquiries	35	Decisions taken at the last Extra Ordinary General Meeting	35	Key Financial Data	78	Share Price Sensitivity Analysis	32
Analysis of Financial Statements	87	Dedicated to the interests of our customers	13	Management	55	Shari'ah Advisory Report to the Board of Directors	101
Analysis of Variation in Results Reported in Quarterly Accounts	92	Demonstrative in caring and sharing for the communities we serve	19	MD's Performance Review	36	Statement of Cash Flows	111
Annual Evaluation of Board's Performance	36	Determined to be a better insurance services provider each passing day	10	Notes to the Financial Statements	116	Statement of Changes in Equity	110
Auditors' Report to the Members - Window Takaful Operations	104	Differentiated by conscious and purposive design	22	Notice of Meeting	40	Statement of Claims	113
Auditors' Report to the Members	103	Dignified in everything we do	20	Organogram	52	Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 and Code of Corporate Governance 2012	93
Avoiding Actual and Perceived Conflict of Interest	37	Directors Profile	49	Pattern of Shareholding	199	Statement of Comprehensive Income	109
Awards & Achievements	24	Disciplined in safeguarding the interests of all stakeholders	08	Policy and Procedure for Stakeholder Engagement	32	Statement of Expenses	114
Balance Sheet	106	DuPont Analysis	91	Policy for Safety of Records of the Company	37	Statement of Investment Income	115
Board of Directors	48	Dynamic in the pursuit of excellence in products, service and customer-care	16	Procedures Adopted for Quality Assurance of Products / Services	34	Statement of Premiums	112
Branch Network	204	Financial Calendar	54	Product Portfolio	31	Statement of Value Added	79
Business Continuity Plan / Disaster Recovery Plan	37	Financial Ratios	84	Profile of Shari'ah Advisor - Window Takaful Operations	100	Strategic Objectives	28
Cash Flow Summary	84	Future Strategy	28	Profit and Loss Account	108	The Role of Chairman and Managing Director	36
Chairman's Review	60	Glossary	201	Report of the Audit Committee	39	TORs of Audit Committee	38
Comments on Key Financial Data	86	Horizontal Analysis of Balance Sheet & Income Statement	82	Report of the Directors to Members	62	Vertical Analysis of Balance Sheet & Income Statement	80
Company Information	26	Independent Reasonable Assurance Report to the Board of Directors on the Statement of Management's Assessment of Compliance with the Shari'ah Principles	98	Review Report to the Members on Statement of Compliance with the Best Practices of the Code of Corporate Governance	97	Vision & Mission	05
Company Profile	27	Investors Grievance Policy	33	Risk Identification, Evaluation and Management Opportunities	29	Whistle Blowing Policy	33
Daring to be a role-model in our chosen field	14			Select Financial Highlights 2017	06	Window Takaful Operations Annexure - A	158
Decisions taken at the last Annual General Meeting	35					Form of Proxy (English & Urdu)	
						Form of E-Voting (English & Urdu)	
						Bank Mandate Form	

To understand  
our vision, we must  
look back.

To keep on  
fulfilling it, we must  
move forward.



## 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

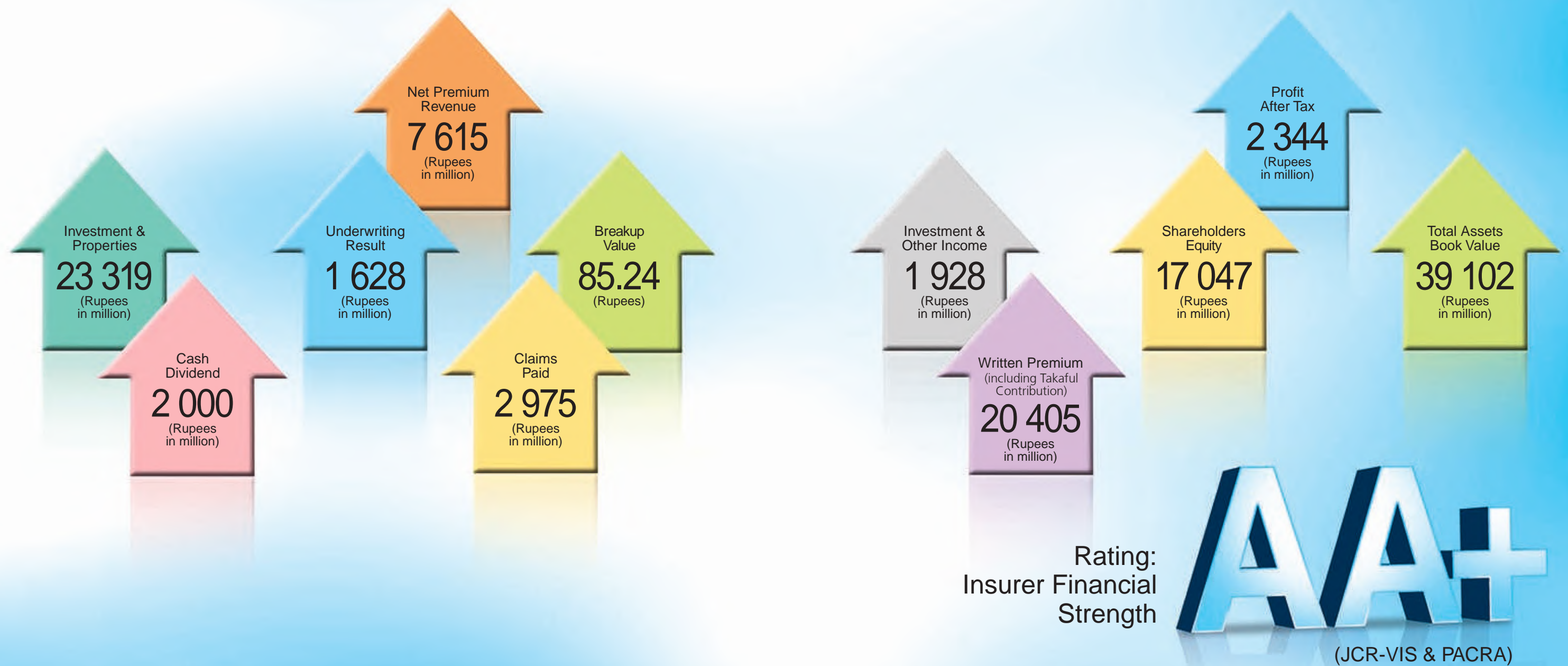
In EFU we work like a family. Everyone  
is treated with respect and without any  
discrimination.

#### CORPORATE SOCIAL RESPONSIBILITY

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



## Select Financial Highlights 2017





**DISCIPLINED**  
in safeguarding  
the interests  
of all stakeholders

**ALL SERVICE ORGANIZATIONS  
EXIST AT THE PLEASURE OF THEIR  
CUSTOMERS. THIS AXIOM HOLDS TRUE  
FOR INSURANCE SERVICES PROVIDERS  
AS WELL.**

Insurance Companies need to be aware of their strengths. They should also be competitive in the quality of their products, field force and service operatives. Above everything else, they must always be able to deliver on their promises.

These are the disciplines we enforce upon ourselves. These are the disciplines we are recognized for.



**DETERMINED**  
to be a better  
insurance services  
provider each  
passing day

THERE ARE TWO ASPECTS TO THIS DETERMINATION: A CORPORATE CULTURE OF A CONTINUING PURSUIT OF EXCELLENCE, AND CONTINUOUS IMPROVEMENT IN THE QUALITY OF OUR PEOPLE AND SERVICES.

Towards the above we keep on enhancing our capabilities in terms of assets, deployment of advanced technology, and re-engineering our products and human resource development programmes to keep enhancing our edge in the market.

TRUST GROWS WHEN CUSTOMERS PERCEIVE THAT ONE WILL ALWAYS LOOK AFTER THEIR INTEREST. THIS IS THE EFU EXPERIENCE OF EIGHTY-FIVE YEARS.

We provide insurance services; and we daily strive to be better than we were yesterday. We routinely anticipate emerging risks and re-engineer our products. We conduct hazard audits and advise clients simple, practical and affordable solutions. We train our personnel to be knowledgeable and innovative. Our customers believe we go the extra mile for them, and we do.



**DEDICATED**  
to the interests  
of our  
customers







**DARING**  
to be a role-model  
in our chosen  
field

EXPERIENCE IS INTANGIBLE CAPITAL THAT ENABLES AN ENTERPRISE TO TREAT CHALLENGES AS OPPORTUNITIES. THE AGE OF AN ORGANIZATION MAY BE SEEN BY SOME AS MAKING IT CONSERVATIVE. TO THE CONTRARY, IT MAKES US DARING.

We were not afraid to become the nursery of professionals. We never shy of breaking new grounds, exploring new avenues for progress and performance, employing new technology, hiring uncut gems and polishing them.

We dare. We achieve.



**DYNAMIC**  
in the pursuit  
of excellence in  
products, service  
and customer-care

**DYNAMISM IS THE MOTIVE  
POWER THAT KEEPS DRIVING AN  
ORGANIZATION FORWARD.**

In the context of an insurance services provider, dynamism manifests itself in many ways. One of those is constantly monitoring the risk climate. We at EFU are singularly conscious of this. Our product evaluation and development experts are constantly at work devising new and better offerings as emerging risks are identified.

Our dynamism keeps us ready to meet the future head on, with flying colours.

ENTERPRISES EXIST WITHIN COMMUNITIES. IT IS OUR BELIEF THAT RESPONSIBLE CORPORATE CITIZENSHIP DICTATES WE GIVE BACK TO THE COMMUNITY SOMETHING OF WHAT WE EARN.

We believe that businesses, no matter what their size or field, have a responsibility to share the burden of building society's future. We at EFU regularly contribute to creditable and worthy causes and are also in the forefront when relief is required if disasters strike.

We will keep demonstrating our concern for the future of Pakistan.

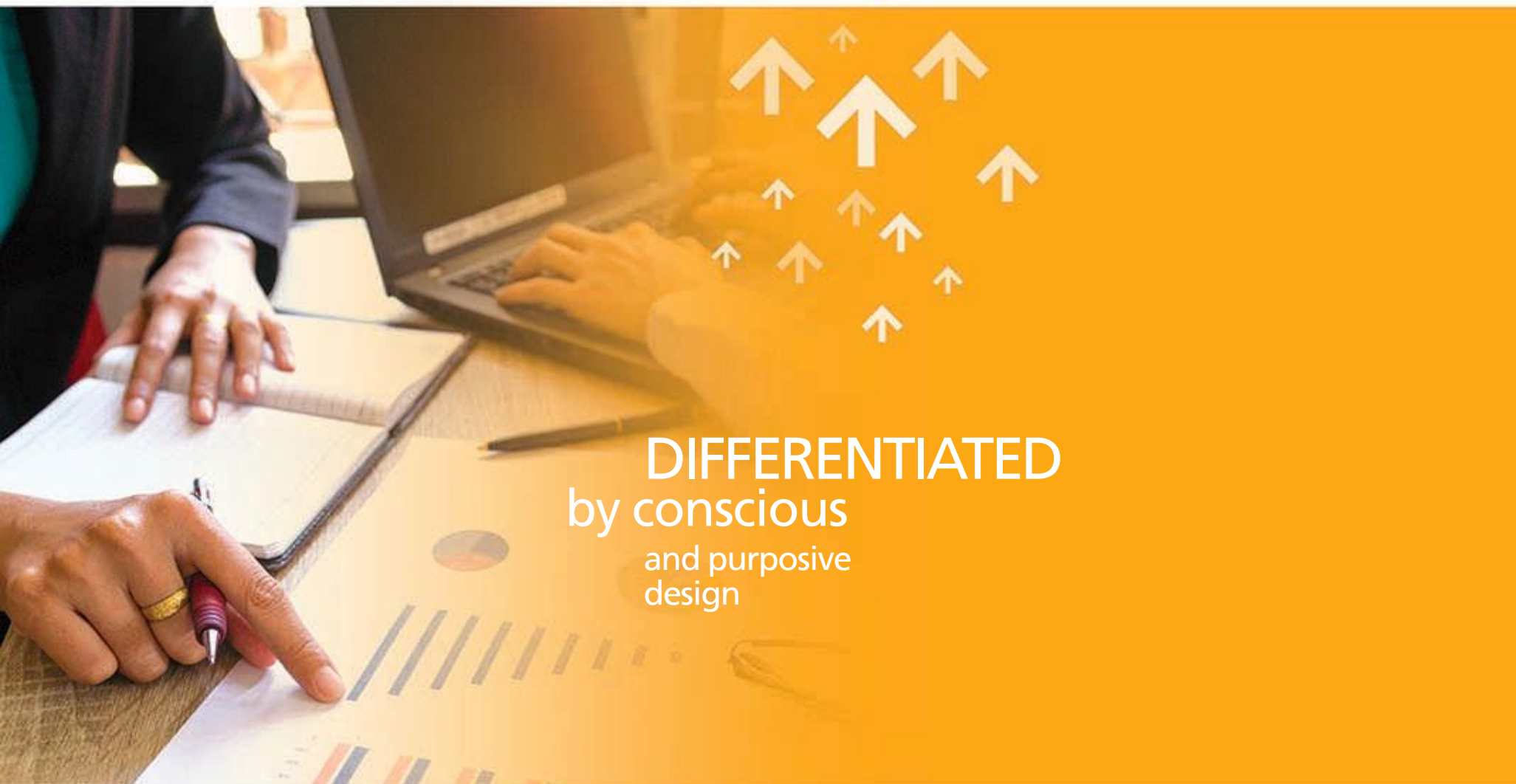


**DEMONSTRATIVE**  
in caring and sharing  
for the  
communities  
we serve



**THE HUMAN RESOURCE OF  
ANY ENTERPRISE IS ITS MOST  
VALUABLE ASSET.**

EFU is the pioneer and leader in developing and implementing training regimes for our personnel of all cadres. We hire talent and ability. We hone it to the sharpest possible edge. Our reward is the diligence with which our people conduct themselves in the market, scale ever new heights of performance, and enhance the confidence our customers invest us with - and they do it with exemplary dignity.



**DIFFERENTIATED**  
by conscious  
and purposive  
design

ONE OF THE THINGS MOST OFTEN HEARD ABOUT EFU IS "THEY ARE A DIFFERENT COMPANY".

It is true. We are, and this differentiation is by design. We have differentiated ourselves from the competition by the superior quality of our products, our services, our ability to swiftly respond to and process claims.

All our customers' perception about us flow from this differentiation. They consider us their own. It is also the reason why we introduce ourselves as "your insurance company".

## Awards & Achievements

Civil Society Supreme Forum  
& News Media Network  
**Faiz Ahmed Faiz  
Aman Award 2017**



The Fire Protection Association of  
Pakistan & National Forum For  
Environment and Health (NFEH)  
**Fire Safety Award 2017**



Consumers Association of  
Pakistan (CAP)  
**Consumers Choice  
Award 2017**



The National Forum for Environment  
& Health (NFEH) and Environment  
Management Consultants (EMC)  
**Environment Excellence  
Award 2017**



The Institute of Chartered Accountants  
of Pakistan (ICAP) & Institute of Cost  
and Management Accountants of  
Pakistan (ICMAP)  
**Best Corporate Report  
Award 2016**



South Asian Federation  
of Accountants (SAFA)  
**SAFA Best Presented  
Annual Report 2016  
(Certificate of Merit)**



The Federation of Pakistan  
Chambers of Commerce &  
Industry, Karachi (FPCCI)  
**5th FPCCI Achievement  
Awards 2016**



Shaukat Khanum  
Memorial Trust  
**Social Responsibility  
Award 2016**

## Company Information

### Chairman

Saifuddin N. Zoomkawala

### Managing Director & Chief Executive

Hasanali Abdullah

### Directors

Abdul Rehman Haji Habib

Muneer R. Bhimjee

Taher G. Sachak

Ali Raza Siddiqui

Mohammed Iqbal Mankani

Mahmood Lotia

Saad Ali Bhimjee

### Chief Financial Officer & Corporate Secretary

Altaf Qamruddin Gokal, F.C.A.

### Legal Advisor

Mohammad Ali Sayeed

### Advisors

Jaffer Dossa

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

S.C. (Hamid) Subjally

Shaukat Saeed Ahmed

Syed Mehdi Imam, M.A.

### Shari'ah Advisor

Mufti Muhammad Ibrahim Essa

### Audit Committee

Mohammed Iqbal Mankani

Muneer R. Bhimjee

Taher G. Sachak

Ali Raza Siddiqui

### Investment Committee

Saifuddin N. Zoomkawala

Hasanali Abdullah

Muneer R. Bhimjee

Altaf Qamruddin Gokal

Atif Anwar

### Ethics, Human Resource & Remuneration Committee

Saifuddin N. Zoomkawala

Hasanali Abdullah

Mohammed Iqbal Mankani

### Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Sheikh Sultan Trust Building No. 2

Beaumont Road

Karachi

### Registrar

Central Depository

Company of Pakistan Limited

CDC House, 99-B, Block B

S.M.C.H.S., Shahra-e-Faisal

Karachi - 74400

### Website

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

### Email

[info@efuinsurance.com](mailto:info@efuinsurance.com)

### Registered Office

Kamran Centre, 1st Floor

85, East, Jinnah Avenue

Blue Area

Islamabad

### Main Offices

EFU House

M. A. Jinnah Road

Karachi

Co-operative Insurance Building

23, Shahrah-e-Quaid-e-Azam

Lahore

### Window Takaful Operations

5th Floor, EFU House

M. A. Jinnah Road

Karachi

## Company Profile ([www.efuinsurance.com](http://www.efuinsurance.com))

EFU is the largest insurer group in the country. The group structure comprises of EFU General Insurance Limited, EFU Life Assurance Limited and Allianz EFU Health Insurance Limited.

EFU General was incorporated on September 2, 1932. The Company 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
- Marine, Aviation and Transport
- Motor
- Miscellaneous
- Value Added Services
- Takaful
- The shares of the Company are quoted on Pakistan Stock Exchange.
- EFU is one of the few Pakistani organizations run totally by professional management and highly motivated field force.
- Policies accepted by all institutions in the country.
- Rating: Insurer Financial Strength AA+, Outlook: Stable (Rating Agencies: JCR-VIS and PACRA).
- Client-base comprises of many leading business houses and multinational companies.
- EFU gave the emerging insurance industry the leadership, the manpower and the drive needed to grow in a situation where at one time, three-fourths of insurance was held by foreign companies.

We are in the business of providing a full range of non-life insurance products and services customized to meet the varied needs of a wide spectrum of businesses and industrial clients as well as individuals, providing Property, Marine, Aviation, Motor and other Miscellaneous products. In addition to this, Window Takaful operations have also been started since 6th May 2015. The most important aspect of our operation is that we have created a separate Risk Management Team and an Engineering Group who work closely with clients to identify various risk exposures and then provide specific insurance. This helps in loss prevention and reducing the cost of premium. Our market-driven team of inspired and technically qualified insurance personnel, specializing in civil, mechanical, metallurgy, electronics and having overseas linkages, is on-call for necessary professional advice at all times. It is our policy not only to provide protection and risk reduction but help clients develop preventive capabilities to avert major perils and calamities. Over the years we have developed a full range of insurance services for large infrastructure projects including the areas of oil/gas exploration field.

We are fully equipped with technical, marketing and managerial skills supported by reinsurance arrangements with a number of European firms of international repute to cater for all classes of specialized insurance and provide customer service of the highest quality. Our clients include both large and medium sized organizations in all sectors of the economy. We are committed to new product development and innovation, legendary customer service and a promise that everything we do, we do from the heart.

## 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

Our strategy for 2018 is designed to deliver sustainable, profitable growth in a changing and competitive business environment in order to maintain leading position in the industry.

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

The Window Takaful Operations are growing. We see further growth in Takaful market in 2018.

We continue to invest in our people and systems and processes to better understand our customer's 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 micro insurance 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 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 Shari'ah 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 Shari'ah-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 Act, 2017. 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 advertisement campaigns. We have also dedicated section on our Company's website for public relations. The website may be accessed at [www.efuinsurance.com](http://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 registrar, 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.

## 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 15, 2017

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 Audited Accounts and Report for the year ended December 31, 2016.
3. Approval of Final dividend @ Rs. 7 per share in addition a total of Rs. 3 per share was paid for three interim dividends for the year 2016 details as under:
  - The First Interim dividend was paid on May 21, 2016.
  - The Second Interim dividend was paid on September 21, 2016.
  - The Third Interim dividend was paid on November 16, 2016.
  - Final dividend was paid to the Shareholders on April 17, 2017.
4. Approval of Transfer to General Reserve of Rs. 2,000 million.
5. Appointment of KPMG Taseer Hadi & Co. as Auditors for the year 2017.

## Decision taken at the last Extra Ordinary General Meeting held on July 08, 2017

1. Extra Ordinary General meeting was held on July 08, 2017.
2. The number of candidate for election were nine for nine seats, therefore, all the following persons were elected as Directors for a period of three years with effect from July 10, 2017.
 

1) Mr. Saifuddin N. Zoomkawala	6) Mr. Ali Raza Siddiqui
2) Mr. Hasanali Abdullah	7) Mr. Mohammed Iqbal Mankani
3) Mr. Abdul Rehman Haji Habib	8) Mr. Mahmood Lotia
4) Mr. Muneer R. Bhimjee	9) Mr. Saad Ali Bhimjee
5) Mr. Taher G. Sachak	

## Access to Reports and Enquiries

### Annual Report

Annual report can be downloaded from the Company's website: [www.efuinsurance.com](http://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](http://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:

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block B, S.M.C.H.S, Shahra-e-Faisal  
Karachi – 74400

### 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.

## The 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

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.

## Avoiding Actual and Perceived Conflict of Interest

The Company is committed to the transparent disclosure, management and monitoring of existing and potential conflicts of interest. The Company's Board is also cognizant of its obligations as required under the Code of Corporate Governance, 2012 (COCG) to ensure that Directors avoid conflicts of interest between their responsibilities and their other interests. All Board members have a duty to avoid actual or perceived conflicts of interest.

Every director of the Company who is in any way interested in any contract or arrangement to be entered by the Company is required to disclose the nature of his concern or interest to the Board and shall not take part in the discussion or vote on the matter.

Every year in conformity with the section 153 of Companies Act, 2017, COCG and Insurance Companies (Sound and Prudent Management) Regulations, 2016, the Directors of the Company are required to provide a signed Statement of Compliance. The statement requires all the Directors to disclose the names of the companies, firms and businesses where they are associated and that they comply with all legal requirements to hold the position as Directors.

## Policy for Safety of Records of the Company

The Company abides by the requirement of Section 220 of the Companies Act, 2017, for the maintenance of books of accounts. In addition to this, retention of the Company's records is also based on their administrative and operational requirement. The Company has implemented a comprehensive plan for maintenance of its physical and electronic data.

In line with this, a proper record room has been maintained at its Head Office for safe custody of the various physical documents; where the records are stacked on pre-numbered racks. All records along with rack number have been entered in the record management system from where any record can be traced by entering the particular of record required.

For timely recovery of its soft data on the Cloud, on-site and remote Data Recovery (DR) site is available with the Company.

## Business Continuity Plan / Disaster Recovery Plan

Without a defined, communicated and tested Business Continuity Plan (BCP) / Disaster Recovery Plan (DRP), the risk of extended unavailability of business processes and information systems in the event of any catastrophe increases exponentially. Further, absence of appropriate management plan can also result in damage to reputation, high costs of resumption and lost business.

The Company has developed a comprehensive Disaster Recovery Plan by using cloud technology services, addressing all the critical business functions and systems within the domain of Data Centre.

The principal objective of the disaster recovery program is to develop, test and document a well-structured and easily understood plan which will help the Company recover quickly and effectively from an unforeseen emergency situation which may interrupt business operations.

The plan is being periodically tested and reviewed to ensure that all essential aspects have been adequately covered and that all relevant individuals are fully aware of their responsibilities in the event of a disaster.

The Company also has taken following measures to ensure quick and smooth availability of data recovery:

- Live testing is also performed by the relevant department to respond spontaneously.
- Training of responsible staff is also carried out on regular basis.
- Daily data backup is stored in Bank Lockers at designated branch.

## TORs of Audit Committee

The committee comprises of four members, including the Chairman of the committee who is an independent director appointed vide circular resolution dated January 6, 2018 to comply with the requirement of Code of Corporate Governance Regulations 2017 and others are non-executive Directors. The Committee focus is to oversee the effectiveness of internal controls, internal audit function, compliance and other responsibilities assigned by the Board of Directors.

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

- (a) determination of appropriate measures to safeguard the Company's assets;
- (b) review of preliminary results prior to its external communication and publication;
- (c) review of 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 statutory and regulatory requirements.
- (d) review of related party transactions entered in to during the year and recommending approval of the Board of Directors thereon;
- (e) 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);
- (f) review of management letter issued by external auditors and management's response thereto;
- (g) ensuring coordination between the internal and external auditors of the Company;
- (h) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- (i) consideration of major findings of internal investigations and management's response thereto;
- (j) ascertaining that the internal control systems including financial and operational controls, accounting systems and the reporting structure are adequate and effective;
- (k) review of Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- (l) institute special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
- (m) determination of compliance with relevant statutory requirements;
- (n) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof;
- (o) recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements; and
- (p) consideration of any other issue or matter as may be assigned by the Board of Directors.

Sr. No.	Name of Directors	Number of Meetings attended
1.	Mr. Rafique Bhimjee *	1 meeting out of 2 attended (Non-Executive Director)
2.	Mr. Muneer Bhimjee *	1 meeting out of 2 attended (Non-Executive Director)
3.	Mr. Taher G. Sachak	4 meetings attended (Non-Executive Director)
4.	Mr. Ali Raza Siddiqui	4 meetings attended (Non-Executive Director)
5.	Mr. Mohammed Iqbal Mankani	3 meetings attended (Independent Director)

\*New Audit Committee was constituted on July 10, 2017 by the Board of Directors in which Mr. Muneer Bhimjee was appointed new Chairman in place of Mr. Rafique Bhimjee.

## Report of the Audit Committee For the year ended December 31, 2017

The Audit Committee comprises of three non-executive directors and one independent director. Four meetings of the Committee were held during the year 2017. 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 endorsed 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 established at all levels is sound in design and is continually evaluated for effectiveness and adequacy. The Company's internal control system consists of: Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring. These components work to establish and implement sound internal control within the company through directed leadership, risk management function, financial control and internal audit and compliance.
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 role of Internal Audit is to review the adequacy of control activities as well as to ensure implementation of and compliance with the defined policies and procedures. The department also ensures timely follow-up on audit findings to ensure that corrective actions are taken in a timely manner.
11. 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.
12. The Internal Auditor has full access to the Chairman of the Board Audit Committee, further internal auditor meets senior management to discuss internal audit reports and is fully independent to access the management any time to discuss audit issues in order to make the audit process transparent and effective.
13. The external auditors KPMG Taseer Hadi & Co., Chartered Accountants had direct access to the Committee and necessary coordination with internal auditors was ensured. Major findings arising from audits were also discussed.
14. The Committee reviewed the Management Letter issued by the external auditors.
15. The Committee recommended to the Board of Directors for appointment of KPMG Taseer Hadi & Co., Chartered Accountants as external auditors and their remuneration for the year ending December 31, 2018.

## Notice of Meeting

Notice is hereby given that the 85th 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 07, 2018 at 10:00 a.m. to:

### A. ORDINARY BUSINESS:

1. Confirm the minutes of the 84th Annual General Meeting held on April 15, 2017.
2. Confirm the minutes of the Extra-ordinary General Meeting held on July 8, 2017.
3. Receive, consider and approve the Audited Financial Statements for the year ended December 31, 2017 together with the Chairman's review, Directors' and Auditors' reports thereon.
4. Consider and if thought fit to approve the payment of Final Dividend at the rate of 62.5% i.e. Rs. 6.25 per share as recommended by the Board of Directors and also approve the 37.5% i.e. Rs. 3.75 per share Interim Cash Dividends already paid to the Shareholders for the year ended December 31, 2017.
5. Appoint Auditors of the Company for the year 2018 and fix their remuneration. The Audit Committee and the Board of Directors have recommended the name of M/S KPMG Taseer Hadi & Co., Chartered Accountants for re-appointment as auditors.

### B. SPECIAL BUSINESS:

6. To consider, and if thought fit, to pass the following resolutions with or without modification(s) as Special Resolutions:

"Resolved that the transactions carried out by the Company in the normal course of business with EFU Life Assurance Ltd and Allianz EFU Health Insurance Ltd. (related parties) in 2017 be and are hereby ratified, approved and confirmed."

"Further Resolved that the Managing Director & Chief Executive be and is hereby authorized to approve all the transactions carried out in the normal course of business with EFU Life Assurance Ltd and Allianz EFU Health Insurance Ltd till the next Annual General Meeting."

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

"RESOLVED that consent of the members of EFU General Insurance Ltd. (the "Company") be and is hereby accorded in terms of section 199 and other applicable provisions of Companies Act, 2017 and the Company be and is hereby authorized to further invest upto Rs. 1,000,000,000 (Rupees One Billion Only) from time to time in EFU Life Assurance Limited ("EFU Life"), an associated company for purchase of ordinary shares of face value of Rs. 10 each at the price ruling in stock exchange at the date of purchase as per terms and conditions disclosed to the members and the resolution shall be valid for a period of 3 years from the date of passing of special resolution."

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

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 134(3) (b) of the Companies Act, 2017 setting forth:

- a. All material facts concerning the resolutions contained in items 6 and 7 of the notice.
- b. Status of previous approval of investments in associated company.

By Order of the Board

ALTAF QAMRUDDIN GOKAL  
Chief Financial Officer  
& Corporate Secretary

Karachi: 14 February 2018

## 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. For exercising electronic voting (E-voting) right through intermediary by providing consent in writing regarding appointment of execution officer as proxy as per the Companies (E-Voting) Regulation, 2016:

- i. If Company receives demand for poll by E-voting from members having not less than one tenth of the voting power the Company will arrange for e-voting exercise.
- ii. The instruction to appoint execution officer and opting to e-vote through Intermediary as per the Companies (E-Voting) Regulations, 2016 shall be deposited to the Company at least ten days before holding of general meeting at Kamran Centre, 1st Floor, 85 East, Jinnah Avenue, Blue Area, Islamabad or through email "altaf.gokal@efuinsurance.com".
- iii. Representative of CDC, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400, Pakistan will be appointed as execution officer for the meeting.
- iv. The proxy / E-voting form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

4. The Share Transfer Books of the Company will be closed from April 01, 2018 to April 07, 2018 (both days inclusive). Transfers received in order by our Share Registrar, M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400 at the close of business on March 31, 2018 will be considered in time to attend and vote at the meeting and for the entitlement of Dividend.

5. 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.

### 6. ELECTRONIC TRANSMISSION OF FINANCIAL STATEMENTS AND NOTICES

Pursuant to Notification vide SRO 787 (I) / 2014 dated September 08, 2014, the Securities and Exchange Commission of Pakistan (SECP) has directed all companies to facilitate their members receiving annual financial statements

and notice of annual general meeting through electronic mail system (E-mail). The Company is pleased to offer this facility to our valued members who desire to receive annual financial statements and notices through email in future.

In this regards, those members who wish to avail this facility are hereby requested to convey their consent via email on a standard request form which is available at the Company's website.

Please ensure that your email account has sufficient rights and space available to receive such email which may be greater than 1 MB in size. Further, it is the responsibility of member(s) to timely update the share registrar of any change in his (her / its / their) registered email address at the address of Company's Registrar.

#### 7. ELECTRONIC DIVIDEND MANDATE

Under section 242 of Companies Act, 2017 it is mandatory for all listed Companies to pay cash dividend to its shareholders only through electronic mode directly in to the bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested (if not already provided) to fill in Bank Mandate Form for Electronic Credit of Cash Dividend available in the Annual Report and also on the Company's website and send it duly signed along with a copy of CNIC to the Share Registrar of the Company, CDC House, 99-B, Block 'B', S.M.C.H.S, Main Shahra-e-Faisal, Karachi-74400, in case of physical shares.

In case shares are held in CDC, electronic dividend mandate form must be directly submitted to shareholder's brokers / participant / CDC account services.

In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to shareholders.

#### 8. SUBMISSION OF VALID CNIC (MANDATORY)

As per SECP directives, the dividend warrants of the shareholders whose valid CNICs, are not available with the Share Registrar could be withheld. All shareholders having physical shareholding are, therefore, advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Company's Share Registrar at the following address, M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 without any further delay.

#### 9. DEDUCTION OF WITHHOLDING TAX ON THE AMOUNT OF DIVIDEND

Pursuant to SECP directives vide Circular No.19/2014 dated October 24, 2014 SECP has directed all companies to inform shareholders about changes made in the section 150 of the Income Tax Ordinance, we hereby advise shareholder as under;

- (i) The Government of Pakistan through Finance Act, 2016 and 2017 has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:
- for filers of income tax returns: 15 %
  - for non-filers of income tax returns: 20 %

To enable the Company to make tax deduction on the amount of cash dividend @15% instead of 20%, all the shareholders whose names are not entered into the Active Tax Payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for payment of the cash dividend otherwise tax on their cash dividend will be deducted @20% instead @15%.

- (ii) In the case of shares registered in the name of two or more shareholders, each joint-holder is to be treated individually as either a filer or non-filer and tax be deducted by the Company on the basis of shareholding of each joint-holder as may be notified to the Company in writing. The joint-holders are, therefore, requested to submit their shareholdings otherwise each joint-holder shall be presumed to have an equal number of shares.
- (iii) For any query / problem / information, the investors may contact the Company and / or the Share Registrar at the following phone numbers & email address. The contact number of Company Secretary is 021-32313471-90 & email: [altaf.gokal@efuinsurance.com](mailto:altaf.gokal@efuinsurance.com) and the contact numbers of Share Registrar, Central Depository Company of Pakistan Limited is 021-111-111-500 & email: [info@cdcpak.com](mailto:info@cdcpak.com).

- (iv) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar, Central Depository Company of Pakistan Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

#### 10. CONSENT FOR VIDEO CONFERENCING FACILITY

Pursuant to the provision to the Companies Act, 2017 the members can also avail the video Conferencing facility. In this regard, please fill the following and submit to registered address of the Company at least 10 days before the holding of annual general meeting. If the Company receives consent from members holding aggregate 10% or more shareholding residing at the geographical location to participate in the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

I / We, \_\_\_\_\_ of \_\_\_\_\_, being a member of EFU General Insurance Ltd. holder of \_\_\_\_\_ ordinary share(s) as per registered folio no. \_\_\_\_\_ hereby opt for video conferencing facility.

#### 11. UNCLAIMED DIVIDEND

As per the provision of section 244 of the Companies Act 2017, any shares issued or dividend declared by the Company which have remained unclaimed / unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the Commission for the credit of Federal Government after issuance of notices to the shareholders to file their claim. The details of the shares issued and dividend declared by the Company which have remained due for more than three years was sent to shareholders. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged timely. In case, no claim is lodged with the Company in the given time, the Company shall after giving notice in newspaper proceed to deposit the unclaimed / unpaid amount and shares with the Federal Government pursuant to the provision of Section 244 (2) of Companies Act 2017.

#### Statement under section 134(3) of the Companies Act, 2017:

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 07, 2018.

##### 1. Item No. 6 of the Notice

#### Transactions carried out with related parties during the year ended December 31, 2017 to be passed as a Special Resolution.

The transactions carried out in normal course of business with associated companies (related parties) are approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 5.19.6 (b) of the Rule Book of Pakistan Stock Exchange Limited under Code of Corporate Governance. In the case of EFU Life Assurance Ltd and Allianz EFU Health Insurance Ltd., a majority of the Directors were interested and in accordance with the provisions of Section 208 of the Companies Act, 2017. Such transactions, therefore, are being placed before the shareholders for approval through special resolution proposed to be passed in the annual general meeting.

In view of the above, the normal business transactions conducted during the year 2017 with EFU Life Assurance Ltd and Allianz EFU Health Insurance Ltd as per following details are being placed before the shareholders for their consideration and approval/ratification.

Amount in PKR 000'

EFU Life Assurance Ltd.	Premium written	27,990
EFU Life Assurance Ltd.	Premium paid	17,008
EFU Life Assurance Ltd.	Claims paid	7,864
EFU Life Assurance Ltd.	Dividend received	678,700
EFU Life Assurance Ltd.	Dividend paid	146,481
Allianz EFU Health Insurance Ltd.	Premium written	2,389
Allianz EFU Health Insurance Ltd.	Premium paid	17,565
Allianz EFU Health Insurance Ltd.	Claims paid	477

The names of Directors with interest as director in related parties:

- i. Mr. Saifuddin N. Zoomkawala director of the Company is also a director in EFU Life Assurance Ltd. and Allianz EFU Health Insurance Ltd.
- ii. Mr. Hasanali Abdullah director of the Company is also a director in EFU Life Assurance Ltd. and Allianz EFU Health Insurance Ltd.
- iii. Mr. Muneer R. Bhimjee director of the Company is also a director in EFU Life Assurance Ltd. and Allianz EFU Health Insurance Ltd.
- iv. Mr. Taher G. Sachak director of the Company is also a director in EFU Life Assurance Ltd. and Allianz EFU Health Insurance Ltd.
- v. Mr. Ali Raza Siddiqui director of the Company is also a director in EFU Life Assurance Ltd.
- vi. Mr. Mahmood Lotia director of the Company is also a director in Allianz EFU Health Insurance Ltd.

**Authorization to the Chief Executive for the approval of transactions carried out and to be carried out with EFU Life Assurance & Allianz EFU Health Insurance Ltd (related party) till the next Annual General Meeting to be passed as a Special Resolution.**

The Company would be conducting transactions with EFU Life Assurance Ltd and Allianz EFU Health Insurance Ltd in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in EFU Life Assurance Ltd and Allianz EFU Health Insurance Ltd as detailed herein above. Therefore, in order to comply with the provisions of clause 5.19.6(b) of the Rule Book of Pakistan Stock Exchange Limited under Code of Corporate Governance, the shareholders may authorize the Managing Director & Chief Executive to approve transactions carried out and to be carried out in the normal course of business with EFU Life Assurance Ltd and Allianz EFU Health Insurance Ltd till the next Annual General Meeting.

The names of Directors and nature and extent of their interest in the proposed resolution is the same as mention above.

## 2. Item 7 regarding investment in associated company:

**The details and information to be furnished regarding item No. 7 investment in associated company under section 199 of the Companies Act, 2017:**

**Information to be disclosed to members.- (1) The company shall disclose following information in the statement annexed to the notice, pursuant to sub-section (3) of section 134 of the Act, of a general meeting called for considering investment decision under section 199 of the Act-**

**Regulation No 3(1)(a) - Disclosures for all types of investments,-**

**(A) Regarding associated company or associated undertaking:**

**(i) name of associated company or associated undertaking;**

EFU Life Assurance Limited.

**(ii) basis of relationship;**

Common Directorship

**(iii) earnings per share for the last three years;**

Year ended December 31, 2017 - Rs. 18.12

Year ended December 31, 2016 - Rs. 18.73

Year ended December 31, 2015 - Rs. 14.75

**(iv) break-up value per share, based on latest audited financial statements;**

Rs. 43.4 on the basis of audited financial statements for the year ended December 31, 2017

**(v) financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and**

EFU Life Assurance Limited (EFU Life) is the leading life insurance company in the country. As on December 31, 2017 it had asset base of Rs. 110 Billion. Its After tax profit for the years 2017, 2016 and 2015 was Rs. 1,812 million, Rs. 1,873 million and Rs. 1,475 million respectively. EFU Life as on December 31, 2017 has Paid-up Capital of Rs. One Billion, General Reserve of Rs. 1,900 million and Accumulated Surplus of Rs. 1,441 million. Its net profit for the year ended December 31, 2017 was Rs. 1,812 million.

**(vi) in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-**

(I) description of the project and its history since conceptualization;

(II) starting date and expected date of completion of work;

(III) time by which such project shall become commercially operational;

(IV) expected time by which the project shall start paying return on investment; and

(V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non- cash amounts;

Not Applicable..

**Regulations No. 3(1)(a)(B) General disclosures:**

**(i) maximum amount of investment to be made;**

Rs. 1.0 billion.

**(ii) purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;**

Long-term strategic investment for return and capital appreciation which will enhance the profitability of the Company and add to the value of the members

**(iii) sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-**

I. justification for investment through borrowings;

II. detail of collateral, guarantees provided and assets pledged for obtaining such funds; and

III. cost benefit analysis;

Not Applicable. The investment will be made from Company's own funds.

**(iv) salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;**

Not Applicable as shares will be purchased from time to time from the stock markets at the price ruling on the date of purchase.

**(v) 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, Chief Executive or their relatives has any interest in the proposed investment, except in their individual capacities as "Directors/Chief Executive" and/or as shareholders of the company

**(vi) in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and**



EFU Life Assurance Limited is an associated company of the Company with holding of 43.39% shares at a book value of Rs. 12.1 billion as at December 31, 2017. The market value of the associate is Rs. 11 billion. During the year, the Company received dividend income of Rs. 679 million and recorded share of profit of Rs. 786 million

**(vii) any other important details necessary for the members to understand the transaction;**

None

**Regulation No. 3(b) - In case of equity investment, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made,-**

**(i) maximum price at which securities will be acquired;**

Not more than the price quoted on Stock Exchange.

**(ii) in case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof;**

The shares will be purchased at market value ruling at Stock Exchange on purchase date.

**(iii) maximum number of securities to be acquired;**

Equivalent to the amount of investment.

**(iv) Number of securities and percentage thereof held before and after the proposed investment;**

43,392,040 shares (43.39 %) 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.

**(v) current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and**

Current market value per share as of Dec 31, 2017 Rs. 253.49 and weighted average value of twelve weeks is Rs. 253.6.

**(vi) fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;**

Not Applicable.

**Regulation No. 3(3) - The directors of the investing company while presenting the special resolution for making investment in an associated company or associated undertaking shall certify to the members of the investing company that they have carried out necessary due diligence for the proposed investment before recommending it for members' approval.**

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(1) - Other information to be disclosed to the members. - (1) If the associated company or associated undertaking 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 199 of the Act.**

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 316,800, Mr. Hasanali Abdullah 369,758, Mr. Muneer R. Bhimjee 15,965,743, Mr. Taher G. Sachak 2,046 and Ali Raza Siddiqui 800.

**Status of approvals for investment in Associated undertakings:**

As required by Regulation no. 4(2) information under Regulation 3 of the Companies' (investment in associated companies and associated undertakings) Regulations, 2017, the status of approvals is as follows:

**i. total investment approved;**

Rs. 100 million in EFU Life was approved by the shareholders at Annual General Meeting of the Company held on April 05, 2014 to be invested within a period of two years which was revalidated by a Special Resolution on April 2, 2016 to extend the period of investment up to next three years. i.e. upto April 04, 2019.

**ii. amount of investment made to date;**

Rs. 95.413 million.

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

The period in which the investment is to be made as approved by the shareholders is up to April 4, 2019. Investment will be on availability of shares at reasonable price.

**iv. 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 initial resolution by the shareholders of the Company on April 05, 2014 the shareholders equity of the investee company has increased to Rs. 4,341 million from Rs. 2,533 million due to increase in Reserves and un-appropriated profits of Rs. 1,808 million.

## Board of Directors



**Saifuddin N. Zoomkawala**  
Chairman



**Hasanali Abdullah**  
Managing Director & Chief Executive



**Muneer R. Bhimjee**  
Director



**Abdul Rehman Haji Habib**  
Director



**Taher G. Sachak**  
Director



**Ali Raza Siddiqui**  
Director



**Mohammed Iqbal Mankani**  
Director



**Mahmood Lotia**  
Director



**Saad Ali Bhimjee**  
Director

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

He is Director on the Board of German Pakistan Chamber of Commerce and Industry and is on the Board of Governors of:

Shaukat Khanum Memorial Trust and Research Centre  
Burhani Hospital  
Sindh Institute of Urology and Transplantation  
Fakhr-e-Imdad Foundation

**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 Limited 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) Limited (owners of Serena Hotels), Honorary Treasurer of Aga Khan Hospital & Medical College Foundation, Member National Committee of Aga Khan University Foundation (Pakistan Branch) Geneva. Director of Institute of Financial Markets of Pakistan. He is ex-officio member of Executive Committee of Insurance Association of Pakistan. 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, 2010 - 11 and 2016 - 17, Executive Committee Member of Federation of Pakistan Chambers of Commerce and Industry for 2011 & 2017 and Chairman of Pakistan Insurance Institute 2014-15.

**MUNEER R. BHIMJEE**  
Director

Mr. Muneer R. Bhimjee, Director is a Graduate (Hons) in Social Sciences from University of Westminster, 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.

**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 34 years.

**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; Vice Chairman of Allianz EFU Health; current Chairman of Pakistan Insurance Institute; 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 (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 EFU Life Assurance, Pakistan International Bulk Terminals Limited, the Mahvash & Jahangir Siddiqui Foundation, Fakhr-e-Imdad Foundation and Future Trust. 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 is a qualified Director of Education in Corporate Governance and is a frequent speaker at seminars and also advises various companies on the subject of Corporate Governance.

Mr. Mankani has been part of the UAE Insurance industry for the last 42 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 a director in Hyatt-e-Tayabah, Iran and an active member of the Canadian Business Council in Dubai, Institute of Insurance and Risk Management Canada and Canadian Marketing Association.

**MAHMOOD LOTIA**

Director

Mr Lotia 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 and overseas 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 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 2014-2015 and currently is a member of the Executive Committee.

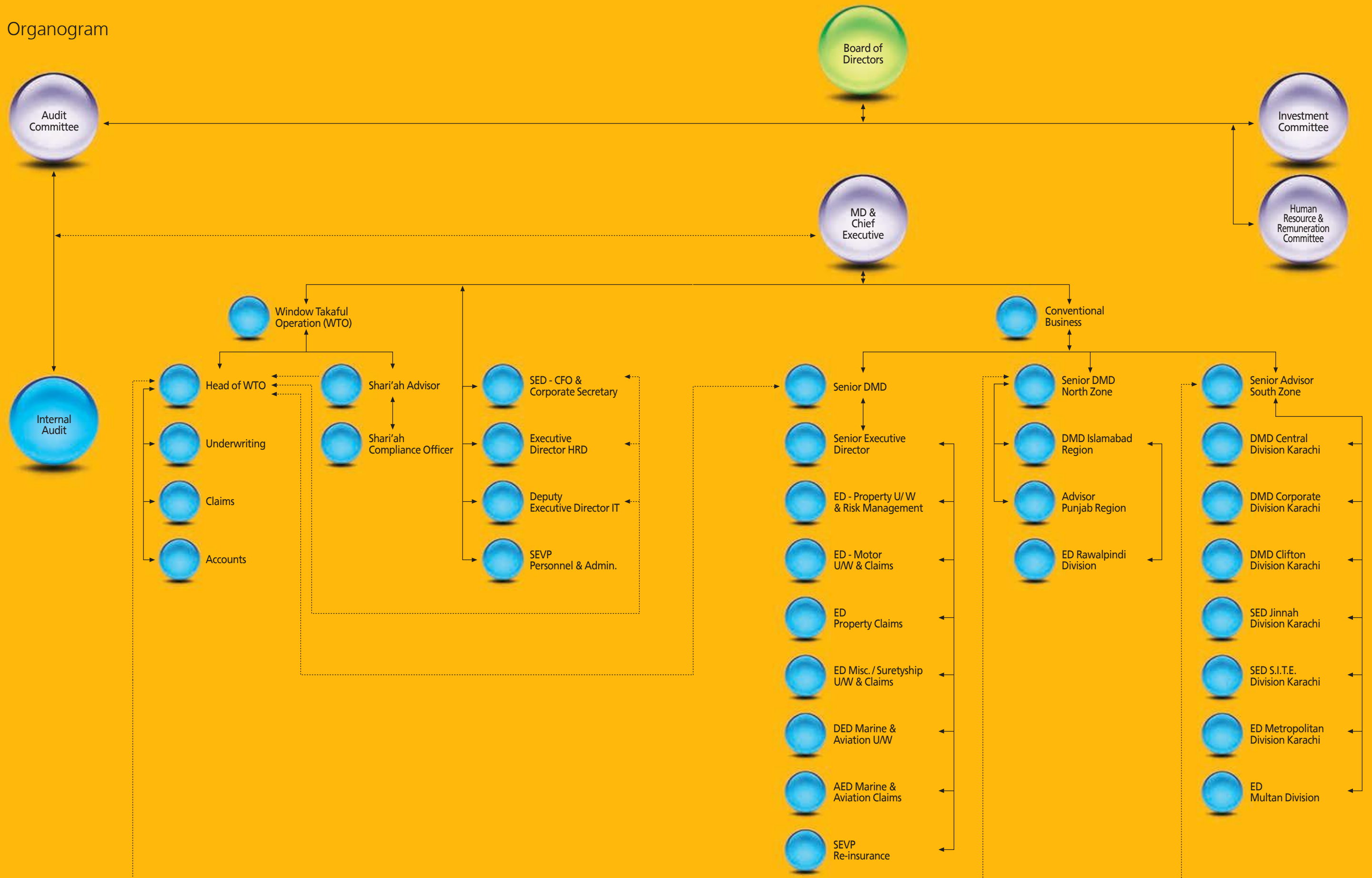
He is a certified director by PICG and currently is a Director on the board of Allianz-EFU Health Insurance Ltd.

**SAAD ALI BHIMJEE**

Director

Mr. Saad Bhimjee is an Insurance and Risk Management professional with over nine years of experience in Canadian and UK markets. He is presently working for Aon Canada as a Senior Manager and is based in their Vancouver office. Prior to joining Aon Canada he worked for United Insurance Brokers (UIB) in London with a focus on Middle East & Asian countries including Pakistan. Saad Bhimjee holds a Bachelor's degree in Economics from University College London (UCL) and a Master's degree in Insurance & Risk Management from Cass Business School London. He also has an ACII designation.

Organogram



## Financial Calendar

### Results

First quarter ended 31 March 2017	Announcement Date	April 27, 2017
Half year ended 30 June 2017	Announcement Date	August 16, 2017
Third quarter ended 30 September 2017	Announcement Date	October 30, 2017
Year ended 31 December 2017	Announcement Date	February 14, 2018

### Dividends

Final Cash 2017	Announcement Date	February 14, 2018
	Entitlement Date	April 06, 2018
	Statutory limit upto which payable (within 15 working days of AGM)	April 25, 2018

First Interim Cash 2017	Announcement Date	April 27, 2017
	Entitlement Date	May 12, 2017
	Paid on	May 19, 2017
	Statutory limit upto which payable	June 10, 2017

Second Interim Cash 2017	Announcement Date	August 16, 2017
	Entitlement Date	August 30, 2017
	Paid on	September 08, 2017
	Statutory limit upto which payable	September 28, 2017

Third Interim Cash 2017	Announcement Date	October 30, 2017
	Entitlement Date	November 14, 2017
	Paid on	November 18, 2017
	Statutory limit upto which payable	December 13, 2017

**Date of Issuance of Annual Report 2017** **March 14, 2018**

**Date of Annual General Meeting** **April 07, 2018**

## 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.  
M. Akbar Awan  
Nudrat Ali  
S. Salman Rashid

### Senior Executive Directors

Altaf Qamruddin Gokal, F.C.A.  
Khurram Ali Khan, B.E.  
K. M. Anwer Pasha, B.B.A.  
Muhammad Iqbal Lodhia  
Syed Muhammad Haider, M.Sc.

### Executive Directors

Abdul Sattar Baloch  
Aftab Fakhruddin, B.E., Dip C.I.I.  
Darius H. Sidhwa, F.C.I.I.  
Imran Ahmed, M.B.A., B.E., A.C.I.I.  
Kamran Arshad Inam, M.B.A., B.E.  
Khurram Nasim, B.S. (Ins. Mgmt)  
M. Shehzad Habib  
Mohammad Iqbal Dada, M.A., A.C.I.I.  
S. Aftab Hussain Zaidi, M.A., M.B.A.  
Salim Razzak Bramchari, A.C.I.I.  
Syed Kamran Rashid  
Syed Rizwan Hussain, M.B.A.

### Deputy Executive Directors

Abdul Hameed Qureshi, M.Sc.  
Abdul Wahid  
Ali Kausar  
Javed Iqbal Barry, M.B.A., LL.B., F.C.I.I.  
Khalid Usman  
M. Shoaib Razzak Bramchari  
Muhammad Sohail Nazir, M.Sc., A.C.I.I.  
Musakhar-uz-Zaman, B.E.  
Satwat Mahmood Butt, M.B.A.

### Assistant Executive Directors

Babar A. Sheikh  
Badar Amin Sissodia  
Javed Akhtar Shaikh, B.B.A.  
Kausar Ali Zuberi  
Khalid Ashfaq Ahmed  
Mazhar H. Qureshi  
Mohammad Arif, M.A.  
Muhammad Naeem M. Hanif  
Muhammad Sheeraz, M.B.A.  
Munawar, F.C.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.  
Arshad Ali Khan, F.C.M.A.  
Aslam A. Ghole, F.C.I.S.  
Atif Anwar, F.C.C.A., M.B.A.  
Faisal Gulzar  
Fakhruddin Saifee  
Farrukh Aamir Beg, M.B.A.  
Irfan Raja Jagirani  
Liaquat Ali Khan, F.C.I.I., A.M.P.I.M.  
Malik Firdaus Alam  
Mansoor Abbas Abbasi, B.E.  
M. A. Qayum, M.Com  
Masroor Hussain  
Mohammad Afzal Khan, E.M.B.A.  
Mohammad Amin Sattar, M.Com  
Mohammad Kamil Khan, M.A.  
Mohammad Naeem Shaikh, A.C.I.I.  
Muhammad Arif Khan  
Muhammad Najeeb Anwar  
Muhammad Rashid Akmal, M.B.A.  
Muhammad Shakil Khan, M.B.A., B.E.  
Muhammad Sohail  
Muhammad Tawheed Alam, M.B.A., B.E.  
Muhammad Yousuf Jagirani, M.A.  
Murtaza Noorani, F.C.C.A., C.A.T.  
Nadeem Ahmad Khan  
Pervez Ahmad, M.B.A.  
Shahzad Zakaria

Shamim Pervez, M.B.A.  
Shazim Altaf Kothawala  
Syed Abid Raza Rizvi, M.Com  
Syed Ahmad Hassan, M.B.A.  
Syed Farhan Ali Bokhari, M.B.A.  
Syed Shahid Hussain, L.L.B.  
Usman Ali Khan  
Zarar Ibn Zahoor Bandey  
Zia Mahmood

### Executive Vice Presidents

Abdul Bari  
Abdul Hameed  
Abdul Mateen Farooqui, M.Sc.  
Abdul Rashid  
Ali Asghar, B.E.  
Ali Ghulam Ali, A.C.A.  
Ali Raza  
Asadullah Khan  
Asghar Ali  
Farman Ali Afridi, B.E.  
Fatima Bano, M.B.A., A.C.I.I.  
Ghulam Haider, M.Sc.  
Iftikharuddin, L.L.B.  
Imran Saleem, M.B.A., M.C.S.  
Javed Iqbal Khan  
Kaleem Imtiaz, M.A.  
Kamran Bashir, M.B.A.  
Kashif Gul, B.E.  
Liaquat Imran  
Ms. Ansa Azhar, A.C.I.I.  
Muhammad Arshad Khan  
Muhammad Azhar Ali  
Muhammad Hussain  
Muhammad Ilyas Khan, A.C.I.I.  
Muhammad Mujtaba  
Muhammad Razaq Chaudhry  
Nadeemuddin Farooqi, L.L.B.  
Quaid Jauhar  
Rao Abdul Hafeez Khan  
Riaz Ahmad  
Rizwan Ahmed, M.B.A.  
Saifullah  
S. Anwar Hasnain, M.B.A.  
S. M. Aamir Kazmi, L.L.B.  
S. Tayyab Hassan Gardezi, M.Sc.  
Shafaqat Ali

Shah Asghar Abbas, M.B.A.  
Shahab Khan  
Syed Nazish Ali, A.C.I.I.  
Umair Ali Khan, M.A.  
Usman Ali, L.L.B.  
Waseem Ahmed  
Zia Ur Rehman  
Zulfiqar Ali Khan, M.Sc., F.C.I.I.

#### Senior Vice Presidents

Aamer Ali Khan  
Abdul Aziz  
Abdul Shakoor Piracha  
Aftab Ahmed, L.L.B.  
Agha Ali Khan  
Amanullah Khan  
Amin Punjani, C.A., A.C.C.A.  
Amir Arif Bhatti  
Amjad Irshad, B.B.A.  
Ashfaq Ahmed  
Asif Mehmood  
Atif Haider Khan, M.B.A.  
Chaudhary Sheraz Qamer, M.B.A.  
Dr. Ghulam Jaffar, Ph.D.  
Ejaz Ahmed Khan, M.B.A.  
Farhat Iqbal  
Hasan Riaz, M.B.A.  
Haseeb Ahmad Bajwa, L.L.B.  
Imran Yasin, M.B.E., A.C.I.I.  
Irfan Ahmad, A.C.M.A., C.I.A.  
Khalid Rafiq, M.B.A.  
M. Asif Ehtesam, M.B.A.  
Mansoor Ahmed  
Mansoor Hassan Khan  
Mirza Mutahir Hussain  
Mohammad Adil Khan  
Mohsin Ali Baig  
Mohammad Idrees Abbasi  
Mohammad Saleem  
Muhammad Ikram, M.B.A.  
Muhammad Naem Ahsan  
Muhammad Naseem  
Muhammad Salahuddin  
Muhammad Saleem Gaho  
Muhammad Shahjahan Khan  
Muhammad Sirajuddin  
Muhammad Taufiq

Muhammad Usman  
Nadeem Ahmed  
Quaid Johar  
Riazuddin, M.A.  
S. Asim Ijaz  
S. M. Adnan Ashraf Jelani, A.C.I.I.  
S. M. Shamim  
Salimullah Khan, M.Com.  
Salma Altaf, M.B.A.  
Shah Hussain, L.L.B.  
Shahab Saleem  
Shahzeb Lodhi  
Sikandar Kasbati  
Tariq Mahmood  
Wahaj ur Rehman, M.B.A.  
Waheed Yousuf, M.B.A.  
Waqar Ahmed, M.Sc.  
Zahid Hussain, A.C.I.I.  
Zohaib A. Khan, M.B.A., L.L.B.  
Zohair Sharif

#### Vice Presidents

Arshad Aziz Siddiqui  
Arshad Hameed  
Aziz Ahmed  
Farkhanda Jabeen, A.C.I.I.  
Farrukh Ahmad Qureshi  
Fouzia Naz  
Habib Ali  
Ikramul Ghani, M.A.  
Imran Ahmed Siddiqui, LL.B.  
Imran Ahmed, M.Sc.  
Imran Qasim  
Imtiaz Ahmed  
Intikhab Ahmed  
Israr Gul, M.A.  
Kausar Hamad, M.B.A.  
Khawaja Samiullah  
M. Saghiruddin, M.Com.  
Mansoor Hassan Siddiqi, M.Sc.  
Mazhar Ali  
Mohammad Amin Memon  
Mohammad Shoaib  
Muhammad Ahmer Siddiqui  
Muhammad Ali  
Muhammad Ali  
Muhammad Asif

Muhammad Kashif  
Muhammad Maroof Chaudhry  
Muhammad Mubeen  
Muhammad Sarwar  
Mukhtar Alam  
Naif Javaid, M.B.A.  
Naseem Ahmed  
Naseer Ahmad  
Nausherwan Haji  
Nayyar Sultana, L.L.B.  
Noman Mehboob, M.B.A.  
Noman Shahid, M.B.A.  
Noushad Alam Siddiqui, M.B.A.  
Onaib-ur-Rehman, M.B.A.  
Owais Nawaz Khan  
Rahim Khawaja, M.A.  
Raja Azhar Rafique  
Rana Zafar Iqbal  
Rao Nafees Murtaza  
Reaz Hussain Siddiqui, L.L.B.  
Rizwana Iftikhar  
S. Arshad Sajjad Rizvi, M.B.A.  
S. Ferozuddin Haider  
S. Khaliluddin  
S. M. Farhan Asfi  
S. Mahmood Razi  
Saeed Ahmed  
Saima Morkas, F.C.C.A.  
Sarfaraz Mehmood Khan  
Sarfaraz Mohammad Khan  
Shabbir Hussain  
Shadab Mohammad Khan  
Shahbaz Khan  
Shaheena Ashfaq, M.A.  
Shaikh Muhammad Khurram  
Syed Ishaq Kamal Hashimi, M.B.A.  
Syed Mohammad Saleem  
Syed Mudassar Ali  
Syed Shabeeh Hyder Shah  
Syed Zee Waqar  
Zainul Abedin

#### Assistant Vice Presidents

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

Allah Dino Khan  
Altaf Hussain  
Amir Alvi  
Aneel Ahmed Khan  
Anwer Mahmood  
Arif Hussain  
Arshad Hussain  
Asif Ahmed Butt  
Asif Ali Khan  
Asif Iqbal  
Dr. Aftab Ali, M.B.B.S.  
Faiz Muhammad  
Farhan Qamar Siddiqui  
Farooq Shaikat  
Fazal Hussain  
Fazal-Ur-Rehman Butt  
Fiaz Ahmed, M.B.A.  
Ghulam Abbas, M.B.A.  
Ijaz Anwar Chughtai  
Imran Siddiq  
Izhar Fatima  
Jahangir Khan  
Jazib Hassan Khan  
Kashif Karim Gilani, A.C.M.A.  
Kashif, M.Sc.  
Khalid Akhtar, M.B.A.  
Khalida  
M. Saeed, M.A.  
Mahmood Sualeh  
Mahmooda Bano  
Mansoor Anwar  
Maqsood Ahmed  
Masud Akhter  
Mehboob Ahmed, M.A.  
Mian Ali Raza  
Mohammad Mustafa  
Mohammad Mustafa Ismail  
Mohammad Rashid Salim Siddiqui  
Mudassar Raza  
Muhammad Allauddin  
Muhammad Anwar Amdani  
Muhammad Arshad Siddiqui  
Muhammad Asif, M.A.  
Muhammad Attaullah Khan  
Muhammad Farhan Rasheed  
Muhammad Imran Hanif

Muhammad Kashif Sheikh  
Muhammad Moosa  
Muhammad Mushtaq  
Muhammad Rafique Khawaja, M.A.  
Muhammad Rashid  
Muhammad Saeed  
Muhammad Shoaib Naziruddin  
Muhammad Tariq  
Muhammad Tauseef  
Muhammad Yamin  
Mukhtar Alam  
Mumtaz Ahmed  
Najma Riaz, M.A.  
Navaid Ahmed  
Nida Muazzam, B.E.  
Nimra Inam, M.A.  
Noor Asghar Khan  
Qazi Maqsood Ahmed  
Rafiullah Khan  
Rahim  
Rashid Saeed Butt  
Riaz-ul-Haq  
Rizwan Jalees  
S. Imran Raza Jafri  
S. Sajjad Haider  
S.M. Noor-uz-Zaman  
Saeed Iqbal  
Saifuddin  
Saleem Hameed Qureshi, M.A.  
Sana Atif  
Shazia Hussain, M.A.  
Sheraz Mansoor  
Syed Kamal Ahmed  
Syed Muhammad Faysal  
Syed Sajjad Haider Zaidi  
Waqas Ahmad Sheikh  
Waqas Younas, A.C.M.A.  
Zahid Qureshi, M.B.A.

#### Medical Officer

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

#### Window Takaful Operations

Assistant Executive Director  
M. Vaqaruddin, M.B.A., A.C.I.I.

Senior Executive Vice President  
Kashif Masood, M.B.A, A.C.I.I.

#### 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  
Khuzema T. Haider Mota  
Mahmood Ali Khan, M.A.

#### Assistant Executive Directors

Aamir Ali Khan  
Abdul Wahab  
Adeel Ahmed  
Akhtar Kothawala  
Ali Rafiq Chinoy  
Khalid Mehmood Mirza  
S. Ashad H. Rizvi  
S. Shahid Mahmood, M.A.  
Saad Anwer  
Shahab Khan, B.C.S.  
Shahid Younus  
Syed Imran Zaidi, M.B.A.  
Syed Jaweed Envor, L.L.B.  
Syed Saad Jafri  
Tauqir Hussain Abdullah  
Yousuf Alavi

#### Senior Executive Vice Presidents

Asif Elahi  
Azmat Maqbool, M.B.A.  
Imran Ali Khan  
Khalid Devan, M.B.A.  
Mohammad Rizwanul Haq  
Mrs. Nargis Mehmood  
Muhammad Aamir Khadeli, M.B.A.

Muhammad Farooq  
 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  
 Syed Iftikhar Haider Zaidi, M.A.  
 Syed Muhammad Iftikhar  
 Syed Sadiq Ali Jafri  
 Syed Shahid Raza

**Executive Vice Presidents**

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

**Senior Vice Presidents**

Bashir Ahmed Sangi  
 Faisal Hassan  
 Faisal Mahmood Jaffery  
 Faraz Javed  
 Farid Khan  
 Inayatullah Khalil  
 Kayomarz H. Sethna  
 Kh. Zulqarnain Rasheed  
 M. Anis-ur-Rehman  
 Mahnoor Atif  
 Ms. Shela Farooq Kothawala  
 Mubashir Saleem

Muhammad Aamir Hanif  
 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  
 Rashid A. Islam  
 Ramesh Mulraj Bherwani  
 Rizwan-ul-Haque  
 S. Sohail Haider Abidi  
 Saad Wahid  
 Shahid Raza Kazmi  
 Shakil Wahid  
 Somia Ali  
 Tariq Mahmood  
 Waleed Polani  
 Wasif Mubeen, L.L.B.  
 Wasim Ahmed  
 Zakaullah Khan

**Vice Presidents**

Abul Nasar  
 Ahmed Saeed Khan  
 Ali Hasnain Shah  
 Aman Nazar Muhammad  
 Amjad Irshad  
 Ashiq Hussain Bhatti  
 Babar Zeeshan  
 Hamid-Us-Salam  
 Hassan Abbas Shigri  
 Imran Ghaffar  
 Khurram Younas  
 M. Ashraf Samana  
 M. Nadeem Shaikh  
 Ms. Fauzia Khawja  
 Ms. Sadia Khanum  
 Ms. Shahida Aslam  
 Muhammad Awais Memon  
 Muhammad Azim Hanif  
 Muhammad Iftikhar Siddiqui  
 Muhammad Iqbal  
 Muhammad Niamatullah  
 Muhammad Siddiq  
 Muhammad Tayyab Nazir  
 Muhammad Zia-ul-Haq  
 Raja Jamil

Rashid Umer Burney  
 Shehzad Ali Shivjani  
 Sohail Raza  
 Syed Abid Raza  
 Syed Ali Haider Rizvi  
 Syed Mobin A. Niazi  
 Syed Muhammad Waseem  
 Syed Nisar Ahmed, M.A.  
 Syed Rashid Ali  
 Syed Rizwan Haider, M.Sc.  
 Tanveer Ahmed  
 Tariq Jamil, M.B.E  
 Tauseef Hussain Khan

**Assistant Vice Presidents**

Ahmed Nawaz, M.A.  
 Anwar Mahmood  
 Arshad Iqbal, M.B.A.  
 Jalaluddin Ahmed  
 Javed Iqbal Cheema  
 M.A. Qayyum Khan  
 Mrs. Shagufta Asrar Ahmed  
 Muhammad Asif  
 Muhammad Imran  
 Muhammad Mujahid Ali  
 Muhammad Musarat Hussain, M.Sc.  
 Muhammad Naveed Asghar  
 Nadeem A. Siddiqui  
 Qamar Aziz  
 S. Shakeel Hassan Bakhtiar  
 Shahid Iqbal  
 Syed Mojiz Hasan  
 Syed Zulfiqar Mehdi  
 Tahir Ali, M.B.A.  
 Taimoor Zaib  
 Uzair Ahmed Khan

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## Chairman's Review

It indeed gives me immense pleasure in presenting 85th Annual Report of your Company.

The general insurance sector's performance is strongly correlated to economic growth. Finance and Insurance contributes 5.7 percent in services sector and its share in GDP is 3.37 percent in FY 2017.

The financial sub-sector consists of all resident corporations principally engaged in financial intermediations or in auxiliary financial activities related to financial intermediation. Finance and insurance witnessed a significant growth of 10.77 percent this year as compared to 6.12 percent last year, mainly because of rapid expansion of deposit formation (15 percent) and demand for loans (11 percent).

The insurance sector also plays a supportive role in the development of other financial institutions and markets. For example, both availability of funds and insurance facility, allow financial intermediaries to enter into new markets.

Your Company crossed the Rs. 20 billion mark of premium this year with the growing conventional business, and also expanded its General Takaful operations. During 2017, the Written Premium for the year grew by 19 % to Rs. 20.4 billion (including Takaful Contribution of Rs. 1.6 billion) from Rs. 17.2 billion (including Takaful Contribution of Rs. 1 billion) for corresponding last year. The Net Premium Revenue for the year (including Takaful Net Contribution Revenue) was Rs. 8.7 billion as against Rs. 7.8 billion for the corresponding last year. The overall Claims ratio to Net Premium Revenue was 39 % as against 37 % last year. The underwriting profit for the year was Rs. 1.63 billion as compared to Rs. 1.79 billion in the last year.

The after tax profit for the year was Rs. 2.34 billion compared to Rs. 2.39 billion in the corresponding last year.

The China-Pakistan Economic Corridor (CPEC) is a game changer project for the region and over the years China has invested in the country in mega size projects including nuclear power plants. Construction of Gwadar deep sea port is yet another example of this friendship. Pakistan has not been able to exploit real potential of Gwadar port due to the lack of supporting infrastructure i.e. roads and railway track. This is evident from number of ships anchoring at Gwadar since commencement of its commercial operations. CPEC is aimed at exploiting real potential of Gwadar port that will help in increasing transit trade without putting additional load on two of the sea ports located in Karachi.

In view of the opportunities created through CPEC, the Company is well positioned to reap its benefits in the years to come.

EFU is a Company managed by insurance professionals. As a service provider, the Company continues to invest in the people, systems and processes to better deliver its customers.

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

I wish to place on record my appreciation and gratitude for the support received by the Company from the Securities and Exchange Commission of Pakistan, Pakistan Reinsurance Company Limited and all our reinsurers for their continued guidance. I would also like to thank the field force, officers and staff of the Company for the dedicated efforts and all our stakeholders.

SAIFUDDIN N. ZOOMKAWALA  
Chairman

14 February 2018

## چیئر مین کا جائزہ

آپ کی کمپنی کی 85ویں سالانہ رپورٹ پیش کرتے ہوئے میں دلی مسرت محسوس کر رہا ہوں۔

جنرل انشورنس سیکٹرز کی کارکردگی کا معاشی ترقی سے انتہائی گہرا تعلق ہے۔ فنانس اور انشورنس نے مالی سال 2017 میں سروسز سیکٹرز میں 5.7 فیصد کی شراکت کی جبکہ جی ڈی پی میں اس کا حصہ 3.37 فیصد رہا۔

مالیاتی ذیلی شعبہ تمام ریزیڈنٹ کارپوریشنز پر مشتمل ہے جو بنیادی طور پر مالی امور میں ثالثی یا مالیاتی ثالثی سے متعلق معاون مالی سرگرمیوں میں مصروف عمل ہے۔ فنانس اور انشورنس نے گزشتہ سال کے 6.12 فیصد کے مقابلے میں اس سال 10.77 فیصد کی نمایاں شرح نمو حاصل کی جو بنیادی طور پر ڈپازٹ فارمیشن کی تیز رفتار توسیع (15 فیصد) اور قرضہ جات کیلئے طلب (11 فیصد) کے باعث حاصل ہوئی۔

ہم نے شعبے نے دیگر مالیاتی اداروں اور مارکیٹوں کے فروغ میں بھی ایک معاون کردار ادا کیا۔ مثال کے طور پر فنڈز اور انشورنس کی سہولت دونوں کی دستیابی مالیاتی معاون کو نئی مارکیٹوں میں داخلے کی اجازت دیتی ہے۔

کمپنی نے بڑھتے ہوئے روایتی کاروبار کے ساتھ اس سال 20 بلین روپے کا ہدف عبور کر لیا اور اپنے جنرل ٹیکافل آپریشنز کو بھی توسیع دی۔ 2017 کے دوران سال کیلئے تحریری پریمیئم 19 فیصد تک بڑھ کر 20.4 بلین روپے (بشمول 1.6 بلین روپے کا ٹیکافل کٹری بیوشن) ہو گیا جو گزشتہ سال کی اسی مدت میں 17.2 بلین روپے (بشمول 1 بلین روپے کا ٹیکافل کٹری بیوشن) تھا۔ سال کیلئے خالص پریمیئم آمدنی (بشمول ٹیکافل کا خالص کٹری بیوشن ریونیو) 8.7 بلین روپے ہے جو اس کے مقابلے میں گزشتہ سال کی اس مدت کیلئے 7.8 بلین روپے رہا تھا۔ نیٹ پریمیئم ریونیو کیلئے مجموعی تناسب 39 فیصد تک بہتر رہا جو اس کے مقابلے میں گزشتہ سال 37 فیصد رہا تھا۔ سال کیلئے انڈر رائٹنگ منافع جات 1.63 بلین روپے رہے جو گزشتہ سال میں 2.39 بلین روپے تھے۔

سال کیلئے بعد از ٹیکس منافع 2.34 بلین روپے رہا جبکہ گزشتہ سال اس کے مقابلے میں یہ 2.39 بلین روپے تھا۔

چائنا پاکستان انکناک کوریڈور (سی پیک) اس خطے کیلئے صورتحال یکسر تبدیل کر دینے والا منصوبہ ہے اور گزشتہ کئی سالوں سے چین ہمارے ملک میں بڑے حجم کے منصوبوں بشمول نیوکلیئر پاور پلانٹس۔ گوادریڈ سی پورٹ کی تعمیر اس دوستی کی اہم مثالیں ہیں۔ پاکستان گوادریڈ پورٹ کی اصل طاقت اور صلاحیت کو معاون انفراسٹرکچر یعنی روڈز اور ریلوے ٹریک کی عدم موجودگی کے باعث استعمال نہیں کر سکا تھا اور اس امر کا ثبوت یہ ہے کہ اس کے باقاعدہ کمرشل آپریشنز کے آغاز سے اب تک گوادریڈ میں بڑی تعداد میں بحری جہاز لنگر انداز ہو چکے ہیں۔ سی پیک کے ذریعے گوادریڈ پورٹ کی اصل اہمیت کا اندازہ ہوا کہ اس کے ذریعے ٹرانزٹ ٹریڈ بڑھانے کے سلسلے میں کراچی میں واقع بحری بندرگاہوں پر اضافی لوڈ ڈالنے بغیر کسی حد تک معاونت حاصل ہو رہی ہے۔

سی پیک کے ذریعے حاصل ہونے والے مواقعوں کے پیش نظر کمپنی آنے والے سالوں کے دوران اپنے فوائد کو مزید بہتر بنانے کی پوزیشن میں ہوگی۔

ای ایف یو بیمہ ماہرین کے زیر انتظام کام کرنے والی کمپنی ہے۔ خدمات فراہم کرنے والے ادارے کی حیثیت سے کمپنی اپنے صارفین کو بہتر سے بہتر پیشکش دینے کے ضمن میں اپنی افرادی قوت، سسٹمز اور طریقہ کار میں سرمایہ کاری جاری رکھی ہے۔

ہم صنعت میں اپنی نمایاں پوزیشن کو برقرار رکھنے کے سلسلے میں ایک چیلنجنگ اور مسابقتی کاروباری ماحول میں اپنی مستحکم اور منافع بخش ترقی کا سلسلہ برقرار رکھنے کے لئے پُر امید ہیں۔

میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ اور ہمارے تمام ری انشوررز کی جانب سے کمپنی کو حاصل سرپرستی اور تعاون پر ان کی مستقل معاونت پر انہیں خراج تحسین پیش کرتا ہوں اور ان کا مشکور ہوں۔ میں اپنی فیلڈ فورس، آفیسرز اور کمپنی کے اسٹاف کی جانب سے ان کی مخلصانہ کوششوں اور اپنے تمام اسٹیک ہولڈرز کا شکر گزار ہوں۔

سیف الدین این۔ زومکاوالا

چیئر مین

۱۴ فروری ۲۰۱۸ء



## Report of the Directors to Members

EFU General Insurance Limited (the Company) was incorporated on 2nd September 1932. The Company is listed on the Pakistan Stock Exchange and is engaged in non-life insurance and takaful business.

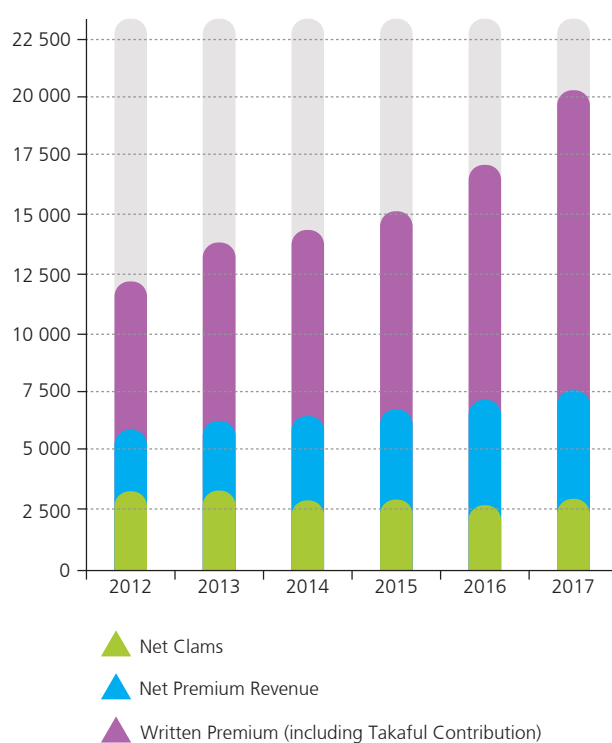
The Directors of your Company are pleased to present the Eighty Fifth Annual Report of the Company for the year ended December 31, 2017.

Your Company's profit after tax for the year 2017 was Rs. 2.34 billion as compared to Rs. 2.39 billion in 2016. The earnings per share was Rs. 11.72 as against Rs. 11.96 last year.

Your Company created history by writing Rs. 20.4 billion Direct Premium inside Pakistan (inclusive of Rs. 1,567 million of takaful contribution) as compared to Rs. 17.2 billion (inclusive of Rs. 1,095 million of takaful contribution) in 2016, overall growth of 19%, while the Net Premium Revenue (including takaful net contribution revenue) was Rs. 8.7 billion as compared to Rs. 7.8 billion (including takaful net contribution revenue) in 2016. Underwriting profit was Rs. 1.63 billion compared to Rs. 1.79 billion in 2016.

### WRITTEN PREMIUM (including Takaful Contribution) NET PREMIUM REVENUE AND NET CLAIMS

(Rupees in Million)



The general insurance sector's performance is strongly correlated to economic growth. Economic activities remained more or less the same during the year. Although, with relatively stable law and order situation in the country, the gross domestic product (GDP) grew by 5.3 per cent in the last fiscal year. Standard & Poor's have maintained Pakistan's credit rating (B) with stable outlook.

Pakistan's overall macroeconomic landscape continued to strengthen during the fiscal year 2017 as GDP growth rate reached to 10-year high of 5.3%. The services sector continued its strides by registering 6% growth followed by 5% growth in industrial sector. Almost all the critical economic variables exhibited sustained progress amid strong domestic demand, recovery in agriculture sector and robust industrial activities. Inflation levels remained benign throughout the year owing to stable exchange rate, favorable commodity prices and improving supply side dynamics.

Pakistan's general insurance industry is poised to under go rapid growth over the next decade given favorable demographics, increasing urbanization and more importantly, the emerging industrial sector. Given the insurance sector's potential for expansion and growth, your Company will continue to embark upon growth path.

The segment wise performance was as follows:

#### FIRE AND PROPERTY

The written premium increased by 29% to Rs. 11,721 million compared to Rs. 9,101 million in 2016. Claims as percentage of net premium revenue were 28% as against 21% in 2016. The underwriting profit for the year was Rs. 634 million compared to Rs. 670 million in 2016.

#### MARINE, AVIATION AND TRANSPORT

The written premium increased by 2.7% to Rs. 2,235 million compared to Rs. 2,176 million in 2016. Claims as a percentage of net premium revenue were 36% as against 35% in 2016 and the underwriting profit was Rs. 287 million compared to Rs. 338 million in 2016.

#### MOTOR

The written premium increased by 2.3% to Rs. 3,452 million compared to Rs. 3,374 million in 2016. Claims as percentage of net premium revenue was 48% as against 47% in 2016 and the underwriting profit was Rs. 428 million compared to Rs. 508 million in 2016.

#### OTHERS

The written premium for the year was Rs. 1,430 million compared to Rs. 1,449 million in 2016. Claims as percentage

of net premium revenue were 34% as against 36% in 2016. The underwriting profit for the year was Rs. 280 million compared to Rs. 274 million in 2016.

#### Window Takaful Operations

The written contribution revenue for the year was Rs. 1,567 million as against Rs. 1,095 million in the previous year; while net contribution revenue was Rs. 1,088 million compared to Rs. 583 million in 2016. Participants' Takaful Fund Surplus for the year was Rs. 112 million compared to Rs. 20 million in 2016 and profit from Operator's Funds for the year was Rs. 47 million as against Rs. 6 million last year.

#### Investment Income

As the Stock Market was volatile during the year, your Company realized capital gains of Rs. 99 million in 2017 whereas Rs. 356 million were realized in the previous year. The dividend income for the year was Rs. 290 million as against Rs. 252 million last year. The total investment income for the year was Rs. 821 million as against Rs. 1,009 million last year. The market value of investment in equities was Rs. 6.4 billion as on 31 December 2017 as against Book Value of Rs. 2.5 billion. Share of profit from EFU Life Assurance Ltd for the year was Rs. 786 million compared to Rs. 802 million in 2016.

#### Information Technology

The Company continues to invest in technology to offer state of the art service to the customers and also to maintain competitive edge in the market. Recently ODA X7-2 machines

for application and database were included to convert all online application from PHP to Java ADF, to deploy on one DATABASE. The Company enhanced electronic mail security by deploying BARRACUDA Spam firewall 400.

#### Earnings per share

Your Company has reported earnings per share of Rs. 11.72 for the year as compared to Rs. 11.96 in 2016.

#### Appropriation and Dividend

The profit after tax was Rs. 2,344 million as compared to Rs. 2,392 million in 2016. Your Directors have recommended a final cash dividend of Rs. 6.25 per share (62.50%) to the shareholders whose names appear in the share register of the Company at the close of business on 31st March 2018. This cash dividend is in addition to interim cash dividends of Rs. 3.75 per share (37.5%) declared during the year.

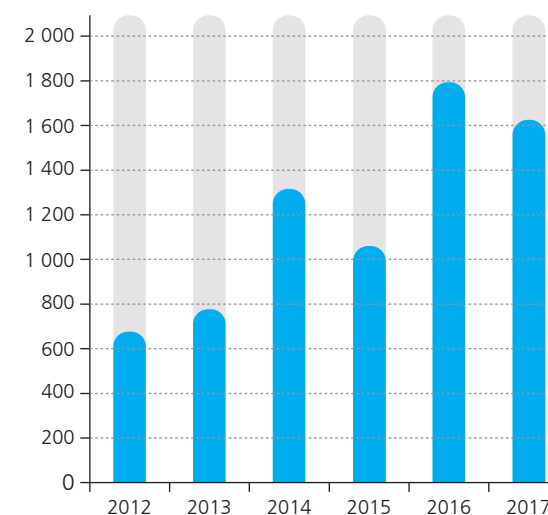
		Rupees '000
Balance at commencement of the year i.e. January 01, 2016		2 988 169
Interim cash dividends 2016 @ 30 % (2015: 30 %)	600 000	
Proposed final cash dividend 2016 @ 70 % (2015: 45 %)	1 400 000	
Transfer to general reserve - 2016	500 000	2 500 000
Balance brought forward from previous year		488 169
Profit after tax for the year		2 343 819
Other Comprehensive Loss		( 47 669 )
Amount available for appropriation		2 784 319
The Directors recommend that this amount be appropriated in the following manner:		
<b>Less: Appropriation</b>		
Interim cash dividends 2017 @ 37.50 % (2016: 30 %)	750 000	
Proposed final cash dividend 2017 @ 62.50 % (2016: 70 %)	1 250 000	
Transfer to general reserve	500 000	2 500 000
Carry forward to next year		284 319

#### Market Share

Based on the available published financial information as of 30 September 2017, your Company has market share of

### UNDERWRITING RESULTS

(Rupees in Million)



27.33 % of the private non-life insurance sector business in Pakistan based on the statistics published by The Insurance Association of Pakistan.

#### Credit Rating

Your Company is rated by JCR-VIS and PACRA. Both the rating agencies have assigned rating of AA+ with stable outlook.

#### Human Resource

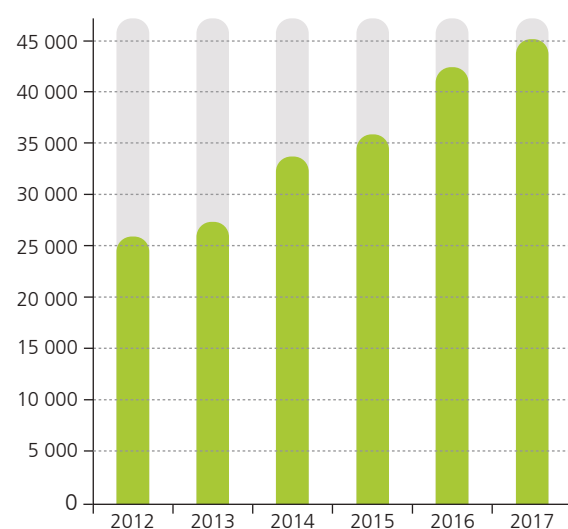
As the clients put their trust in our financial strength, risk sharing ability and willingness to support them at the time of financial losses, we believe that success lies of our Company by the professional approach applied in day to day activities by our employees.

We are equal opportunity employer and are committed in development of staff members by regularly agreeing objectives and apprising performance. We promote individual growth and encourage individual member to enhance his / her skills.

We also hire young educated youths, draft an individual induction plan with required in house theoretical and on the job training to promote individual career with EFU, by encouraging them to acquire insurance professional qualifications, ACCI (UK) / CPCU (USA) from reputed insurance institutes, to be a professional underwriter, claims handler and client manager.

#### TOTAL ADJUSTED ASSETS

(Rupees in Million)



#### Other Accreditations

EFU General received following awards during 2017.

Awards	Period	Organizer
FPCCI Achievement Award and Gold Medal	2016	Federation of Pakistan Chambers of Commerce & Industry (FPCCI)
Environment Excellence Award	2017	The National Forum for Environment & Health (NFEH) and Environment Management Consultants (EMC)
Fire Safety Award	2017	The Fire Protection Association of Pakistan and National Forum For Environment and Health (NFEH)
Social Responsibility Award	2016	Shaukat Khanum Memorial Trust
Faiz Ahmed Faiz Aman Award	2017	Civil Society Supreme Forum & News Media Network
Consumers Choice Award	2017	Consumers Association of Pakistan (CAP)
Best Corporate Report Award	2016	Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP)
SAFA Best Presented Annual Report 2016 (Certificate of Merit)	2016	South Asian Federation of Accountants (SAFA)

#### 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 2017 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 19% in 2017 over 2016. Your Company's market share upto 30 September 2017 was 27.33 % as against 24.85 % in 2016 based on the statistics compiled by Insurance Association of Pakistan. The Company's reserves and retained earnings increased to Rs. 15 billion from Rs. 14.9 billion in 2017.

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

The Company believes its strength lies in customer trust and satisfaction. Over eighty five years of the Company's existence points towards the fact that, the quality of service, customer satisfaction and employees motivation are the key areas where management has always taken necessary measures for improvement. During the year, management carried out various training courses for the growth and development of employees at various levels.

The key performance indicators devised for achieving the management objective remains to be maximization of customer satisfaction, improvement in underwriting results, controlling overhead costs, increasing shareholders wealth and continue to be market leader.

#### Prospects for 2018

A new era of industrialization and growth is anticipated to commence in Pakistan as energy and infrastructure projects under the China-Pakistan Economic Corridor (CPEC) are set to complete in the near term. Significant bottlenecks to economic development path have been alleviated with estimated 70% (11,000 megawatts) increase in power production capacity along with massive construction of highways and infrastructure projects. The CPEC related investments have also been raised to USD 55 billion from USD 46 billion earlier.

Investments in sectors such as textile, food processing, fertilizer, steel, automobile, chemicals, plastic and electronics could find their way into Pakistan. Anticipating the demand outlook,

capacity expansions have already been initiated in sectors like cements, autos and consumers by local manufactures.

Demand for Takaful based insurance products has increased due to the favorable demand dynamics for Shariah based products. The gross premium of takaful has reached 7% of the total premium of the insurance industry.

Our strategy for 2018 is designed to deliver sustainable, profitable growth in a changing and competitive business environment in order to maintain leading position in the industry.

The Company intends to continue investing in people and making EFU General the best place to build career, invest in systems and processes to further improve service to customers and increase collaboration with them and improve efficiency. The way to continuous success will be the persistent execution of our strategic plan to build a more competitive and successful business and improved results and maintain the lead position in the insurance industry.

#### Reinsurance

Your Company continues to enjoy very sound reinsurance arrangements with leading international (securities), like SCOR Global P&C, Swiss Reinsurance Company, Allianz SE Reinsurance Company, Hannover Reinsurance Company, Korean Reinsurance Company and Lloyds of London all of them being A rated.

#### 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

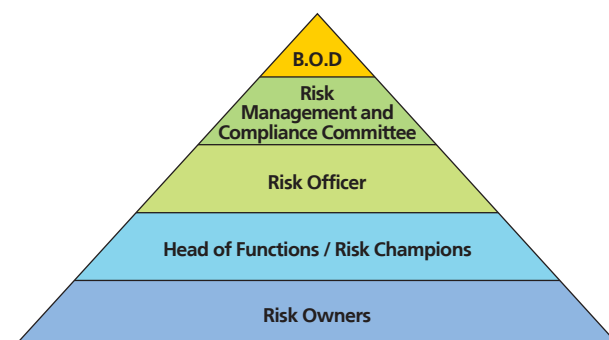
The Company maintains strong financial base. Your Company carefully administers its liquidity to ensure its ability to meet all its obligations efficiently. The Company operates and honours its obligations through the cash flow generated from its core business as well as investment and other income.

#### Enterprise Risk Management (ERM)

Your Company established ERM function in 2017. It is overseen by Risk Management and Compliance Committee to identify and monitor risks associated with various operations of the Company.

EFU General is committed to enhancing its overall profitability through optimization of value added activities, while maintaining a strong risk-adjusted capitalization. The Company has further strengthened its risk management function through embedding ERM with the decision making along with nurturing ERM culture within its processes.

Hierarchical chart depicting the risk reporting structure:



#### Board Committees

Your Company maintains following four board committees:

##### Audit Committee

The Board is responsible for effective implementation of 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. Mohammed Iqbal Mankani
2. Mr. Muneer R. Bhimjee
3. Mr. Ali Raza Siddiqui
4. Mr. Taher G. Sachak

##### 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. Muneer R. Bhimjee

##### Ethics, Human Resources 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. Mohammed Iqbal Mankani
2. Mr. Saifuddin N. Zoomkawala
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 the Company and ensures that adequate claims reserves are maintained. 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. The Committee also oversees the newly established Grievance Function of the Company.

##### 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.

##### Risk Management and Compliance Committee

The risk management and compliance committee oversees the activities of the risk management function of the Company and makes appropriate recommendations to the Board to mitigate probable risks falling within the purview of the risk management function.

The committee is also responsible for monitoring the compliance function and the insurer's risk profile in respect of compliance with the laws applicable to it as well as the internal policies and procedures.

##### Risks to Business

Business risks and mitigation factors are described in detail on page 29 of this Annual Report.

##### Environmental Impact

The Company provides cover against the various risks to which the Trade, Industry and Individuals of the Country are exposed to, on the basis of our experience in the risk business. Our experienced and qualified team makes sincere efforts to create a healthy environment for Trade & Industry in carrying out their business and the Public in general.

Since our business of covering the risk involves human intellectual skills, therefore, it does not have any adverse environmental impact. We have placed green beautiful plant pots on all floors in abundance for positive impact on environment.

##### Corporate Social Responsibility

The impact of our presence in society is both direct and indirect. The impact flows from the resources we consistently mobilize and the investments we make.

##### Energy conservation

Every year, we do our in-house Energy Conservation Audit which is bench marked by monthly reports. In this way, we keep a close watch over our energy conservation. All electrical items used in our offices are energy-friendly. A rotation system is also introduced in which HVAC system (Gas Fired Cooling Towers) are turned on and off on set intervals. Lights are switched off during Lunch Break.

##### Environmental protection measures

The Company is well aware of its social responsibility in regard to environmental protection. Therefore, we encourage healthy environment and take steps which could add value to our belief.

##### Community investment & welfare schemes

We donate to different institutions in health and education sectors to support various under privileged classes of our country.

##### Consumer protection measures

Emphasis on earning the trust of the customers is the key stone 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.

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.

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 have slogan of "EFU - Your Insurance Company."

##### Company's relations with stakeholders

We have very positive and practical approach towards relations with various stakeholders particularly with regulatory authorities i.e. Securities and Exchange Commission of Pakistan (SECP), Federal Board of Revenue (FBR), State Bank of Pakistan (SBP), other Insurance Companies, the Reinsurers and the Insurance Association of Pakistan (IAP).

The Company Secretary is responsible for adhering and implementing all the applicable laws, regulations and conventions in order to keep the organization at its highest professional standards.

##### Employment of special persons

The Company is an equal opportunity employer, irrespective of their physical disability.

##### Occupational safety & 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.

##### Sports activities

To encourage healthy activities, the Company maintains an in-house sports facility 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 participates in various tournaments. All these sporting facilities are used by employees of all cadres and well appreciated.

##### Business ethics & anti-corruption measures

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.

##### National cause donations

Your Company, being a responsible corporate citizen, donates generously every year. In 2017, the Company donated Rs. 11.8 million to various organizations including, Professional Education Foundation, The Aga Khan Hospital and Medical College Foundation, Fakhr-e-Imdad Foundation, Sindh Institute of Urology and Transplantation, The Kidney Centre, Shaikat Khanum Memorial Trust, Burhani Medical Welfare Association, The Aman Foundation, Memon Medical Institute 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. 4.9 billion to the National Exchequer in the form of Federal Excise Duty, Sales Tax, Income Tax, Federal Insurance Fee, Custom Duties, Policy Stamps, etc.

### Relationship with other Stakeholders

Your Company continues 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.

### 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 (including actuarial IBNR valuation) 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 independent valuers 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 08, 2017 w.e.f. July 10, 2017 for a term of three years expiring on July 9, 2020.

During the year, five meetings of the Board were held. The attendance at the meetings were as under:

Sr. no.	Name of Directors	Number of meetings attended
1	Saifuddin N. Zoomkawala (Non-Executive Director)	5
2	Hasanali Abdullah (Executive Director)	5
3	Rafique R. Bhimjee (Non-Executive Director) Ceased on 10-07-2017	1
4	Abdul Rehman Haji Habib (Non-Executive Director)	4
5	Muneer R. Bhimjee (Non-Executive Director)	4
6	Taher G. Sachak (Non-Executive Director)	5
7	Ali Raza Siddiqui (Non-Executive Director)	5
8	Mohammad Iqbal Mankani (Independent Director)	4
9	Mahmood Lotia (Executive Director)	4
10	Saad Ali Bhimjee (Non-Executive Director) Joined w.e.f. 10-07-2017	1

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

### 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

- 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.
- 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 statement 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) Trading of shares by Chief Executive, Directors, Chief Financial Officer, Company Secretary, their spouses and minor children were:

Purchase of shares	No. of shares
Mr. Saad Ali Bhimjee	500
Mr. Altaf Q. Gokal	2 500

j) The value of investments of provident, gratuity and pension funds based on their audited accounts as on December 31, 2017 were:

Provident Fund	Rs. 752 million
Gratuity Fund	Rs. 325 million
Pension Fund	Rs. 250 million

k) The statement of pattern of shareholding in the Company as at 31 December 2017 is included with the Report.

KPMG Taseer Hadi & Co., Chartered Accountants retire and being eligible are willing to continue as auditors, 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.

TAHER G. SACHAK  
Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

2017 میں کینی نے مختلف اداروں کو 11.8 ملین روپے عطیات دیئے۔ عطیات دئے جانے والے اداروں میں پروفیشنل ایجوکیشن فاؤنڈیشن، دی آغا خان اسپتال اور میڈیکل کالج فاؤنڈیشن، فخر امداد فاؤنڈیشن، سندھ انسٹیٹیوٹ آف یورولوجی اینڈ ٹرانسپلانٹیشن، دی کنڈنی سینٹر، شوکت خانم میموریل ٹرسٹ، برہانی میڈیکل ویلفیئر ایسوسی ایشن، دی امن فاؤنڈیشن، مین میڈیکل انسٹیٹیوٹ وغیرہ شامل ہیں۔

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### قومی خزانے میں ادائیگی

آپ کی کینی ٹیکسوں اور ڈیویڈنڈز کی مد میں قومی معیشت کے لئے مستقل بنیادوں پر شریک کار ہے اور یہ شراکت کینی کی ترقی کے ساتھ مسلسل بڑھ رہی ہے۔ اس سال کینی نے فیڈرل ایکسائز ڈیوٹی، میلز ٹیکس، آکم ٹیکس، فیڈرل انشورنس فیس، کسٹم ڈیویٹیز، پالیسی اسٹیٹس وغیرہ کی شکل میں سرکاری خزانے میں 4.9 بلین روپے جمع کرائے۔

### دیگر اسٹیک ہولڈرز کے ساتھ تعلقات

آپ کی کینی تمام اسٹیک ہولڈرز کے ساتھ خوشگوار تعلقات قائم رکھتی ہے:

- اپنے ملازمین کو کام کرنے کا بہترین ماحول فراہم کرتی ہے۔
- اپنے کسٹمرز کو بہترین معیار کی سروس فراہم کر کے کینی پر ان کے اعتماد میں روز افزوں اضافہ کرتے ہیں۔
- کاروباری دنیا سے دیا نندارا مت معاملات سے۔
- حکومت سے تجارتی آزادی اور مساہقتی 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 اُجاگر کرنے کے مواقع فراہم کرتے ہیں۔

### مکمل غیر یقینی صورت حالات کے تعین کے ماخذ

مالیاتی اسٹیٹمنٹ کی تیاری منجھنت اور بورڈ آف ڈائریکٹرز کے ایسے تخمینہ جات اور اندازوں کی متقاضی ہوتی ہے جو کہ اثاثہ جات، مالی ذمہ داریوں، ریویوز اور اخراجات اور منسلکہ اتفاقی اخراجات کی رقومات کے حوالے ہوتے ہیں۔ یہ تخمینہ جات، سابق تجربات اور دیگر مختلف مشاہدوں پر منحصر 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 رقومات پر اثر انداز ہو سکتے ہیں، ان پر ذیل میں روشنی ڈالی جا رہی ہے۔

### ان ارنڈ (Unearned) پریمیم کے لئے مختص کردہ گنجائش

ان ارنڈ پریمیم ریزرو، حاصل شدہ پریمیم کے اس حصے کے لئے رکھا جاتا ہے جس کا تعلق ایسی پالیسیز سے ہوتا ہے جن کی معاہدہ بنیٹس شیٹ کی تاریخ تک پوری نہیں ہوئی۔ ان ارنڈ پریمیم کا حساب (SEC (Insurance Rules, 2002 میں بیان کردہ 1/24 کے طریقہ کار کے مطابق لگایا گیا ہے۔

### پریمیم ڈیفیشینسی ریزرو (لائبلیٹی ایڈیڈیکولیٹی شیٹ)

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 مقبول امکان ہو۔ پریمیم ڈیفیشینسی ریزرو تہدیلیوں کو زیر نظر سال کے پرافٹ ایڈیٹس اکاؤنٹ میں اخراجات یا آمدن کے طور پر ظاہر کیا جاتا ہے۔

### واجب الادا کلیمز کے لئے گنجائش (بشمول IBNR)

واجب الادا کلیمز بنیٹس شیٹ کی تاریخ تک واقع ہونے والے ان تمام کلیمز (بشمول انکچر ریل آئی ٹی این آرویویو ایشن) 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 پیفمنٹس

آپ کی کینی اپنے تمام اہل اسٹاف کیلئے صراحت شدہ پینشن فنڈ اور صراحت شدہ گریجویٹی فنڈ پیفمنٹس فراہم کرتی ہے۔ اس کا تخمینہ انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز IAS-19 ایپلائی پیفمنٹس کے مطابق لگایا جاتا ہے۔ مذکورہ بالا اکیسوں کے سلسلے میں ظاہر کی ہوئی رقومات 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۔

### ڈیفیڈیکسیشن

ڈیفیڈیکس کا اظہار بنیٹس شیٹ لائبلیٹی میٹھ کے حساب سے ان تمام وقتی تقاوتوں کو پیش نظر رکھتے ہوئے مالیاتی رپورٹنگ اور ٹیکسیشن مقاصد کیلئے اثاثوں اور واجب الادا ذمہ داریوں کی رقوم کے طور پر ظاہر کی جاتی ہیں۔ ڈیفیڈیکس کی رقم کا تعین بنیٹس شیٹ کی تاریخ ٹیکس کی موثر شرح کے مطابق آگے لائے ہوئے اثاثوں اور ذمہ داریوں کی وصولی یا ادائیگی کے متوقع طریقے کار پر منحصر 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 مختص کی گئی گنجائش پر ہر بنیٹس شیٹ کی تاریخ پر نظر ثانی کی جاتی ہے اور اس میں اس وقت کے بہترین تخمینوں کے مطابق ردوبدل کیا جاتا ہے۔ اس گنجائش میں ردوبدل آمدن یا اخراجات کی شکل میں ظاہر کیا جاتا ہے۔

### انویسٹمنٹ پراپرٹیز

انویسٹمنٹ پراپرٹیز کا حساب کتاب IAS-40 انویسٹمنٹ پراپرٹی کے مطابق کا سٹ ماڈل کے تحت لگایا جاتا ہے۔

انویسٹمنٹ پراپرٹیز کی مالیت کا تعین متعلقہ پیشہ ورانہ قابلیت کے حامل ویلیویئرز کے ذیلیے بھی کرایا جاتا ہے۔ موزوں مالیت کا تعین ان پراپرٹیز کے مواقعوں میں موجود ویسی ہی حالت میں ویسی ہی پراپرٹیز کی بنیٹس شیٹ کے وقت پیشہ ورانہ جانچ کی بنیاد پر کیا جاتا ہے۔

### گلسڈ اثاثہ جات کی کارآمد مدت

اثاثوں کی باقی ماندہ مالیت، کارآمد مدت، اور اس مدت میں کی کا تخمینہ لگانے کے طریقہ کار پر ہر مالی سال کے اختتام پر نظر ثانی کی جاتی ہے اور اگر اس کارآمد مدت میں کی کا اثر نمایاں ہو تو اس میں ردوبدل کیا جاتا ہے۔

### غیر موصول واجب الادا پریمیم

ہر مالیاتی اثاثے کی قیمت کا اندازہ ہر بنیٹس 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 اس اثاثے کے مستقبل میں ہونے والے کیش فلو پر منفی اثر ڈالا ہے۔

### کوڈ آف کارپوریٹ گورننس پر عملدرآمد

ریگولیشنری 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 کینی کے ڈائریکٹرز غیر معمولی اجلاس عام منعقدہ 8 جولائی 2017 کو منتخب ہوئے اور 3 سالہ مدت کے 10 جولائی 2017 سے شروع ہوتی ہے اور 9 جولائی 2020 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
۱-	سیف الدین این۔ زومکا والا (نان ایگزیکٹیو ڈائریکٹر)	5
۲-	حسن علی عبداللہ (ایگزیکٹیو ڈائریکٹر)	5
۳-	رفیق آر۔ مجیم جی (نان ڈائریکٹر)	1
۱0 جولائی 2017 کو ختم ہوئی		
۴-	عبدالرحمن حاجی حبیب (نان ایگزیکٹیو ڈائریکٹر)	4
۵-	منیر آر۔ مجیم جی (نان ایگزیکٹیو ڈائریکٹر)	4
۶-	طاہر جی۔ ساچک (نان ایگزیکٹیو ڈائریکٹر)	5
۷-	علی رضا صدیقی (نان ایگزیکٹیو ڈائریکٹر)	5
۸-	محمد اقبال منگانی (انڈیپنڈنٹ ڈائریکٹر)	4
۹-	محمود لوٹیا (ایگزیکٹیو ڈائریکٹر)	4
۱۰-	سعد علی مجیم جی (نان ایگزیکٹیو ڈائریکٹر)	1

10 جولائی 2017 سے شامل ہوئے

جو ڈائریکٹرز بورڈ کے اجلاسوں میں شریک نہیں ہوئے تھے ان ڈائریکٹرز کے لئے غیر حاضری کی چھٹی منظور کر لی گئی تھی۔

### ضابطہ اخلاق اور کاروباری طریقہ کار

بورڈ نے ضابطہ اخلاق اور کاروباری طریقہ کار کا اسٹیٹمنٹ اپنایا ہے۔ تمام اہلکاروں 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۔ کینی 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 آپریشنز کے نتائج، نقدی آمدورفت اور ایکویٹی میں تہدیلیاں شامل ہیں۔

ب۔	اکاؤنٹس کی کتابیں کینی 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 محتاط 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 کہیں 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۔	کینی 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 آپرینٹنگ اور فنانشل اعداد و شمار منسلک ہیں۔
آئی۔	چیف ایگزیکٹو، ڈائریکٹرز، چیف فنانشل آفیسر، کینی سیکریٹری، ان کے شریک حیات اور نابالغ بچوں کی جانب سے شیئرز کی خرید و فروخت:

شیئرز کی خریداری	شیئرز کی تعداد
جناب سعد علی مجیم جی	500
جناب الطاف قمر الدین گوگل	2500
پراویڈنٹ فنڈ، گریجویٹی اور پینشن فنڈز کی سرمایہ کاریوں کی مالیت 31 دسمبر 2017 کے مطابق ان کے آڈٹ شدہ حسابات پر مبنی ہیں، ان کی تفصیل یہ ہے:	
پراویڈنٹ فنڈ	752 ملین روپے
گریجویٹی فنڈ	325 ملین روپے
پنشن فنڈ	250 ملین روپے

کے۔ کینی میں 31 دسمبر 2017 کو شیئرز ہولڈنگ کی جو صورتحال تھی اس کا اسٹیٹمنٹ رپورٹ میں شامل ہے۔

کے پی ایم جی تا شہر ہادی اینڈ کینی، چارٹرڈ اکاؤنٹنٹس سکروش ہو رہے ہیں اور اہل ہونے کی بناء پر بحیثیت آڈیٹرز کام جاری رکھنے کے خواہشمند ہیں جیسا کہ آڈٹ کمیٹی کی جانب سے بھی آنے والے سال کے لئے ان کی دوبارہ بحیثیت آڈیٹرز تقرری کیلئے سفارش کی گئی ہے۔

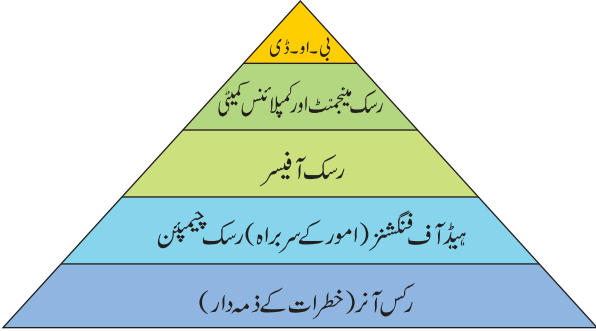
ہم اپنے معزز کسٹمرز کی مسلسل سرپرستی اور حمایت کے لئے ان کا شکریہ ادا کرنا چاہیں گے جبکہ پاکستان ری انشورنس کمپنی لمیٹڈ، گلیو ریٹزی اینڈ ایچ پیج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی جانب سے ان کی رہنمائی اور معاونت پر بھی شکرگزار ہیں۔

آپ کے ڈائریکٹرز تہد دل سے یہ امر یکارڈ پر لاتے ہیں کہ ہمارے آفیسرز، فیلڈ فورس اور دیگر اسٹاف نے نہایت جانفشانی سے کینی کی ترقی کے لئے محنت کی ہے اور کاروبار کے اضافے اور کامیابیوں کے تسلسل کو برقرار رکھنے میں مثالی کردار ادا کیا ہے۔

<b>سیف الدین این۔ زومکا والا</b>	<b>حسن علی عبداللہ</b>
چیئر مین	ٹیونگ ڈائریکٹر و چیف ایگزیکٹو

کراچی 14 فروری 2018

فرائض کا چارٹ خطرات کے رپورٹ کرنے کے ڈھانچے کی نشاندہی کرتا ہے۔



### بورڈ کمیٹیوز

آپ کی کمپنی نے مندرجہ ذیل چار 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 موزونیت کے جائیزے اور ممکنہ خطرات پر نظر رکھنے اور ان کو سنسٹھانے میں انٹرنل آڈیٹری کی معاونت حاصل ہے تاکہ کمپنی کی وقعت میں اضافہ ہو اور کمپنی کے آپریشنز غیر جانبدار اور معرضی یقین دہانی میسر رہے۔ انٹرنل آڈیٹری کی بنیادی ذمہ داری وقتاً فوقتاً آپریشنل کنٹرولز کی موزونیت آڈٹ کرنا پالیسیز اور طریقہ کار کا تواتر سے نفاذ جانچتے رہنا، توثیق اور ریگولیشنز سے مطابقت کو پرکھتے رہنا ہے۔ بورڈ کی آڈٹ کمیٹی میں مندرجہ ذیل ارکان شامل ہیں:

- |   |                        |
|---|------------------------|
| ۱ | جناب محمد اقبال منگانی |
| ۲ | جناب منیر آر۔ عظیم جی  |
| ۳ | جناب علی رضا صدیقی     |
| ۴ | جناب طاہر جی۔ ساچک     |

### انویسٹمنٹ کمیٹی

کمپنی کے پاس بورڈ کی سطح کی ایک انویسٹمنٹ کمیٹی ہے جو کہ انویسٹمنٹ پورٹ فولیو کا جائزہ لینے کے لئے سدماہی بنیاد پر اجلاس بلاتی ہے۔ کمیٹی کمپنی کے لئے سرمایہ کاری کی پالیسی تیار کرنے کی بھی ذمہ دار ہے۔ بورڈ کی انویسٹمنٹ کمیٹی درج ذیل ارکان پر مشتمل ہے:

- |   |                                |
|---|--------------------------------|
| ۱ | جناب سیف الدین این۔ زومکا والا |
| ۲ | جناب حسن علی عبداللہ           |
| ۳ | جناب منیر آر۔ عظیم جی          |

### ضابطا اخلاق، ہیومن ریسورس اور ریویو نیریشن کمیٹی

یہ کمیٹی بورڈ کو کمیٹی کی ہیومن ریسورس منیجمنٹ پالیسیوں کے لئے سفارشات دینے کے ساتھ سلیکشن، جائزہ لینے اور کمپنی 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:

- |   |                                |
|---|--------------------------------|
| ۱ | جناب محمد اقبال منگانی         |
| ۲ | جناب سیف الدین این۔ زومکا والا |
| ۳ | جناب حسن علی عبداللہ           |

### منیجمنٹ کمیٹی

کارپوریٹ گورننس کے حوالے سے آپ کی کمپنی نے درج ذیل تین انتظامی کمیٹیز قائم کی ہیں جو ہر سد ماہی میں کم از کم ایک بار اجلاس منعقد کرتی ہیں۔

### انڈر رائٹنگ کمیٹی

انڈر رائٹنگ کمیٹی آپ کی کمپنی 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 کورز کی پرییمیم پالیسی طے کرتی ہے، کمیٹی باقاعدگی سے کمپنی کی انڈر رائٹنگ اور پرییمیم پالیسیوں کا جائزہ، متعلقہ عناصر مثلاً کاروباری پورٹ فولیو اور مارکیٹ میں ہونے والی تبدیلیوں کو مد نظر رکھتے ہوئے لیتی ہے۔

### گھیر سٹیلٹ کمیٹی

یہ کمیٹی کمپنی کے گھیر کو نمٹانے کی پالیسی تشکیل دیتی ہے۔ یہ کمپنی کے گھیر کی پوزیشن پر نگاہ رکھنے کے ساتھ اس امر کو یقینی بناتی ہے کہ گھیر کیلئے مناسب ریزروز موجود ہوں۔ خاص نوعیت کے گھیر کے کیسز یا ایسے واقعات جن کی بدولت گھیر کا ایک مخصوص سلسلہ شروع ہو جانے پر خصوصی توجہ دی جاتی ہے، اسے دیکھنا بھی اس کمیٹی کی ذمہ داری ہے۔ گھیر سٹیلٹ کمیٹی ان حالات کا بھی تعین کرتی ہے جس کے تحت گھیر کا تنازع اس کے علم میں لایا گیا ہو اور فیصلہ کرتی ہے کہ ایسے گھیر کے تنازعات سے کس طرح نمٹا جائے۔ دھوکے پر مبنی گھیر کے کیسز سے نمٹنے کیلئے بھی اقدامات کی نگرانی کرتی ہے۔ کمیٹی کمپنی کیلئے قائم شدہ گریوآنس فنکشن (Grievance Function) کی نگرانی بھی کرتی ہے۔

### ری انشورنس اور کو انشورنس کمیٹی

یہ کمیٹی اس امر کو یقینی بناتی ہے کہ کمپنی 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 اتار 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۔

### رسک منیجمنٹ اور کمپلائنس کمیٹی

رسک منیجمنٹ اور کمپلائنس کمیٹی کمپنی کے رسک منیجمنٹ فنکشن (خطرات کے بندوبست) کے امور کی سرگرمیوں کی نگرانی کرتی ہے اور بورڈ کو خطرات کے بندوبست کے امور کے دائرے کے اندر آنے والے ممکنہ خطرات سے نمٹنے کے موزوں سفارشات پیش کرتی ہے۔

کمیٹی عملدرآمد کے فنکشن کے امور کی نگرانی کیلئے بھی ذمہ دار ہے اور کمپلائنس کے سلسلے میں بیروندہ فرد کے پروفائل کے ساتھ قابل عمل قوانین نیز اندونی پالیسیوں اور طریقہ کار کی نگرانی بھی کرتی 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 29 پر کی گئی ہے۔

### ماحولیاتی اثرات

کمپنی کاروبار میں خطرات پر اپنے سابق تجربے کی بنیاد پر پزیرید، صنعت، افراد اور ملک کو درپیش مختلف خطرات سے تحفظ فراہم کر رہی ہے۔ ہماری تجربہ کار اور ماہر ٹیم اپنے کاروبار کی انجام دہی اور اسے بہتر طور پر چلانے کے لئے صنعت و تجارت اور عوام الناس کے لئے ایک صاف ستھرا اور صحت مند ماحول فراہم کرنے کے لئے سنجیدہ کوششیں کر رہی ہے۔

چونکہ ہمارا کاروبار انسانی پیشہ ورانہ اور دانشورانہ مہارت پر مبنی خطرات سے تحفظ فراہم کرنا ہے اس لئے اس سے کوئی مضرت رساں ماحولیاتی اثرات مرتب نہیں ہوتے۔ ہم نے ماحولیات پر خوشگوار اور مثبت اثرات مرتب کرنے کے لئے تمام فلورز پر سرسبز و خوبصورت پودوں کے گٹلے سجائے ہیں۔

### کارپوریٹ سوشل ریسپانسیبلٹی

سماج میں ہماری موجودگی کے اثرات بلواسط اور بلا واسطہ دونوں طرح موجود ہیں ان وسائل کے ذریعے اثرات جن کا ہم مستقل استعمال کر رہے ہیں اور وہ سرمایہ کاریاں بھی جن کی ہم مختلف کاروبار کے ذریعے کرتے ہیں۔

### توانائی کا تحفظ

ہر سال ہم اپنا توانائی کے تحفظ (Energy Conservation) کا ان۔ ہاؤس آڈٹ کرتے ہیں جو ماہانہ رپورٹس کے ذریعے واضح کیا جاتا ہے۔ اس طریقے سے ہم اپنی توانائی کی بچت پر انتہائی قریب سے نگاہ رکھتے ہیں۔ ہمارے دفاتر میں استعمال کیے جانے والے بجلی کے تمام آلات کو توانائی۔ دوست ہیں۔ اس سلسلے میں ایک روٹیشن سسٹم بھی متعارف کرایا گیا ہے جس میں پمپ، پمپ، بجلی وی اسے سی (HVAC) سسٹم (گیس فائرڈ بولنگ ٹاورز) وقفوں کے دوران بجلی کو آن اور آف کرتے رہتے ہیں۔ کھانے کے وقفے کے دوران بجلی بند رہتی ہے۔

### ماحولیاتی تحفظ کے اقدامات

کمپنی مالیاتی تحفظ کے سلسلے میں اپنی سماجی ذمہ داری سے بخوبی آگاہ ہے لہذا ہم صحت مند ماحول کی حوصلہ افزائی کرتے ہیں اور وہ اقدامات کرتے ہیں جو ہمارے اس یقین میں اضافہ کرتا رہے۔

### کیوٹی انویسٹمنٹ اور سماجی بہبود کی اسکیمیں

ہم صحت و تعلیم کے شعبوں میں مختلف اداروں کو عطیات دیتے ہیں تاکہ ہمارے ملک کے پس ماندہ طبقات کی ہر ممکن معاونت کی جا سکے۔

### صارف کے تحفظ کے اقدامات

صارفین کے اعتماد کو حاصل کرنے پر زور ای ایف یو کے کارپوریٹ کلچر کا بنیادی حصہ ہے۔ یہ وہ پہلی چیز ہے جس میں ہم اپنے انسانی وسائل میں نئے لوگوں کو شامل کرتے ہیں۔ اپنے وعدوں کی تکمیل اور صارفین کو اپنے پاس برقرار رکھنا، ہمارا وہ عقیدہ تھا جس پر ہم نے اپنے کاروبار کا آغاز کیا تھا اور اب بھی ہمارا یہی عقیدہ ہے اور ہم اسے مستقبل میں بھی برقرار رکھیں گے۔

ای ایف یو سے تحفظ کے ساتھ کاروباری ادارے پھل پھول رہے ہیں اور مختلف شعبوں میں کام کر کے ملک کی اقتصادی ترقی اور ہمارے کاروباری پورٹ فولیو میں بھی اضافہ کر رہے

ہیں۔ یہ امر حیرت انگیز نہیں ہے کہ بیشتر صارفین کو ای ایف یو کے ”فیملی انشور“ کا درجہ حاصل ہے۔ یہ امر بھی باعث تقویت ہے کہ ہر سال ہمارے موجودہ صارفین کے ذریعے حاصل کردہ حوالوں سے ایک قابل قدر تعداد میں نئے افراد ہمارے کاروبار کا حصہ بن رہے ہیں جن میں سے کچھ ہمارے ساتھ جزییشن کے لئے بیمہ حاصل کر چکے ہیں۔

JCR-VIS اور PACRA نے ہمیں AA+ ریٹنگ دی ہے تاہم ہمارے لئے زیادہ اہمیت صارفین کے اعتماد سے ملتی ہے جن میں سے بہتر صرف 3 الفاظ ہیں ”میری بیمہ کمپنی“ (My Insurance Compny) کے ذریعے اس کا اظہار کرتے ہیں یہ ہی وہ وجہ ہے جس کی وجہ سے ہمارا نعرہ ہے کہ ”ای ایف یو۔ آپ کی بیمہ کمپنی“۔

#### حصہ داروں کے ساتھ کمپنی کے تعلقات کار

ہم بیشتر اسٹیک ہولڈرز خصوصی ریگولیزری اتھارٹیز یعنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی)، فیڈرل ریل بورڈ آف ریونیو (ایف بی آر)، اسٹیٹ بینک آف پاکستان (ایس بی پی)، ایمپلائز اولڈسٹیمٹ دیگر بیمہ کمپنیوں، بیمہ کاروں اور انشورنس ایسوسی ایشن آف پاکستان (آئی اے بی) کے ساتھ تعلقات کے ضمن میں ایک انتہائی مثبت اور عملی رویہ رکھتے ہیں۔

کمپنی سیکریٹری تمام قابل نفاذ قوانین، ضوابط اور کنونشن کی نگرانی اور اس پر عمل درآمد کیلئے ذمہ دار ہیں جو ادارے کو بلند ترین پیشہ ورانہ معیار پر برقرار رکھنے کے لئے ضروری ہے۔

### خصوصی افراد کیلئے روزگار

کمپنی ملازمتوں کے مساوی مواقع فراہم کرتی ہے اور خصوصی افراد کو ان کی طبی معذوری سے بالاتر ہو کر عمل کرتے ہوئے انہیں ملازمت دی جاتی ہے۔

### دوران کار تحفظ اور صحت

کمپنی کے دفاتر میں آگ بجھانے کے مختلف آلات موجود ہیں۔ مزید برآں کمپنی نے کراچی اسٹاف کے لئے ایک کلینک بھی قائم کر رکھی ہے جس میں ایک کل وقتی چیف میڈیکل آفیسر موجود ہے تاکہ بالکاروں اور ان کے اہل خانہ کے صحت سے متعلق مسائل کی دیکھ بھال کے ساتھ انہیں صحت کے بارے میں مشورے بھی دیئے جاسکیں۔

### اسپورٹس کی ایکٹیوٹی

صحت مندانہ سرگرمیوں کی حوصلہ افزائی کیلئے کمپنی 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 تیزیم کی سہولیات بھی فراہم کی گئی ہیں۔ کمپنی 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 لائن تخمینہ مانی جاتی ہیں۔

#### کاروباری اقدار اور انسداد بدعنوانی اقدامات

بورڈ نے اقدار اور کاروباری طریقہ کار کے بارے میں ایک بیان تیار کر رکھا ہے۔ تمام ملازمین کو اس سے آگاہ کر دیا گیا ہے اور ان کیلئے یہ ضروری ہے کہ وہ کاروبار اور ضوابط سے متعلق ان قوانین پر مکمل عمل درآمد کریں اقدار اور کاروباری طریقہ کار کے بارے میں بیان سالمیت، وقار، کچرا و عزت و احترام کے ساتھ صارفین، ساتھیوں اور عوام الناس کے ساتھ اخلاقی معاملات پڑتی ہے۔

### عطیات برائے قومی مقاصد

آپ کی کمپنی ایک ذمہ دار کارپوریٹ شہری ہونے کی حیثیت سے ہر سال عطیات دیتی ہے۔

## کریڈٹ ریٹنگ

آپ کی کمپنی کو JCR-VIS اور PACRA کی ریٹنگ دی گئی ہے۔ دونوں ریٹنگ ایجنسیوں نے آپ کی کمپنی کو AA+ کی ریٹنگ مستحکم آؤٹ لک (stable outlook) کے ساتھ نوازا ہے۔

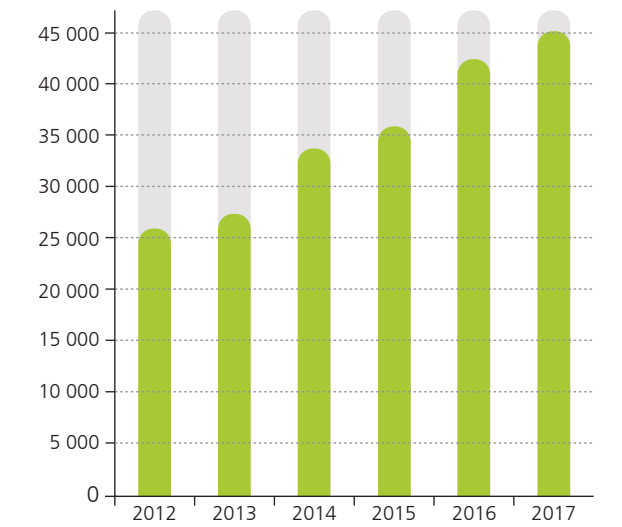
## ہیومن ریسورس

جیسا کہ ہمارے کلائنٹ ہماری مالی استعداد، ممکنہ خطرات سے نمٹنے کی صلاحیت اور مالی نقصانات کی صورتحال میں مدد کرنے پر آمادگی پر اعتماد کرتے ہیں، ہم اس امر پر یقین رکھتے ہیں کہ ہماری کامیابی ہمارے کارکنان کی جانب سے روزمرہ معمولات میں پیشہ ورانہ طریقہ کار اپنانے میں ہے۔

ہم مساوی مواقع فراہم کرنے والے آجر ہیں اور اپنے کارکنان کی ترقی کیلئے مستقل بنیادوں پر اہداف طے کرتے اور کارکردگی بابت آگاہی فراہم کرتے رہتے ہیں۔ ہم انفرادی ترقی کے حوصلہ افزائی کرتے ہیں اور اسٹاف کے ہر رکن کو اس کی صلاحیتیں بڑھانے میں معاونت کرتے ہیں۔

ہم تعلیم یافتہ نوجوانوں کو ملازمت بھی فراہم کرتے ہیں اور ای ایف یو میں ان کے انفرادی کیریئر میں پیش قدمی کے لئے، ہر رکن کیلئے تھیوری اور عملی تربیت کی انفرادی منصوبہ بندی، اسے سی سی آئی (یو کے) / سی پی سی یو (یو ایس اے) جیسے شہرت یافتہ اداروں سے پیشہ ورانہ اسناد کی تحصیل کی حوصلہ افزائی کرتے ہیں تاکہ وہ مستند اور ماہر انڈر رائٹرز، کلیمز پیئڈرز یا کلائنٹ مینجمنٹ بن سکیں۔

## TOTAL ADJUSTED ASSETS (Rupees in Million)



## دیگر اسناد

ای ایف یو جنرل انشورنس نے 2017 کے دوران مندرجہ ذیل ایوارڈز حاصل کیے:

ایوارڈ	سال	آرگنائزر
FPCCI اچیومنٹ ایوارڈ اور گولڈ میڈل	2016	فیڈریشن آف پاکستان جی بی بی آر آف کامرس اینڈ انڈسٹری (FPCCI)
ایوارڈز ایسکیلنس	2017	دی نیشنل فورم فار اینوائرنمنٹ اینڈ ہیلتھ (NFEH) کنسلٹنٹس اور اینوائرنمنٹ مینجمنٹ (EMC)
فائرفیٹی ایوارڈ 2017	2017	دی فائرفیٹیشن ایسوسی ایشن آف پاکستان اور نیشنل فورم فار اینوائرنمنٹ اینڈ ہیلتھ (NFEH)
سوشل رسپانسیبلیٹی ایوارڈ	2016	شوکت خانم میموریل ٹرسٹ
فیض احمد فیض ایوارڈ	2017	سول سوسائٹی سپریم فورم اینڈ نیوز میڈیا نیٹ ورک
کنز یومرز چوائس ایوارڈ	2017	کنز یومرز ایسوسی ایشن آف پاکستان (CAP)
بیسٹ کارپوریٹ رپورٹ ایوارڈ	2016	انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹینٹ آف پاکستان (ICAP) اور انسٹی ٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹینٹس آف پاکستان (ICMAP)
SAFA بیسٹ پریزنٹنگ اینیول رپورٹ 2016 (سرٹیفکیٹ آف میرٹ)	2016	سائٹھ ایسٹین فاؤنڈیشن آف اکاؤنٹینٹس (SAFA)

## ادارے کے اہم مقاصد

آپ کی کمپنی انشورنس کرانے والوں کا پسندیدہ انشورر رہنے 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
- اوور ہیڈز 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 2017 کے لئے مالیاتی اہداف طے کئے تھے اور بحسرت اطلاع دیتے ہیں کہ آپ کی کمپنی کی اولین پوزیشن برقرار ہے۔

آپ کی کمپنی نے سال 2016 کے مقابلے میں 2017 میں 19 فیصد کی کاروباری شرح نمو حاصل کی۔ آپ کی کمپنی کا مارکیٹ شیئر انشورنس ایسوسی ایشن آف پاکستان کے مرتب کردہ اعداد و شمار کے مطابق 30 ستمبر 2017 تک 27.33 فیصد تھا جو 2016 کی اس مدت کے دوران 24.85 فیصد رہا تھا کمپنی کا محفوظ سرمایہ اور قابل تصرف آمدن بڑھ کر 15 بلین روپے رہی بمقابلہ 14.9 بلین روپے۔

اس امر کا تجزیہ کہ آنے والے وقت میں کمپنی کے لئے امکانات بشمول مالی اور غیر مالی امور میں کارکردگی

کمپنی اس امر پر یقین رکھتی ہے کہ اس کا استحکام صارفین کے اعتماد اور اطمینان کی بدولت ہے۔ کمپنی کی موجودگی کے 85 سے زائد سال اس حقیقت کو واضح کرتے ہیں کہ سروس کا معیار، صارف کا اطمینان اور ملازمین کی کاوشیں وہ بنیادی عناصر ہیں جہاں انتظامیہ ہمیشہ بہتری کیلئے ضروری اقدامات کرتی رہتی ہے۔ اس سال کے دوران بھی انتظامیہ نے مختلف سطحوں کے اہل کاروں کی کارکردگی اور ان کی صلاحیتوں کی مزید تعمیر و ترقی کیلئے مختلف تربیتی کورسز کا انعقاد کیا۔

کارکردگی کے 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۔

## 2018 کے لئے امکانات

پاکستان میں صنعتوں کے فروغ اور ترقی کے ایک نئے دور کا آغاز متوقع ہے کیونکہ چائنہ۔ پاکستان آئٹا کم کوریڈور (سی پیک) کے تحت توانائی اور انفراسٹرکچر کے پروجیکٹس مستقبل قریب میں مکمل کر لیے جائیں گے۔ اقتصاد کی ترقی کے لئے نمایاں امکانات نظر آ رہے ہیں کیونکہ بجلی کی پیداوار میں تقریباً 70 فیصد (11,000 میگا واٹ) اضافے کی گنجائش کے ساتھ ہائی ویز اور انفراسٹرکچر پروجیکٹس کی بڑے پیمانے پر تعمیر کا اندازہ لگایا جا رہا ہے۔ سی پیک سے متعلق سرمایہ کاریاں بھی پہلے ہی 46 بلین ڈالر سے بڑھ کر 55 بلین ڈالر ہو چکی ہیں۔

مختلف شعبوں مثلاً ٹیکسٹائل، فوڈ پروسیسنگ، فریٹلائزر، اسٹیل، آٹوموبائیل، کیمیکلز، پلاسٹک اور الیکٹرونکس نے پاکستان میں اپنی راہیں تلاش کر لیں۔ بڑھتی ہوئی متوقع طلب کے پیش

نظر کی شعبوں مثال کے طور پر سیمینٹس، آئوز اور مقامی مینوفیکچررز کی جانب سے تیار کردہ اشیائے صارف میں توسیع کی گنجائش پہلے ہی کافی بڑھ چکی ہے۔

مکمل پزیرنی انشورنس پروڈکٹس کیلئے طلب بڑھ چکی ہے اور اس کی وجہ شریعت پزیرنی پروڈکٹس کے لیے موزوں و مناسب طلب کا فروغ ہے۔ مکمل کا مجموعی پریٹیم انشورنس کی صنعت کے مجموعی پریٹیم کے 7 فیصد پر پہنچ چکا ہے۔

سال 2018 کے لئے ہماری حکمت عملی ایک بدلتے ہوئے اور مسابقتی کاروباری ماحول میں پائیدار، منافع بخش ترقی حاصل کرنے کے لیے تیار کی گئی ہے تاکہ صنعت میں اپنی سرکردہ حیثیت کو برقرار رکھا جاسکے۔

کمپنی عوام الناس میں سرمایہ لگانے کا سلسلہ جاری رکھنے اور ای ایف یو جنرل کو کیریئر کی تعمیر کا بہترین مقام بنانے، سسٹمز اور پروسیسز میں سرمایہ کاری کا ارادہ رکھتی ہے تاکہ صارفین کی مزید بہتر خدمت اور ان کے ساتھ اشتراک میں اضافے کے ساتھ ساتھ کارکردگی میں تیزی لائی جائے۔ مستقل کامیابی کا راستہ ہماری حکمت عملی کے منصوبے پر عملدرآمد کا حصہ ہے تاکہ مزید مسابقتی اور کامیاب ترین کاروبار کی تعمیر کی جائے اور بہترین نتائج کے حصول کے ساتھ ہیصے کی صنعت میں نمایاں پوزیشن کو برقرار رکھا جاسکے۔

## ری انشورنس

آپ کی کمپنی کے ری انشورنس انتظامات نہایت معتبر ہیں۔ سرکردہ بین الاقوامی سیکورٹیز مثلاً SCOR گلوبل P&C، سوئس ری انشورنس کمپنی، آلیانز SE ری انشورنس کمپنی، ہان اور ری انشورنس کمپنی، کوریجری انشورنس کمپنی اور لائیو آف لندن جن سب کو "A" 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 لینتھ (Arm's Length) کی بنیاد پر کئے جاتے ہیں۔

## کیپٹل مینجمنٹ اور لیکویڈیٹی

کمپنی سرمائے کی مستحکم پوزیشن برقرار رکھتی ہے۔ آپ کی کمپنی لیکویڈیٹی کے بارے میں مستقل متناظر رہتی ہے تاکہ اپنی تمام 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 اخراجات اور اپنی انشورنس کی ذمہ داریوں سے عہدہ براہ ہوتی ہے۔

## اثر پوزیٹو رسک مینجمنٹ (ERM)

آپ کی کمپنی نے 2017 میں ای آر ایم فنکشن قائم کیا ہے۔ یہ رسک مینجمنٹ اور کیپٹل انس کمپنی کے ذریعے کمپنی کے مختلف آپریشنز سے منسلک خطرات کی نشاندہی اور ان کی نگرانی کرتی ہے۔

ای ایف یو جنرل فیلو ایڈٹ سروس پر خصوصی نگاہ رکھتے ہوئے اپنے مجموعی منافع جات میں اضافے کے لئے پُر عزم ہے جبکہ رسک کو ایڈجسٹ کرنے کے لئے ایک مضبوط حکمت عملی برقرار رکھی جارہی ہے۔ کمپنی نے ای آر ایم کے نفاذ مع فیصلہ کن صلاحیت اور اپنی تمام تر سرگرمیوں کے اندر ای آر ایم کلچر فروغ دینے کے ذریعے اپنے خطرات سے نمٹنے کے عمل کو مزید بہتر بنایا ہے۔

## ممبران کے لئے ڈائریکٹرز کی رپورٹ

(یہ انگریزی رپورٹ کا ترجمہ ہے)

ای ایف یو جزل انشورنس لمیٹڈ (دی کمپنی) 2 ستمبر 1932 کو تشکیل دی گئی تھی۔ کمپنی پاکستان اسٹاک مارکیٹ میں لسٹڈ اور نان لائف انشورنس اور ٹیکافل بزنس میں مصروف عمل ہے۔

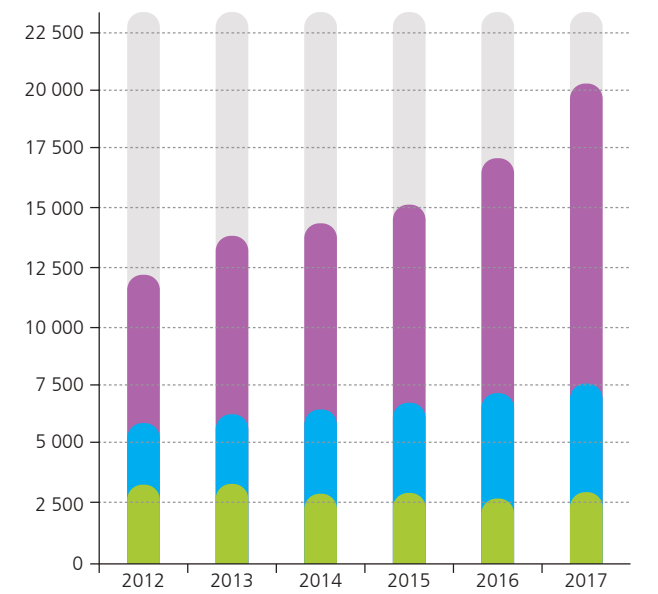
آپ کی کمپنی کے ڈائریکٹرز کو کمپنی کی 85 ویں سالانہ رپورٹ اختتام سال 31 دسمبر 2017 پیش کرتے ہوئے خوشی ہو رہی ہے۔

سال 2017 میں کمپنی کا منافع بعد از ٹیکس 2.34 بلین روپے رہا جبکہ 2016 میں یہ منافع 2.39 بلین روپے تھا۔ فی شیئر آمدن 11.72 روپے رہی جبکہ گزشتہ سال 11.96 روپے تھی۔

آپ کی کمپنی نے پاکستان میں 20.4 بلین روپے کا براہ راست پریئم (1,567 بلین روپے کا ٹیکافل کنٹری بیوشن) حاصل کر کے ایک نئی تاریخ تشکیل دی ہے۔ جبکہ 2016 میں 17.2 بلین روپے (پشمول 1,095 بلین روپے کی ٹیکافل کنٹری بیوشن) تھا۔ اور اس طرح سال کے دوران مجموعی طور پر 19 فیصد کی بہتری ریکارڈ کی گئی اور خالص پریئم آمدن 8.7 بلین روپے جبکہ 2016 میں 7.8 بلین روپے تھی۔ انڈر رائٹنگ نتائج 1.63 بلین روپے ہو گئے جبکہ 2016 میں 1.79 بلین روپے تھے۔

### WRITTEN PREMIUM (including Takaful Contribution) NET PREMIUM REVENUE AND NET CLAIMS

(Rupees in Million)



Net Claims  
Net Premium Revenue  
Written Premium (including Takaful Contribution)

مجموعی انشورنس کے شعبے کی کارکردگی کو اقتصادی ترقی کے ساتھ مضبوطی سے جوڑا جاتا ہے۔ اقتصادی سرگرمیاں سال کے دوران کم و بیش جیسی ہی رہیں۔ اگرچہ ملک میں امن وامان کی صورتحال میں بہتری آئی اور اس سے اقتصادی صورتحال کو منسلک کیا جائے تو مجموعی ڈومیسٹک پروڈکٹ (جی ڈی پی) گزشتہ سال کے مقابلے میں 5.3 فیصد بہتری ہوئی۔ اسٹیٹنڈرڈ اینڈ پورز نے پاکستان کی کریڈٹ ریٹنگ قرار (B) مع مستحکم آؤٹ لک (stable outlook) پر رکھی۔

پاکستان کی مجموعی وسیع تر اقتصادی صورتحال مالی سال 2017 کے دوران مستقل طور پر بہتری کی جانب گامزن رہی جیسا کہ جی ڈی پی کی شرح دس سالہ بلند ترین سطح 5.3 فیصد پر پہنچ گئی۔ سروس سیکٹر میں 6 فیصد شرح نمو حاصل کرنے کے بہتری کا سفر جاری رہا جبکہ صنعتی شعبے میں 5 فیصد شرح نمو حاصل کی گئی تقریباً تمام معاشی شعبوں نے مستحکم مالی طلب، زرعی شعبے میں وصولیوں اور بہترین صنعتی سرگرمیوں کے باعث مسلسل ترقی کی شرح ظاہر کی گئی۔ افراط زر کی سطح پورے سال کے دوران مستحکم زرمبادلہ کی شرح، اشیاء کے مناسب ترین نرخوں اور زرعی بہتر صورتحال کے سبب ہموار سطح پر رہی۔

پاکستان کی جزل انشورنس کی صنعت کو آنے والی دہائی میں تیز رفتار ترقی کے حصول کے تحت تیار کیا جا رہا ہے جو سازگار ڈیوگرافکس، انسانی شہری علاقے اور سب سے بڑھ کر انجمن ہوا صنعتی سیکٹر فراہم کرے گی۔ توسیع اور ترقی کیلئے انشورنس کے شعبے کو حاصل وسیع صلاحیت کے باعث آپ کی کمپنی بلند تر ترقی کے راہ پر چلنے اور پائیدار ویلیو کی فراہمی کے ساتھ مصروف عمل رہے گی۔

مختلف شعبوں میں کارگزاری حسب ذیل رہی:

### فائبروپراپرٹی

تحریری پریئم 29 فیصد بڑھ کر 11,721 بلین روپے رہا جبکہ 2016 میں 9,101 بلین روپے تھا۔ گلیمر کی شرح کمپنی کی خالص پریئم ریونیو کے تناسب سے 28 فیصد رہی جب کہ 2016 میں 21 فیصد تھی۔ سال کیلئے انڈر رائٹنگ منافع 634 بلین روپے رہا جبکہ گزشتہ سال 2016 میں یہ منافع 670 بلین روپے تھا۔

### میرین، ایوی ایشن و ٹرانسپورٹ

تحریری پریئم 2016 میں 2,176 بلین روپے کے مقابلے میں اس سال کے دوران 2.7 فیصد بڑھ کر 2,235 بلین روپے رہا۔ گلیمر کی شرح کمپنی کے خالص پریئم ریونیو کا 36 فیصد رہی جو کہ 2016 میں 35 فیصد اور اس سال انڈر رائٹنگ منافع 287 بلین روپے رہا جبکہ گزشتہ سال 2016 میں 338 بلین روپے تھا۔

### موٹر

تحریری پریئم 2016 میں 3,374 بلین روپے کے مقابلے میں اس سال کے دوران 2.3 فیصد بڑھ کر 3,452 بلین روپے رہا۔ گلیمر کی شرح کمپنی کے خالص پریئم ریونیو کی 48 فیصد رہے جو کہ 2016 میں 47 فیصد تھے جبکہ انڈر رائٹنگ منافع 2016 کے 508 بلین روپے کے مقابلے میں اس سال 428 بلین روپے رہا۔

### دیگر شعبہ جات

سال کے لئے تحریری پریئم 1,430 بلین روپے تھا جو اس کے مقابلے میں 2016 میں 1,449 روپے تھا۔ گلیمر کی شرح کل کا تحریری پریئم ریونیو 2016 میں 36 فیصد کے

مقابلے میں 34 فیصد رہی۔ انڈر رائٹنگ منافع اس سال 280 بلین روپے رہا جو کہ 2106 میں 274 بلین روپے تھا۔

### وٹرنیکافل آپریشن

اس سال کیلئے تحریری کنٹری بیوشن مبلغ 1,567 بلین روپے رہی جبکہ گزشتہ سال یہ رقم 1,095 بلین روپے تھی خالص کنٹری بیوشن مبلغ 1,088 بلین روپے رہی جبکہ 2016 میں 583 بلین روپے تھی۔ پارٹنیشنٹ ٹیکافل فنڈ کا سرپلس مبلغ 112 بلین روپے رہا جبکہ 2016 میں 20 بلین روپے تھا اور آپریٹرز کے فنڈز سے منافع جات (برائے شیئر ہولڈر) اس سال کیلئے 47 بلین روپے تھے جیسا کہ مقابلے گزشتہ سال 6 بلین روپے کا منافع حاصل ہوا۔

### سرمایہ کاری سے آمدن

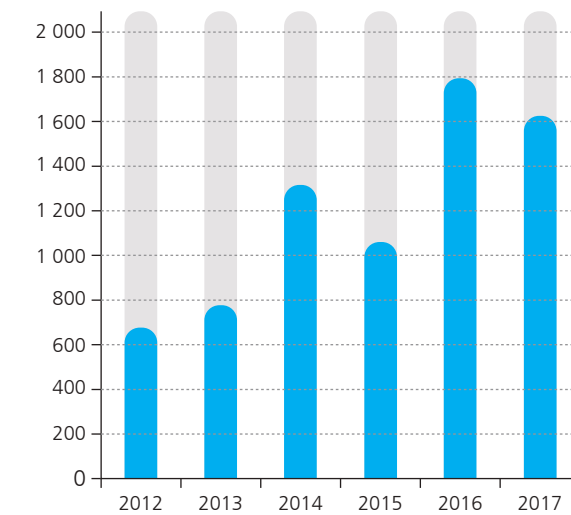
جیسا کہ سال کے دوران اسٹاک مارکیٹ اتار چڑھاؤ کا شکار رہی، آپ کی کمپنی نے 2017 کے دوران 99 بلین روپے کا کیپٹل گین تسلیم کیا جبکہ گزشتہ سال یہ رقم 356 بلین روپے تھی۔ سال کے لئے منافع منقسمہ کی آمدنی گزشتہ سال کے 252 بلین روپے کے برخلاف 290 بلین روپے تھی۔ سال کے لئے مجموعی سرمایہ کار آمدنی 821 بلین روپے تھی جبکہ گزشتہ سال یہ رقم اس کے مقابلے میں 1,009 بلین روپے تھی۔ ایکویٹیز میں سرمایہ کاری کی مارکیٹ ویلیو 31 دسمبر 2017 کے مطابق 2.5 بلین روپے کی بک ویلیو کے برخلاف 6.4 بلین روپے تھی۔ ای ایف یو لائف ایسٹریٹس لمیٹڈ سے سال کے لئے منافع کا حصہ 786 بلین روپے رہا جو اس کے مقابلے میں 2016 میں 802 بلین روپے تھا۔

### انفارمیشن ٹیکنالوجی

کمپنی نے ٹیکنالوجی میں سرمایہ کاری جاری رکھی ہوئی ہے تاکہ صارفین کو جدید ترین خدمات فراہم کرنے کے ساتھ مارکیٹ میں مسابقتی ماحول کو بھی برقرار رکھا جائے۔ حال ہی میں ایپلی کیشن اور ڈیٹا بیس کیلئے ODA X7-2 مشینیں تمام آن لائن ایپلی کیشنز کو PHP

### UNDERWRITING RESULTS

(Rupees in Million)



سے Java ADF میں منتقلی کے لئے شامل کی گئی تھیں تاکہ ایک ڈیٹا بیس مقرر کیا جاسکے۔ کمپنی الیکٹرونک ڈاک کی سیکورٹی کو BARRACUDA Spam firewall کے ذریعے بڑھا رہی ہے۔

### آمدنی فی شیئر

آپ کی کمپنی نے اس سال فی شیئر آمدن 11.72 روپے ظاہر کی ہے جبکہ 2016 میں یہ آمدن 11.96 روپے تھی۔

### مختص رقوم اور منافع منقسمہ

بعد از ٹیکس منافع 2,344 بلین روپے رہا جبکہ 2016 میں 2,392 بلین روپے تھا۔ آپ کے ڈائریکٹرز نے حتمی نقد منافع منقسمہ بحساب 6.25 روپے فی شیئر (62.50%) ادا کرنے جبکہ شیئر ہولڈر کے نام 13 مارچ 2018 کو کاروباری اوقات کے اختتام پر کمپنی کے شیئر رجسٹر میں موجود ہوں کیلئے اجراء کی سفارش کی ہے۔ یہ نقد منافع منقسمہ سال کے دوران اعلان کردہ 3.75 روپیہ فی شیئر یعنی (37.5%) کے عبوری نقد منافع منقسمہ کے علاوہ ہے۔

Year	Net Claims	Net Premium Revenue	Written Premium (including Takaful Contribution)
2016	350	250	1100
2017	300	350	1400

Year	Net Claims	Net Premium Revenue	Written Premium (including Takaful Contribution)
2016	250	450	1650
2017	250	450	1900

Year	Net Claims	Net Premium Revenue	Written Premium (including Takaful Contribution)
2016	300	450	1900
2017	300	450	1900

### مارکیٹ شیئر

30 ستمبر 2017 تک کے دستیاب شائع شدہ مالیاتی معلومات کے مطابق آپ کی کمپنی کا مارکیٹ شیئر پاکستان میں نجی نان لائف انشورنس شعبے کے کاروبار کا کل 27.33 فیصد ہے۔ یہ اعداد و شمار انشورنس ایسوسی ایشن آف پاکستان کی جانب سے حاصل کر کے شائع کئے جاتے ہیں۔



## Key Financial Data

(Rupees in Million)

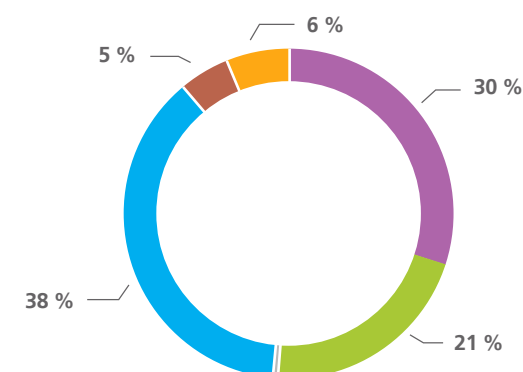
	2017	2016	2015	2014	2013	2012
Written Premium (including Takaful Contribution)	20 405	17 195	15 214	14 514	13 882	12 360
Earned Premium	17 730	15 435	14 648	14 269	13 270	12 001
Net Premium Revenue	7 615	7 243	6 677	6 532	6 342	6 009
Underwriting Result	1 628	1 789	1 053	1 316	772	679
Investment & Other Income	1 928	2 043	4 058	1 584	1 408	1 481
Profit before tax	3 441	3 781	4 809	2 262	1 623	1 614
Profit after tax	2 344	2 392	4 034	1 829	1 392	1 564
Paid-up Capital	2 000	2 000	1 600	1 600	1 250	1 250
Shareholders' Equity	17 047	16 901	15 847	13 111	11 908	11 131
Breakup Value per Share (Rs.)	85.24	84.51	99.04	81.94	95.26	89.05
Investments & Properties	23 319	20 511	19 357	15 860	15 002	13 611
Cash & Bank Balances	1 595	1 867	1 749	1 521	2 083	1 670
Total Assets Book Value	39 102	36 204	32 264	29 227	28 939	29 057
Dividend %	100.00	100.00	75.00	60.00	50.00	50.00
Bonus %	–	–	25.00	–	28.00	–

## Statement of Value Added

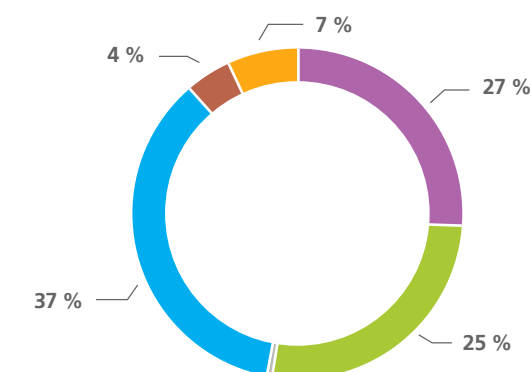
Rupees in Million

	2017	2016
<b>Wealth generated</b>		
Net premium revenue	7 615	7 243
Investment income	1 608	1 812
Rental income	144	141
Profit on deposit	84	66
Other income	( 2 )	–
	9 449	9 262
Less: Claims, Commission & Expenses (excluding employees remuneration, depreciation and donations)	( 4 292 )	( 3 804 )
Profit from general takaful operations - OPF	47	6
Net wealth generated	5 204	5 464
<b>Wealth distribution</b>		
Employees remuneration	1 530	1 447
Income tax	1 097	1 389
Contribution to society / donations	12	11
	2 639	2 847
<b>Distribution</b>		
Cash Dividend	2 000	2 000
Stock Dividend	–	–
	2 000	2 000
<b>Retained in equity</b>		
Depreciation	268	243
Retained earnings	297	374
	565	617
	5 204	5 464

Value Added - 2017



Value Added - 2016



▲ Employees Remuneration     ▲ Income Tax     ▲ Contribution to Society / Donations  
▲ Distribution to Shareholders     ▲ Depreciation     ▲ Reserves & Retained Earnings

## Vertical Analysis of Balance Sheet & Income Statement

Rupees in Million

	2017		2016		2015		2014		2013		2012	
	Rupees	%	Rupees	%	Rupees	%	Rupees	%	Rupees	%	Rupees	%
<b>Balance Sheet</b>												
Cash and Bank Deposits	1 595	4.08	1 867	5.16	1 749	5.42	1 521	5.20	2 084	7.20	1 670	5.75
Loans to Employees	3	0.01	2	0.01	2	0.01	3	0.01	2	0.01	3	0.01
Investments	23 170	59.25	20 337	56.17	19 166	59.40	15 647	53.54	14 771	51.04	13 405	46.13
Investment Properties	149	0.38	174	0.48	191	0.59	213	0.73	231	0.80	206	0.71
Current Assets	12 529	32.04	12 472	34.45	9 949	30.84	10 923	37.37	10 991	37.98	12 902	44.40
Fixed Assets	1 222	3.13	1 085	3.00	1 101	3.41	920	3.15	860	2.97	871	3.00
Total Assets	38 668	98.89	35 937	99.26	32 158	99.67	29 227	100.00	28 939	100.00	29 057	100.00
Total Assets from general takaful operations - OPF	434	1.11	267	0.74	106	0.33	-	-	-	-	-	-
<b>Total Assets</b>	<b>39 102</b>	<b>100.00</b>	<b>36 204</b>	<b>100.00</b>	<b>32 264</b>	<b>100.00</b>	<b>29 227</b>	<b>100.00</b>	<b>28 939</b>	<b>100.00</b>	<b>29 057</b>	<b>100.00</b>
Total Equity	17 047	43.60	16 901	46.68	15 847	49.12	13 111	44.86	11 908	41.15	11 131	38.31
Underwriting Provisions	14 531	37.16	13 148	36.32	11 529	35.73	12 313	42.13	13 028	45.02	14 598	50.24
Deferred Liabilities	376	0.96	380	1.05	127	0.39	117	0.40	86	0.30	88	0.30
Creditors and Accruals	6 170	15.78	4 899	13.53	4 034	12.50	3 078	10.53	3 349	11.57	2 709	9.32
Other Liabilities	740	1.89	742	2.05	668	2.08	608	2.08	568	1.96	531	1.83
Total Equity and Liabilities	38 864	99.39	36 070	99.63	32 205	99.82	29 227	100.00	28 939	100.00	29 057	100.00
Total liabilities from general takaful operations - OPF	238	0.61	134	0.37	59	0.18	-	-	-	-	-	-
<b>Total Equity and Liabilities</b>	<b>39 102</b>	<b>100.00</b>	<b>36 204</b>	<b>100.00</b>	<b>32 264</b>	<b>100.00</b>	<b>29 227</b>	<b>100.00</b>	<b>28 939</b>	<b>100.00</b>	<b>29 057</b>	<b>100.00</b>
<b>Profit and Loss Account</b>												
Written Premium	18 838		16 100		15 008		14 514		13 882		12 360	
Net Premium Revenue	7 615	100.00	7 243	100.00	6 677	100.00	6 532	100.00	6 342	100.00	6 009	100.00
Net Claims	2 975	39.07	2 694	37.19	2 998	44.90	2 973	45.51	3 406	53.71	3 297	54.87
Manangement Expenses	2 350	30.86	2 171	29.97	2 007	30.06	1 482	22.69	1 375	21.68	1 285	21.38
Net Commission	662	8.70	588	8.12	620	9.29	761	11.65	789	12.44	748	12.45
Investment Income	821	10.78	1 009	13.93	1 202	18.00	915	14.01	772	12.17	851	14.16
Rental Income	144	1.89	141	1.95	130	1.95	119	1.82	101	1.59	98	1.63
Profit on Deposits	84	1.10	66	0.91	76	1.14	115	1.76	113	1.78	116	1.93
Other Income	46	0.61	19	0.26	26	0.39	31	0.47	23	0.36	26	0.43
Share of Profit of Associate	786	10.33	802	11.07	640	9.59	404	6.18	399	6.29	390	6.49
Non-recurring - reversal of provision for impairment	-	-	-	-	1 987	29.76	-	-	-	-	-	-
General and Administration Expenses	115	1.51	50	0.69	302	4.53	592	9.06	525	8.28	513	8.54
Workers' Welfare Fund	-	-	-	-	-	-	46	0.70	32	0.50	33	0.55
Profit / (Loss) before tax from takaful operations - OPF	47	0.62	6	0.08	(3)	(0.04)	-	-	-	-	-	-
Profit Before Tax	3 441	45.19	3 781	52.20	4 809	72.03	2 262	34.63	1 623	25.58	1 614	26.85
Taxation - net	1 097	14.41	1 389	19.18	775	11.61	433	6.63	231	3.64	50	0.83
Profit After Tax	2 344	30.78	2 392	33.02	4 034	60.42	1 829	28.00	1 392	21.94	1 564	26.02

## Horizontal Analysis of Balance Sheet & Income Statement

	Rupees in Million				% Increase / (decrease) over preceding year							
	2017	2016	2015	2014	2013	2012	2017	2016	2015	2014	2013	2012
<b>Balance Sheet</b>												
Cash and Bank Deposits	1 595	1 867	1 749	1 521	2 084	1 670	( 14.57 )	6.75	14.99	( 27.02 )	24.79	( 5.01 )
Loans to Employees	3	2	2	3	2	3	50.00	-	( 33.33 )	50.00	( 33.33 )	50.00
Investments	23 170	20 337	19 166	15 647	14 771	13 405	13.93	6.11	22.49	5.93	10.19	8.69
Investment Properties	149	174	191	213	231	206	( 14.37 )	( 8.90 )	( 10.33 )	( 7.79 )	12.14	( 5.94 )
Other Assets	12 529	12 472	9 949	10 923	10 991	12 902	0.46	25.36	( 8.92 )	( 0.62 )	( 14.81 )	38.64
Fixed Assets	1 222	1 085	1 101	920	860	871	12.63	( 1.45 )	19.67	6.98	( 1.26 )	14.61
Total Assets	38 668	35 937	32 158	29 227	28 939	29 057	7.60	11.75	10.03	1.00	( 0.41 )	19.19
Total Assets from general takaful operations - OPF	434	267	106	-	-	-	62.55	151.89	100.00	-	-	-
<b>Total Assets</b>	<b>39 102</b>	<b>36 204</b>	<b>32 264</b>	<b>29 227</b>	<b>28 939</b>	<b>29 057</b>	<b>8.00</b>	<b>12.21</b>	<b>10.39</b>	<b>1.00</b>	<b>( 0.41 )</b>	<b>19.19</b>
Total Equity	17 047	16 901	15 847	13 111	11 908	11 131	0.86	6.65	20.87	10.10	6.98	11.35
Underwriting Provisions	14 531	13 148	11 529	12 313	13 028	14 598	10.52	14.04	( 6.37 )	( 5.49 )	( 10.75 )	24.94
Deferred Liabilities	376	380	127	117	86	88	( 1.05 )	199.21	8.55	36.05	( 2.27 )	49.15
Creditors and Accruals	6 170	4 899	4 034	3 078	3 349	2 709	25.94	21.44	31.06	( 8.09 )	23.62	22.86
Other Liabilities	740	742	668	608	568	531	( 0.27 )	11.08	9.87	7.04	6.97	22.35
Total Equity and Liabilities	38 864	36 070	32 205	29 227	28 939	29 057	7.75	12.00	10.19	1.00	( 0.41 )	19.19
Total liabilities from general takaful operations - OPF	238	134	59	-	-	-	77.61	127.12	100.00	-	-	-
<b>Total Equity and Liabilities</b>	<b>39 102</b>	<b>36 204</b>	<b>32 264</b>	<b>29 227</b>	<b>28 939</b>	<b>29 057</b>	<b>8.00</b>	<b>12.21</b>	<b>10.39</b>	<b>1.00</b>	<b>( 0.41 )</b>	<b>19.19</b>
<b>Profit and Loss Account</b>												
Written Premium	18 838	16 100	15 008	14 514	13 882	12 360	17.01	7.28	3.40	4.55	12.31	2.63
Net Premium Revenue	7 615	7 243	6 677	6 532	6 342	6 009	5.14	8.48	2.22	3.00	5.54	( 3.45 )
Net Claims	2 975	2 694	2 998	2 973	3 406	3 297	10.43	( 10.14 )	0.84	( 12.71 )	3.31	( 11.08 )
Change in premium deficiency reserve	-	-	-	-	-	-	-	-	-	-	-	100.00
Management Expenses	2 350	2 171	2 007	1 482	1 375	1 285	8.25	8.17	35.43	7.78	7.00	7.71
Net Commission	662	588	620	761	789	748	12.59	( 5.16 )	( 18.53 )	( 3.55 )	5.48	8.88
Investment Income	821	1 009	1 202	915	772	851	( 18.63 )	( 16.06 )	31.37	18.52	( 9.28 )	357.53
Rental Income	144	141	130	119	101	98	2.13	8.46	9.24	17.82	3.06	12.64
Profit on Deposits	84	66	76	115	113	116	27.27	( 13.16 )	( 33.91 )	1.77	( 2.59 )	4.50
Other Income	46	19	26	31	23	26	142.11	( 26.92 )	( 16.13 )	34.78	( 11.54 )	( 3.70 )
Share of Profit of Associate	786	802	640	404	399	390	( 2.00 )	25.31	58.42	1.25	2.31	59.84
Non-recurring - reversal of provision for impairment	-	-	1 987	-	-	-	-	( 100.00 )	100.00	-	-	-
General and Administration expenses	115	50	302	592	525	513	130	( 83.44 )	( 48.99 )	12.76	2.34	4.91
Worker's Welfare fund	-	-	-	46	32	33	-	-	( 100.00 )	43.75	( 3.03 )	94.12
Profit / (Loss) before tax from takaful operations - OPF	47	6	( 3 )	-	-	-	683.33	300.00	( 100.00 )	-	-	-
Profit before tax	3 441	3 781	2 822	2 262	1 623	1 614	( 8.99 )	33.98	24.76	39.37	0.56	91.69
Taxation - net	1 097	1 389	775	433	231	50	( 21.02 )	79.23	78.98	87.45	362.00	( 82.21 )
Profit after tax	2 344	2 392	2 047	1 829	1 392	1 564	( 2.01 )	16.85	11.92	31.39	( 11.00 )	178.79

## Cash Flow Summary

Rupees in Million

	2017	2016	2015	2014	2013	2012
<b>Cash Flow Summary</b>						
Operating Activities	3 088	826	1 342	(214)	1 219	292
Investing Activities	(1 248)	582	136	295	(194)	77
Financing Activities	(2 113)	(1 289)	(1 250)	(643)	(612)	(457)
Cash and Cash Equivalents at year end	1 595	1 867	1 749	1 521	2 083	1 670

## Financial Ratios

	2017	2016	2015	2014	2013	2012
<b>Profitability</b>						
Profit after Tax / Net Premium *	% 30.78	33.02	30.66	28.00	21.95	26.04
Profit before Tax / Net Premium *	% 45.19	52.20	42.26	34.63	25.59	26.86
Underwriting Result / Net Premium	% 21.38	24.70	15.77	20.15	12.17	11.30
Underwriting Result / Written Premium	% 8.64	11.11	7.02	9.07	5.56	5.49
Profit before Tax / Total Income *	% 36.06	40.72	32.25	27.87	20.94	21.55
Profit after Tax / Total Income *	% 24.56	25.76	23.39	22.54	17.96	20.88
Profit before Tax / Written Premium *	% 18.27	23.48	18.80	15.58	11.69	13.06
Profit after Tax / Written Premium *	% 12.44	14.86	13.63	12.60	10.03	12.66
Combined ratio	% 80.13	76.00	88.76	87.65	95.09	96.16
Net Claims / Net Premium	% 39.07	37.20	44.90	45.51	53.72	54.88
Net Commission / Net Premium	% 8.69	8.12	9.28	11.64	12.43	12.45
Management, General & Administration Expense / Net Premium	% 32.37	30.68	34.58	30.50	28.94	28.83
<b>Return to Shareholders</b>						
Return on Assets *	% 5.99	6.61	6.35	6.26	4.81	5.38
Return on Equity *	% 13.75	14.16	12.92	13.95	11.69	14.05
Earnings per Share *	Rs. 11.72	11.96	12.79	11.43	11.14	12.52
Earnings per Share (Restated) *	Rs. 11.72	11.96	12.79	11.43	8.70	9.78
Earnings Growth *	% (2.01)	(6.49)	11.90	31.39	(11.00)	178.79
Price to Earnings Ratio *	Times 13.05	12.63	11.22	13.38	8.25	6.83
Dividend Yield	% 6.54	6.62	5.23	3.92	5.44	5.85
Breakup Value per Share	Rs. 85.24	84.51	99.04	81.94	95.26	89.05

	2017	2016	2015	2014	2013	2012
<b>Market Data</b>						
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. 152.90	151.00	143.50	152.89	91.92	85.50
Market Price per share - Highest during the year	Rs. 175.01	179.21	168.06	159.48	99.20	100.56
Market Price per share - Lowest during the year	Rs. 133.17	116.71	133.78	92.22	77.32	36.51
Karachi Stock Exchange Index	Points 40 471	47 807	32 816	32 131	25 261	16 905
Market Capitalization	(Rs. M) 30 580	30 200	22 960	24 462	11 490	10 688
Price to Book Value	Times 1.79	1.79	1.45	1.87	0.96	0.96
Cash Dividend Per Share	Rs. 10.00	10.00	7.50	6.00	5.00	5.00
Cash Dividend	% 100.00	100.00	75.00	60.00	50.00	50.00
Stock Dividend	% Nil	Nil	25.00	Nil	28.00	Nil
Dividend Pay out	% 85.32	83.62	49.59	52.49	44.88	39.94
Dividend Cover	Times 1.17	1.20	1.71	1.91	2.23	2.50
<b>Performance / Liquidity</b>						
Current Ratio	Times 1.18	1.22	1.19	1.17	1.10	1.06
Cash / Current Liabilities	% 7.36	9.87	10.74	9.51	12.29	9.36
Total Assets Turnover	Times 0.19	0.20	0.21	0.22	0.22	0.21
Fixed Assets Turnover	Times 6.23	6.66	6.04	7.10	7.37	6.90
Total Liabilities / Equity	Times 1.29	1.14	1.04	1.23	1.43	1.61
Paid-up capital / Total Assets	% 43.60	46.69	49.12	44.86	41.15	38.31
Earning Assets / Total Assets	% 59.64	56.66	60.00	54.28	51.85	46.85
Equity / Total Assets	% 43.60	46.69	49.12	44.86	41.15	38.31
Return on Capital Employed *	% 20.19	22.38	17.81	17.25	13.63	14.50

\* For the purpose of comparative analysis only, non-recurring item of reversal of provision for impairment of Rs 1.99 billion in 2015 has been excluded.

From 2012 to 2017, the Company has improved underwriting which has resulted in improvement in underwriting ratios. i.e.

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

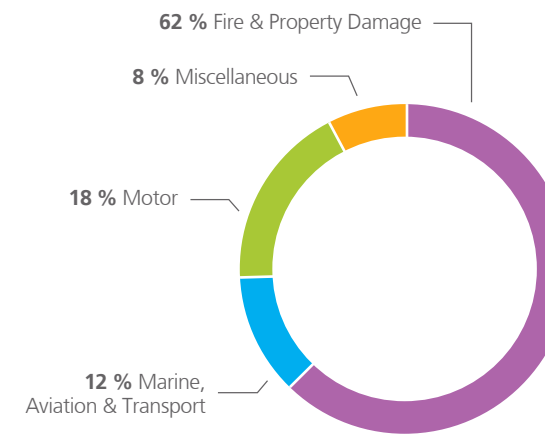
The Company has consistently paid dividends which has strengthened dividend yield over the last few years.

### Comments on Key Financial Data

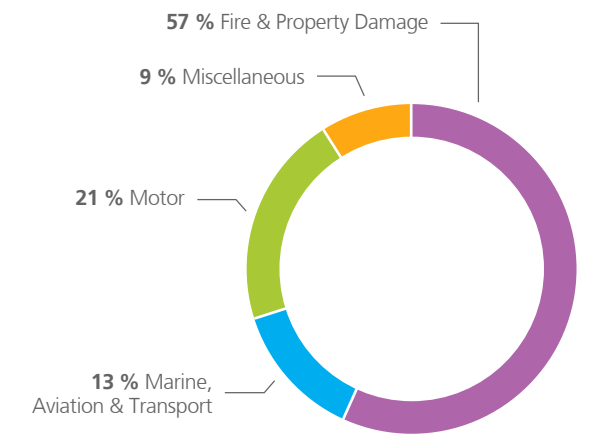
- During the year, gross written premium (including takaful contribution) registered remarkable 19 % year-on-year growth to clock in at Rs. 20.4 billion as against Rs. 17.2 billion last year.
- The net premium revenue has been depicting consistent growth over the last several years, underlining the Company's sufficient capital adequacy coupled with financial strength.
- The combined ratio has shown constant improvement over the period of six years with 96.16 % in 2012 to 80.13 % in 2017 on account of improved underwriting and lower claims ratio over the years.
- Underwriting profits have been growing at a compound annual growth rate (CAGR) of 19 % over the last 5 years, underscoring the Company's robust operational efficiency.
- Given the vigilant and dynamic investment strategies of the Company, investment & other income has been growing at a steady rate. For the year, investment & other income has clocked in at Rs. 1.9 billion despite the heightened volatility in capital markets along with low-yield environment.
- Profit before tax and profit after tax have been increasing at a compound annual growth rate (CAGR) of 16.3 % and 8.4 % respectively – emphasizing the overall forte of the Company.
- Along with the robust profitability, the Company has been maintaining a healthy payout ratio of 40 % on average.

### Analysis of Financial Statements

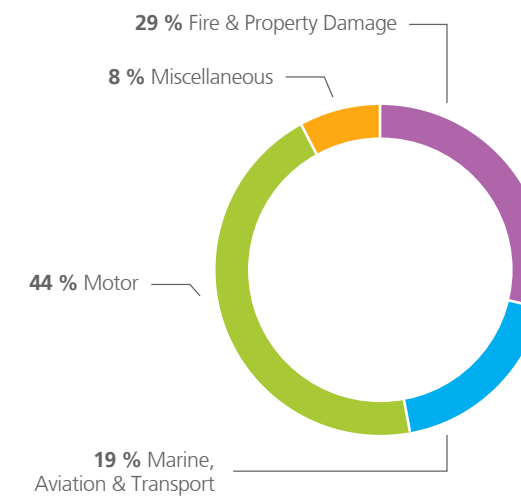
Gross Premium - 2017



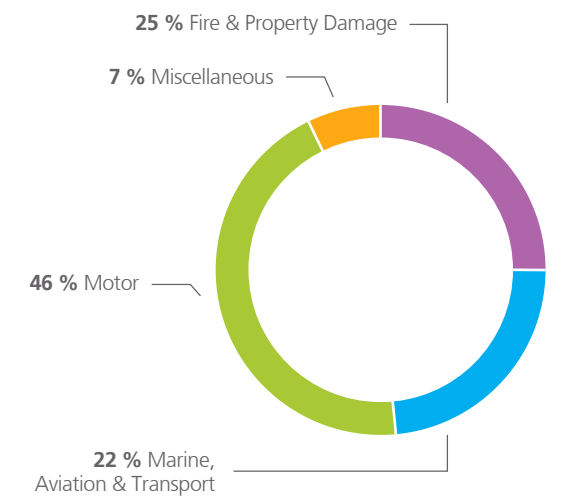
Gross Premium - 2016



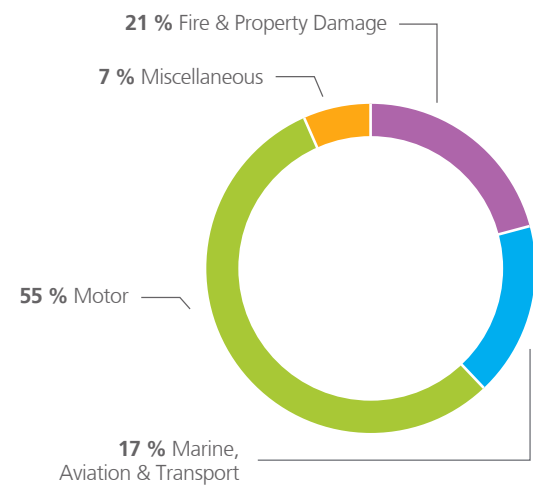
Net Premium Revenue - 2017



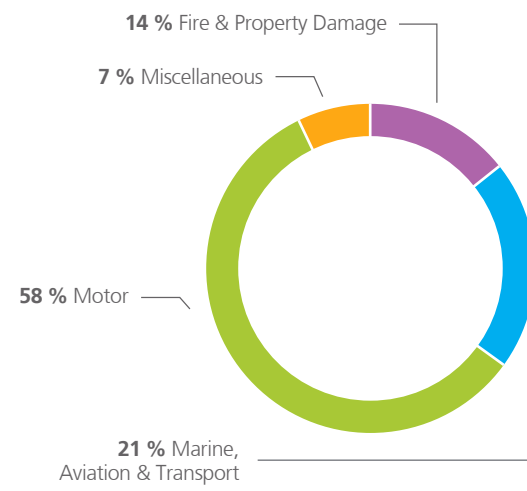
Net Premium Revenue - 2016



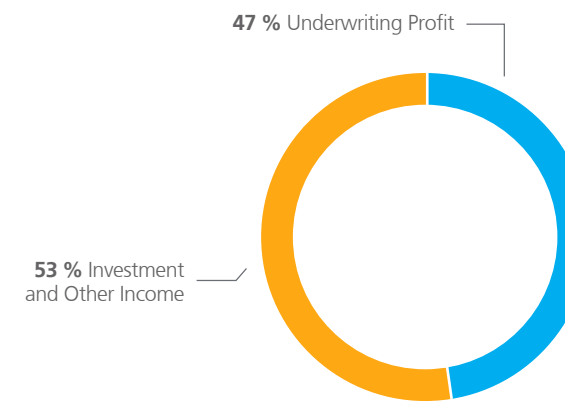
Net Claims - 2017



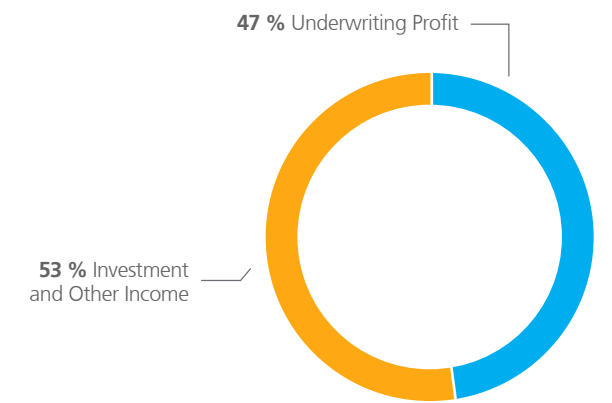
Net Claims - 2016



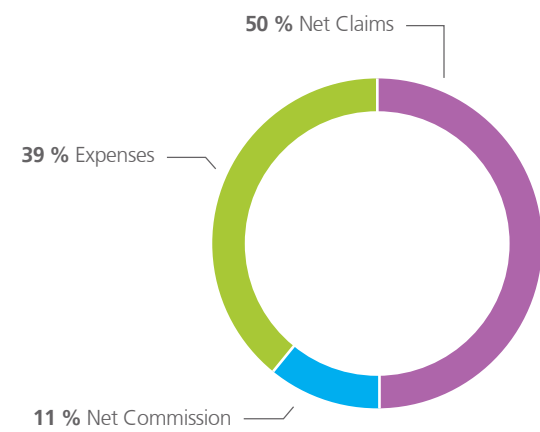
Analysis of Income - 2017



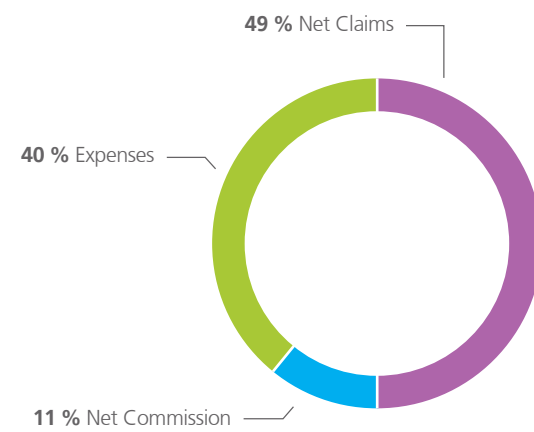
Analysis of Income - 2016



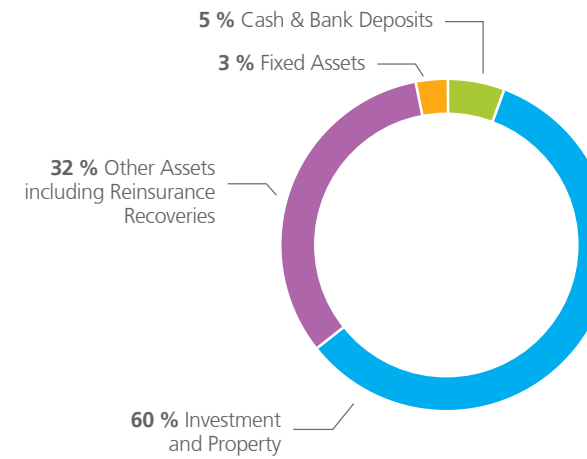
Combined Expenses - 2017



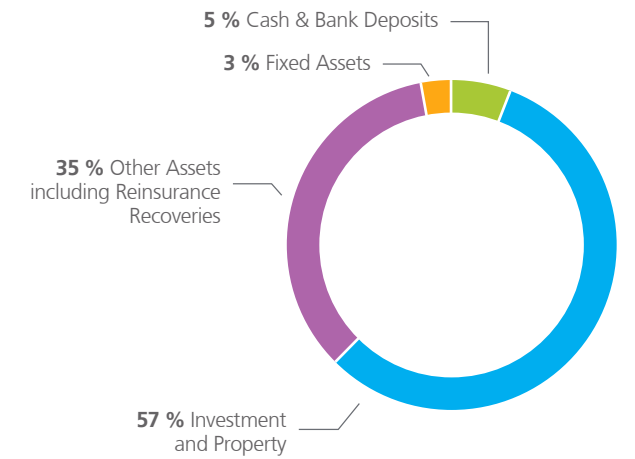
Combined Expenses - 2016



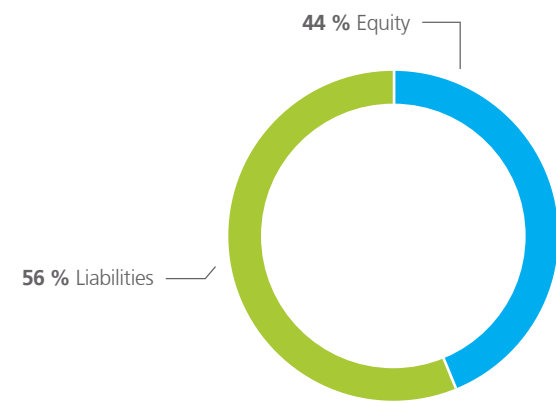
Total Assets - 2017



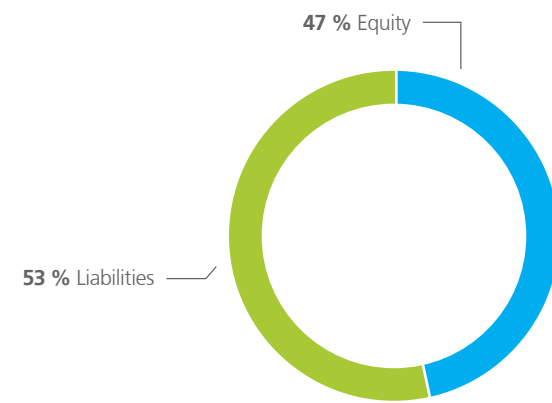
Total Assets - 2016



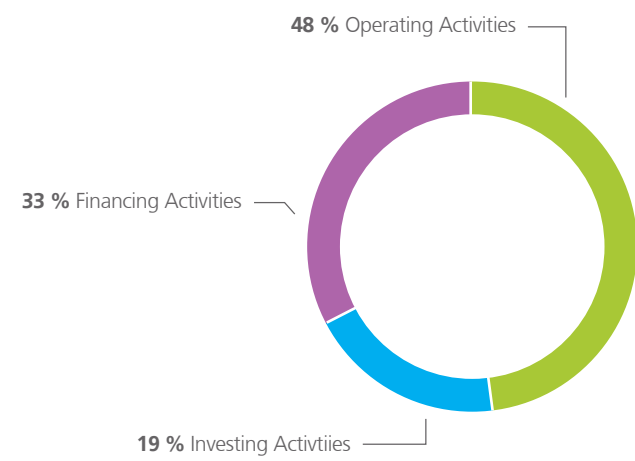
Total Equity and Liabilities - 2017



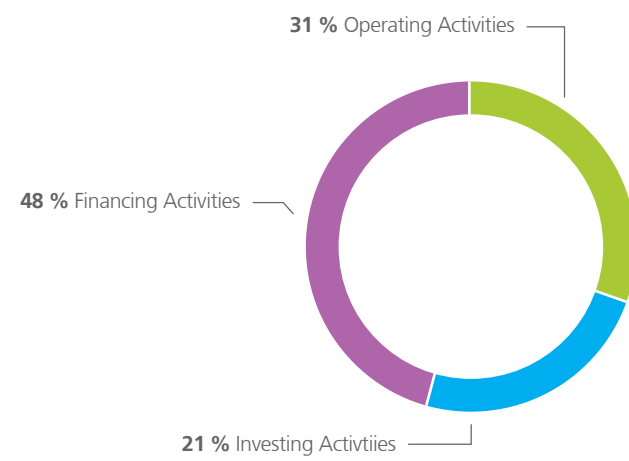
Total Equity and Liabilities - 2016



Cash Flow Analysis - 2017

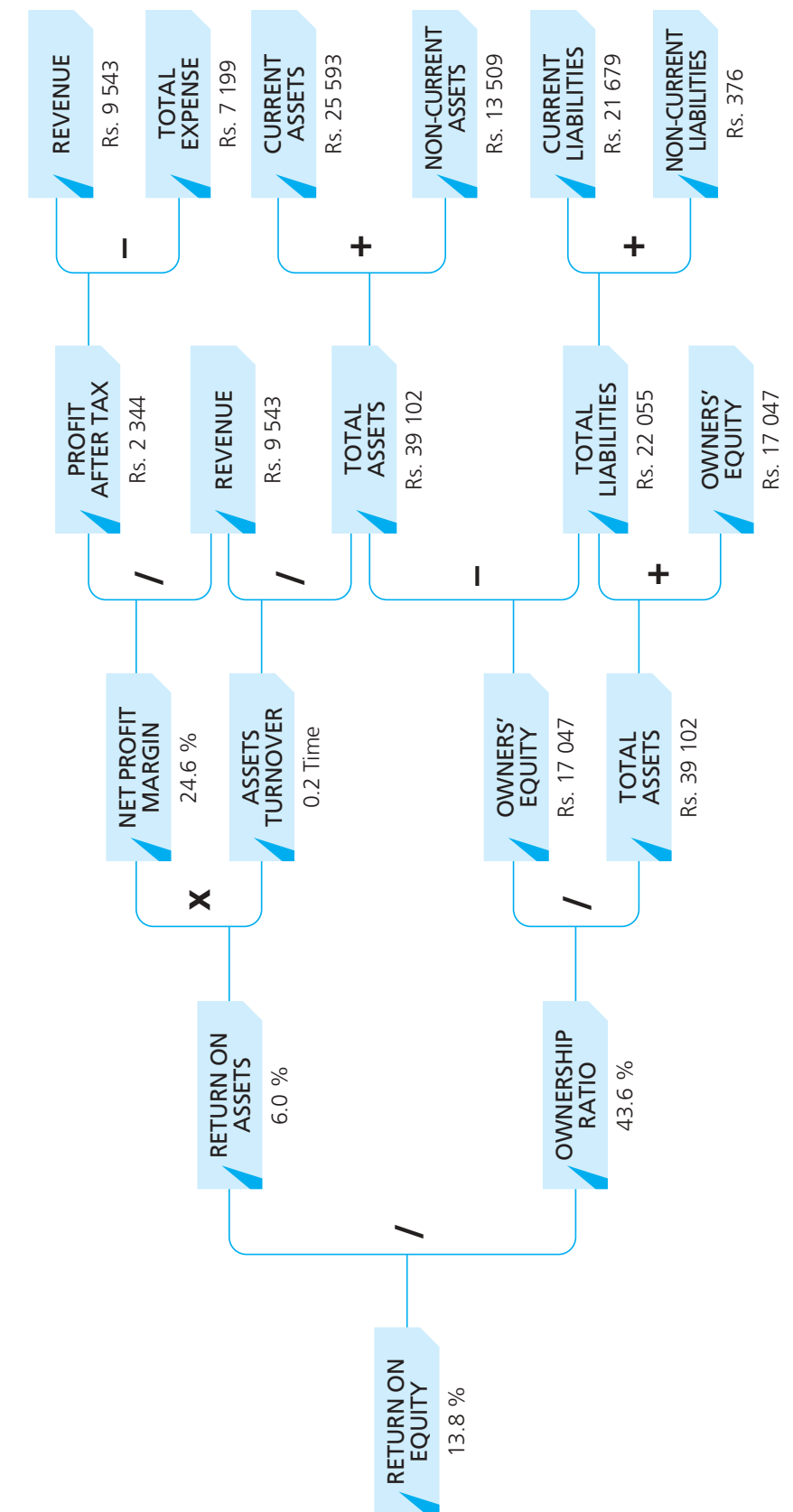


Cash Flow Analysis - 2016

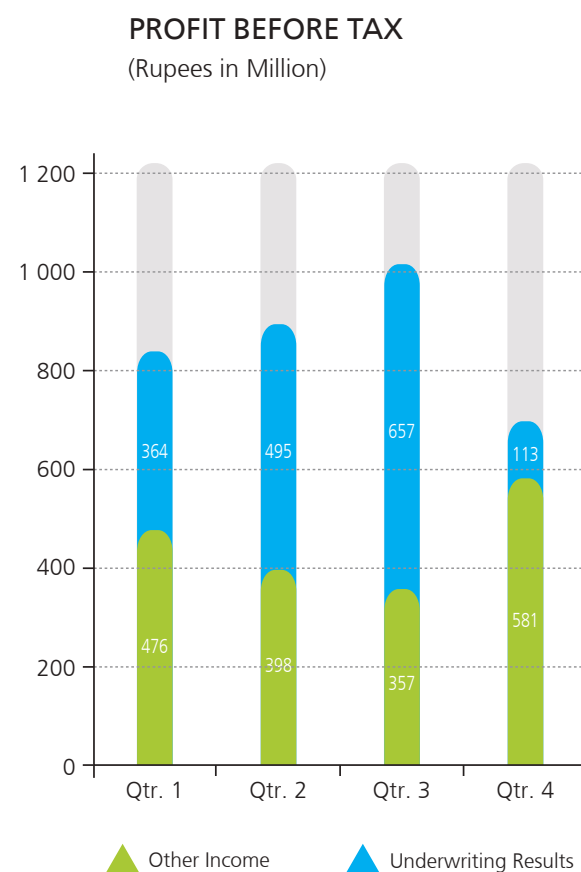


### DuPont Analysis 2017

Rupees in Million



## Analysis of Variation in Results Reported in Quarterly Accounts



**Qtr 1:** The Company reported Profit before tax of Rs. 840 million in the first quarter mainly due to overall improved net claims and increased share of profit from associate.

**Qtr 2:** The quarter resulted in Profit before tax of Rs. 893 million inclusive of underwriting results of Rs. 495 million and investment income of Rs. 261 million.

**Qtr 3:** The Company witnessed a notable increase in the gross written premium in the third quarter. The quarter resulted in Profit before tax of Rs. 1,014 million including underwriting result of Rs. 657 million.

**Qtr 4:** The fourth quarter resulted in Profit before tax of Rs. 694 million including investment income of Rs. 229 million.

## Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 & Code of Corporate Governance, 2012 For the year ended December 31, 2017

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (the code) for the purpose of establishing a framework of good governance, whereby an insurer is managed in compliance with the best practices of corporate governance and the Code of Corporate Governance 2012 (CCG 2012) as contained in Regulation no. 5.19.24 of the rule book of the Pakistan Stock Exchange.

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 interests on its Board of Directors. At present the Board includes:

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

The independent director meets the criteria of independence as laid down under the Code and CCG, 2012.

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, DFI or an NBFIs or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
4. No casual vacancy occurred on the Board during the year.
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 insurer. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All 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 the Chief Executive Officer, other executive directors and non-executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and 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 meeting. The minutes of the meeting were appropriately recorded and circulated.
9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.
10. The management of the Company has submitted a Booklet to the Board of Directors during the year 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. Seven directors of the Company have acquired certification under the Director's training program from Pakistan Institute of Corporate Governance, one Director meets the criteria of eligibility for exemption from certification and one newly elected director will certify himself in the year 2018.
11. 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.



12. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and CCG 2012 and fully describes the salient matters required to be disclosed.
13. The financial statements of the company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
14. The directors, Chief Executive Officer and executives do not hold any interest in the shares of the company other than disclosed in the pattern of shareholding.
15. The company has complied with all the corporate and financial reporting requirements of Code and CCG 2012.
16. The Board has formed the following Board Committees:

**Ethics, Human Resource and Remuneration Committee:**

<u>Name of the Member</u>	<u>Category</u>
Mr. Saifuddin N. Zoomkawala	Chairman - Non-Executive Director
Mr. Muneer R. Bhimjee	Member - Non-Executive Director
Mr. Hasanali Abdullah	Member - Executive Director

**Investment Committee:**

<u>Name of the Member</u>	<u>Category</u>
Mr. Saifuddin N. Zoomkawala	Chairman - Non-Executive Director
Mr. Hasanali Abdullah	Member - Executive Director
Mr. Muneer R. Bhimjee	Member - Non-Executive Director
Mr. Altaf Gokal	Chief Financial Officer & Corporate Secretary
Mr. Atif Anwer	Senior Executive Vice President (Finance)

17. The Board has formed an Audit Committee. It comprises of four members, of whom three are non-executive directors and one is an independent director. The chairman of the Committee is an independent and non-executive director. The composition of the Audit Committee is as follows:

**Audit Committee:**

<u>Name of the Member</u>	<u>Category</u>
Mr. Mohammed Iqbal Mankani	Chairman - Independent Director
Mr. Muneer R. Bhimjee	Member - Non Executive Director
Mr. Taher G. Sachak	Member - Non Executive Director
Mr. Ali Raza Siddiqui	Member - Non Executive Director

During the year ended 31 December 2017, Mr. Muneer R. Bhimjee was the chairman of the audit committee who was replaced by the Mr. Mohammad Iqbal Mankani (independent director) on 06 January 2018.

18. The Board has formed the following Management Committees:

**Underwriting Committee:**

<u>Name of the Member</u>	<u>Category</u>
Mr. Hasanali Abdullah	Chairman
Mr. Mahmood Lotia	Member
Mr. Khurram Ali Khan	Member
Mr. Kamran Arshad Inam	Member
Mr. Imran Ahmed	Member - Secretary
Mr. Khurram Nasim	Member
Mr. Muhammad Sohail Nazir	Member

**Claim Settlement Committee:**

<u>Name of the Member</u>	<u>Category</u>
Mr. Hasanali Abdullah	Chairman
Mr. Aftab Fakhruddin	Member - Secretary
Mr. Badar Amin Sissodia	Member
Mr. Farrukh Aamir Baig	Member
Ms. Fatima Bano	Member

**Reinsurance & Co-insurance Committee:**

<u>Name of the Member</u>	<u>Category</u>
Mr. Hasanali Abdullah	Chairman
Mr. Mahmood Lotia	Member
Mr. Altaf Gokal	Member
Mr. Khurram Ali Khan	Member
Mr. Imran Ahmed	Member
Mr. Kamran Arshad Inam	Member
Mr. Darius H. Sidhwa	Member
Mr. Khurram Nasim	Member
Mr. Muhammad Sohail Nazir	Member
Mr. Pervez Ahmed	Member - Secretary

**Risk Management & Compliance Committee:**

<u>Name of the Member</u>	<u>Category</u>
Mr. Mahmood Lotia	Chairman
Mr. Altaf Gokal	Member
Mr. Khurram Ali Khan	Member
Mr. Darius H. Sidhwa	Member
Mr. Hameed Qureshi	Member
Mr. Atif Anwar	Member - Secretary
Mr. Ali Ghulam Ali	Member

The functions of Nominations Committee are being performed by the Board.

19. The meetings of the Committees, were held at least once every quarter prior to approval of interim and final results of the company and as required by this Code. The terms of references of the Committees have been formed and advised to the Committees for compliance.
20. The Board has set up an effective internal audit department which comprises of suitably qualified and experienced staff for the purpose and are conversant with the policies and procedures of the company and are involved in the internal audit function on a regular basis.
21. The Chief Executive Officer, Chief Financial Officer & Corporate Secretary, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code. Moreover, the persons heading the underwriting,

claim, reinsurance, risk management and grievance function possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

<u>Name of the Person</u>	<u>Designation</u>	<u>Qualification</u>	<u>Experience</u>
Mr. Hasanali Abdullah	Chief Executive Officer	FCA	Working in EFU since 1979
Mr. Altaf Gokal	Chief Financial Officer, Corporate Secretary and Compliance Officer	FCA	Working in EFU since 1989
Mr. Ali Ghulam Ali	Head of Internal Audit	ACA	Working in EFU since 2011
Mr. Mahmood Lotia	Head of Underwriting, Claims, Reinsurance and Risk Management	A.C.I.I	Working in EFU since 1991
Mr. Aftab Fakhruddin	Head of Grievance Function	B.E, Dip. C.I.I	Working in EFU since 1990

22. The statutory auditors of the company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors 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 the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the institute of Chartered Accountants of Pakistan.
23. The statutory auditors or the persons associated with them have not been appointed to provide other services and the auditors have confirmed that they have observed IFAC guidelines in this regard.
24. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code of Corporate Governance for Insurer 2016.
25. The Board ensures that the risk management system of the Company is in place as per the requirements of the Code of Corporate Governance for Insurer, 2016.
26. The Board has set up a Risk Management function, which carries out its tasks as covered under Code of Corporate Governance for Insurers, 2016.
27. The Company has been rated by PACRA and JCR-VIS and the rating assigned by these rating agencies on December 30, 2017 and August 25, 2017 is AA+ with stable outlook.
28. The Board has set up Grievance function in compliance with the requirement of the Code of Corporate Governance for Insurers, 2016.
29. The Company has not obtained any exemption from the Securities and Exchange Commission of Pakistan in respect of the requirements of the Code of Corporate Governance for Insurers, 2016.
30. 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 as required by CCG 2012.
31. Material / price sensitive information has been disseminated among all market participants at once through the Pakistan Stock Exchange as required by CCG 2012.
32. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
33. We confirm that all other material principles contained in Code and CCG, 2012 have been complied.

TAHER G. SACHAK  
Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2018

## 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 with the best practices contained in the Code of Corporate Governance for Insurers, 2016 and Code of Corporate Governance, 2012 as mentioned in the Regulation No. 5.19.24 of the Rule Book of Pakistan Stock Exchange ("PSX") (combined called 'the Code') as prepared by the Board of Directors ("the Board") of EFU General Insurance Limited ("the Company") for the year ended 31 December 2017 to comply with the requirements of Listing Regulations of PSX 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 of Compliance 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 a part of our audit of the 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 Director's 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 this 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 of Compliance 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 2017.

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Muhammad Taufiq

Karachi 14 February 2018

## Independent Reasonable Assurance Report to the Board of Directors on the Statement of Management's Assessment of Compliance with the Shari'ah Principles

We were engaged by the Board of Directors of EFU general Insurance Company Limited ("the Company") to report on the management's assessment of compliance of the Window Takaful Operations ("Takaful Operations") of the Company, as set out in the annexed statement prepared by the management for the year 31 December 2017, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of compliance of the Operations with the Takaful Rules, 2012, in all material respects.

### Applicable Criteria

The criteria against which the subject matter information (the Statement) is assessed comprise of the provisions of Takaful Rules 2012.

### Responsibilities of the Management

The Board of Directors / management of the Company are responsible for designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012.

The Board of Directors / management of the Company are also responsible for preventing and detecting fraud and for identifying and ensuring that the Takaful Operations comply with laws and regulations applicable to its activities. They are also responsible for ensuring that the management, where appropriate, those charged with governance, and personnel involved with the Takaful Operations compliance with the Takaful Rules, 2012 are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

### Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Our responsibilities

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Takaful Operations compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012. Reasonable assurance is less than absolute assurance.

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed included:

- Evaluate the systems, procedures and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah advisor's guidelines;
- Evaluating the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shari'ah Advisor and the board of directors;
- Test for a sample of transactions relating to Takaful operations to ensure that these are carried out in accordance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012; and
- Review the statement of management's assessment of compliance of the Takaful transactions during the year ended 31 December 2017 with the Takaful Rules, 2012.

### Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the annexed statement, for the year ended 31 December 2017, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

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KPMG Taseer Hadi & Co.  
Chartered Accountants

Karachi 14 February 2018

## Profile of Shari'ah Advisor - Window Takaful Operations

Shari'ah Advisor of EFU General Insurance - Window Takaful Operations is Mufti Ibrahim Essa, a well-known recognized Shari'ah 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 Shari'ah Supervisory Board - Sindh Bank Limited and Member Shari'ah Supervisory Board – Habib Metropolitan Bank Limited. He is also the Shari'ah 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, etc. take the Shari'ah 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.

## Shari'ah Advisory Report to the Board of Directors For the year ended December 31, 2017

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

The Company, EFU General Insurance Limited started its Window Takaful Operations on 6th May 2015. By the grace of Allah, the year under review was the third successful year of Takaful in EFU General. In this year, the Management, sales personals and Board of Directors shown their sincere efforts for the promotion of Takaful and underwritten good numbers in Takaful that crossed 1.5 billion of Takaful contributions and maintained to be the Takaful Leader of the Industry.

#### Progress of the Year:

During the period under review; EFU General Window Takaful Operations (EFU General-WTO) has achieved significant successes, details of which are as follow:

1. Alhamdulillah, EFU General- Window Takaful Operations maintained to be the Takaful Leader of the Industry.
2. Dedicated Window Takaful Branch of Head office successfully recorded the Takaful contracts executed during the year.
3. Divisions and Branches fully participated in the business of Takaful in the different locations of the Country. Now the number of divisions have been allowed to underwrite and record the business independently. By this way, the Divisions confidently underwritten the Takaful policies which increased the size of Takaful and they provided the excellent service of Takaful to their Participants.
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.

#### 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 and claims paid during the year under review are in accordance with the guidelines of Shari'ah.
- 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.
- 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.

- 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 were followed in every aspect of practical implementation of EFU General-WTO in this year. 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

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Muhammad Ibrahim Essa  
Shari'ah Advisor

EFU General Window Takaful Operations

6th February, 2018

## 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 2017 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 repealed 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 auditing standards 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 repealed 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 repealed 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 2017 and of the profit, 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 repealed 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 that Ordinance.

The financial statements of the Company for the year ended 31 December 2016 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon dated 14 February 2017.

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KPMG Taseer Hadi & Co.  
Chartered Accountants

Muhammad Taufiq

Karachi 14 February 2018

## 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 funds;
- (v) statement of cash flows;
- (vi) statement of contributions;
- (vii) statement of claims;
- (viii) statement of expenses; and
- (ix) statement of investment income

of EFU General Insurance Limited - Window Takaful Operations ("the Company") as at 31 December 2017 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 repealed 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 auditing standards 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 repealed 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 repealed 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 2017 and of the profit, its cash flows and changes in funds 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 repealed Companies Ordinance, 1984; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The financial statements of the Company for the year ended 31 December 2016 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon dated 14 February 2017.

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Muhammad Taufiq

Karachi 14 February 2018



# Financial Statements

For the year ended 31 December 2017



## Balance Sheet As At 31 December 2017

	Note	2017	2016		Note	2017	2016
Rupees '000							
<b>Share capital and reserves</b>				<b>Cash and bank deposits</b>			
Authorised share capital				Cash and other equivalents	9	9 804	7 730
200 000 000 (2016: 200 000 000) ordinary shares of Rs. 10 each		2 000 000	2 000 000	Current and other accounts	10	1 154 405	1 187 856
				Deposits maturing within 12 months	11	430 550	671 880
Issued, subscribed and paid-up share capital	4	2 000 000	2 000 000			1 594 759	1 867 466
Reserves and retained earnings	5	15 047 221	14 901 071	<b>Loans - secured considered good</b>			
		17 047 221	16 901 071	To employees	12	3 066	2 258
<b>Underwriting provisions</b>				<b>Investments</b>	13	23 170 277	20 336 529
Provision for outstanding claims (including IBNR)		5 572 347	5 415 030	<b>Investment properties</b>	14	149 120	174 081
Provision for unearned premium		8 496 686	7 388 680	<b>Current assets - others</b>			
Commission income unearned	21	461 616	343 977	Premiums due but unpaid - net	15	2 802 182	3 980 010
Total underwriting provisions		14 530 649	13 147 687	Amounts due from other insurers / reinsurers		16 887	17 862
<b>Deferred liabilities</b>				Salvage recoveries accrued		68 458	36 627
Deferred taxation	6	376 377	380 062	Accrued investment income	16	66 616	173 970
<b>Creditors and accruals</b>				Reinsurance recoveries against outstanding claims		3 538 572	3 424 617
Premiums received in advance		31 487	4 597	Taxation - payments less provision		95 797	-
Amounts due to other insurers / reinsurers		4 992 011	3 584 545	Deferred commission expense		689 587	564 645
Accrued expenses		227 879	235 112	Prepayments	17	5 202 181	4 207 314
Agent balances		499 928	573 490	Security deposits		7 780	8 758
Unearned rentals		70 986	55 642	Sundry receivables	18	41 156	57 802
Taxation - provision less payments		-	208 186			12 529 216	12 471 605
Other creditors and accruals	7	347 219	237 785	<b>Fixed assets - tangible and intangible</b>	19		
		6 169 510	4 899 357	Buildings		454 414	416 045
<b>Other liabilities</b>				Furniture, fixtures and office equipments		284 530	299 653
Other deposits		543 677	583 291	Vehicles		291 126	231 276
Unclaimed dividends		196 503	159 020	Motor tracking devices		183 670	135 187
		740 180	742 311	Capital work-in-progress	20	8 550	2 750
<b>Total liabilities</b>		21 816 716	19 169 417			1 222 290	1 084 911
<b>Total equity and liabilities</b>		38 863 937	36 070 488	<b>Total assets</b>		38 668 728	35 936 850
<b>Total liabilities of takaful operations - OPF</b>		238 378	133 715	<b>Total assets of takaful operations - OPF</b>		433 587	267 353
<b>Total equity and liabilities</b>		39 102 315	36 204 203	<b>Total assets</b>		39 102 315	36 204 203
Contingencies	8						

The annexed notes 1 to 36 form an integral part of these financial statements.

TAHER G. SACHAK  
Director

MUNEER R. BHIMJEE  
Director

ALTAF GOKAL  
Chief Financial Officer &  
Corporate Secretary

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman



## Profit and Loss Account For the year ended 31 December 2017

						Rupees '000	
Note	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty	Aggregate 2017	Aggregate 2016
<b>Revenue account</b>							
Net premium revenue	2 190 215	1 416 819	3 424 607	582 917	-	7 614 558	7 242 821
Net claims	(622 684)	(506 524)	(1 647 299)	(198 564)	-	(2 975 071)	(2 694 098)
Management expenses	22 (695 979)	(407 774)	(1 063 581)	(182 292)	-	(2 349 626)	(2 171 564)
Net commission	(237 526)	(215 884)	(285 635)	77 529	-	(661 516)	(588 140)
<b>Underwriting result</b>	<u>634 026</u>	<u>286 637</u>	<u>428 092</u>	<u>279 590</u>	<u>-</u>	<u>1 628 345</u>	<u>1 789 019</u>
<b>Investment income</b>							
Rental income						821 287	1 009 428
Profit on deposits						143 813	140 626
Other income	23					83 631	65 650
Share of profit of associate	13.1.1					46 170	18 753
General and administration expenses	24					786 429	802 361
						(115 484)	(50 470)
						<u>1 765 846</u>	<u>1 986 348</u>
Profit before tax from takaful operations - OPF	25					46 855	5 917
<b>Profit before tax</b>						<u>3 441 046</u>	<u>3 781 284</u>
<b>Provision for taxation</b>	26					(1 097 227)	(1 388 842)
<b>Profit after tax</b>						<u>2 343 819</u>	<u>2 392 442</u>
<b>Profit and loss appropriation account</b>							
Balance at commencement of the year						2 388 169	3 734 110
Profit after tax						2 343 819	2 392 442
Other comprehensive (loss)						(47 669)	(18 383)
						<u>2 296 150</u>	<u>2 374 059</u>
Final dividend for the year 2016 Rs. 7.00 (70 %) per share (2015: Rs. 4.50 (45 %) per share)						(1 400 000)	(720 000)
Issuance of bonus shares for the year 2016 Rs. Nil per share (2015: Rs. 2.50 (25 %) per share)						-	(400 000)
First interim dividend for the year 2017 Rs. 1.25 (12.50 %) per share (2016: Re 1.00 (10 %) per share)						(250 000)	(200 000)
Second interim dividend for the year 2017 Rs. 1.25 (12.50 %) per share (2016: Re 1.00 (10 %) per share)						(250 000)	(200 000)
Third interim dividend for the year 2017 Rs. 1.25 (12.50 %) per share (2016: Re 1.00 (10 %) per share)						(250 000)	(200 000)
Transfer to general reserve						(500 000)	(2 000 000)
<b>Balance at the end of the year</b>						<u>2 034 319</u>	<u>2 388 169</u>
<b>Earnings per share - basic and diluted</b>	27				(Rupees)	<u>11.72</u>	<u>11.96</u>

The annexed notes 1 to 36 form an integral part of these financial statements.

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

Karachi 14 February 2018

## Statement of Comprehensive Income For the year ended 31 December 2017

		Rupees '000	
		2017	2016
Profit after tax		2 343 819	2 392 442
<b>Other comprehensive (loss)</b>			
<i>Item not to be reclassified to profit and loss account in subsequent periods:</i>			
Actuarial losses on defined benefit plans		(68 249)	(27 189)
Related deferred tax		20 580	8 806
		(47 669)	(18 383)
<b>Total comprehensive income for the year</b>		<u>2 296 150</u>	<u>2 374 059</u>

The annexed notes 1 to 36 form an integral part of these financial statements.

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

Karachi 14 February 2018





## Statement of Changes in Equity For the year ended 31 December 2017

	Rupees '000				
	Share capital	General reserve	Reserve for exceptional losses	Unappropriated profit	Total
Balance as at 01 January 2016	1 600 000	10 500 000	12 902	3 734 110	15 847 012
<b>Total comprehensive income for the year ended 31 December 2016</b>					
Profit after tax	-	-	-	2 392 442	2 392 442
Other comprehensive (loss)	-	-	-	(18 383)	(18 383)
	-	-	-	2 374 059	2 374 059
<b>Transactions with owners recorded directly in equity</b>					
Final dividend for the year 2015 at the rate of Rs. 4.50 (45 %) per share	-	-	-	(720 000)	(720 000)
Issuance of bonus shares for the year 2015 at the rate of Rs. 2.50 (25 %) per share	400 000	-	-	(400 000)	-
First interim dividend for the year 2016 at the rate of Re. 1.00 (10 %) per share	-	-	-	(200 000)	(200 000)
Second interim dividend for the year 2016 at the rate of Re. 1.00 (10 %) per share	-	-	-	(200 000)	(200 000)
Third interim dividend for the year 2016 at the rate of Re. 1.00 (10 %) per share	-	-	-	(200 000)	(200 000)
<b>Other transfer within equity</b>					
Transfer to general reserve	-	2 000 000	-	(2 000 000)	-
	400 000	2 000 000	-	(3 720 000)	(1 320 000)
Balance as at 31 December 2016	2 000 000	12 500 000	12 902	2 388 169	16 901 071
Balance as at 01 January 2017	2 000 000	12 500 000	12 902	2 388 169	16 901 071
<b>Total comprehensive income for the year ended 31 December 2017</b>					
Profit after tax	-	-	-	2 343 819	2 343 819
Other comprehensive (loss)	-	-	-	(47 669)	(47 669)
	-	-	-	2 296 150	2 296 150
<b>Transactions with owners recorded directly in equity</b>					
Final dividend for the year 2016 at the rate of Rs. 7.00 (70 %) per share	-	-	-	(1 400 000)	(1 400 000)
First interim dividend for the year 2017 at the rate of Rs. 1.25 (12.50 %) per share	-	-	-	(250 000)	(250 000)
Second interim dividend for the year 2017 at the rate of Rs. 1.25 (12.50 %) per share	-	-	-	(250 000)	(250 000)
Third interim dividend for the year 2017 at the rate of Rs. 1.25 (12.50 %) per share	-	-	-	(250 000)	(250 000)
<b>Other transfer within equity</b>					
Transfer to general reserve	-	500 000	-	(500 000)	-
	-	500 000	-	(2 650 000)	(2 150 000)
Balance as at 31 December 2017	2 000 000	13 000 000	12 902	2 034 319	17 047 221

The annexed notes 1 to 36 form an integral part of these financial statements.

TAHER G. SACHAK Director	MUNEER R. BHIMJEE Director	ALTAJ GOKAL Chief Financial Officer & Corporate Secretary	HASANALI ABDULLAH Managing Director & Chief Executive	SAIFUDDIN N. ZOOMKAWALA Chairman
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Karachi 14 February 2018

## Statement of Cash Flows For the year ended 31 December 2017

	Rupees '000	
	2017	2016
<b>Operating activities</b>		
a) Underwriting activities		
Premiums received	20 042 423	15 405 086
Reinsurance premiums paid	(9 668 087)	(8 144 932)
Claims paid	(5 099 250)	(4 341 904)
Reinsurance and other recoveries received	2 136 686	1 411 106
Commissions paid	(1 714 066)	(1 298 194)
Commissions received	971 685	735 329
Management expenses paid	(2 114 942)	(1 920 001)
Net cash inflow from underwriting activities	4 554 449	1 846 490
b) Other operating activities		
Income tax paid	(1 452 564)	(1 053 066)
General and administration expenses	(42 958)	17 419
Other operating payments	(32 134)	(75 233)
Other operating receipts	61 972	90 768
Loans advanced	(4 685)	(1 874)
Loans repayments received	3 877	1 731
Net cash outflow from other operating activities	(1 466 492)	(1 020 255)
<b>Total cash inflow from all operating activities</b>	3 087 957	826 235
<b>Investment activities</b>		
Profit / return received	675 894	430 477
Dividends received	970 280	675 116
Rentals received	112 334	98 173
Payments for investments	(15 282 869)	(10 247 159)
Proceeds from disposal of investments	12 618 783	9 817 061
Fixed capital expenditures	(386 362)	(212 593)
Proceeds from disposal of fixed assets	43 794	20 572
<b>Total cash (outflow) / inflow from investing activities</b>	(1 248 146)	581 647
<b>Financing activities</b>		
Total cash (outflow) from financing activities - Dividends paid	(2 112 518)	(1 289 412)
<b>Net cash (outflow) / inflow from all activities</b>	(272 707)	118 470
Cash at the beginning of the year	1 867 466	1 748 996
<b>Cash at the end of the year</b>	1 594 759	1 867 466
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	3 087 957	826 235
Depreciation / amortisation expense	(267 622)	(243 355)
Rentals and investment income	918 278	1 107 995
Profit on deposits	83 631	65 650
Other income	54 609	19 000
Share of profit of associate	786 429	802 361
Increase in assets other than cash	228 744	2 488 305
Increase in liabilities other than running finance	(2 595 062)	(2 679 666)
<b>Profit after tax from conventional insurance operations</b>	2 296 964	2 386 525
<b>Profit from takaful operations - OPF</b>	46 855	5 917
<b>Profit after tax at the end of the year</b>	2 343 819	2 392 442
<b>Definition of cash</b>		
Cash for the purposes of the statement of cash flows consists of:		
Cash and other equivalents	9 804	7 730
Current and other accounts	1 154 405	1 187 856
Deposits maturing within 12 months	430 550	671 880
	1 594 759	1 867 466

The annexed notes 1 to 36 form an integral part of these financial statements.

TAHER G. SACHAK Director	MUNEER R. BHIMJEE Director	ALTAJ GOKAL Chief Financial Officer & Corporate Secretary	HASANALI ABDULLAH Managing Director & Chief Executive	SAIFUDDIN N. ZOOMKAWALA Chairman
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Karachi 14 February 2018



## Statement of Premiums For the year ended 31 December 2017

Class	Rupees '000									
	Premiums				Reinsurance				Net premium revenue 2017	Net premium revenue 2016
	Written	Unearned premium reserve		Earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense		
		Opening	Closing			Opening	Closing			
<b>Direct and facultative</b>										
Fire and property damage	11 720 525	4 679 957	5 686 252	10 714 230	9 360 998	3 602 923	4 439 906	8 524 015	2 190 215	1 822 429
Marine, aviation and transport	2 235 310	529 897	593 857	2 171 350	846 611	220 450	312 530	754 531	1 416 819	1 573 459
Motor	3 451 823	1 581 063	1 591 975	3 440 911	16 304	-	-	16 304	3 424 607	3 311 545
Miscellaneous	1 430 048	597 763	624 602	1 403 209	851 639	328 300	359 647	820 292	582 917	535 388
<b>Total</b>	<b>18 837 706</b>	<b>7 388 680</b>	<b>8 496 686</b>	<b>17 729 700</b>	<b>11 075 552</b>	<b>4 151 673</b>	<b>5 112 083</b>	<b>10 115 142</b>	<b>7 614 558</b>	<b>7 242 821</b>
<b>Treaty - proportional</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>18 837 706</b>	<b>7 388 680</b>	<b>8 496 686</b>	<b>17 729 700</b>	<b>11 075 552</b>	<b>4 151 673</b>	<b>5 112 083</b>	<b>10 115 142</b>	<b>7 614 558</b>	<b>7 242 821</b>

Note: Premiums written includes administrative surcharge of Rs. 469 million (2016: Rs. 431 million)

The annexed notes 1 to 36 form an integral part of these financial statements.

TAHER G. SACHAK  
Director

MUNEER R. BHIMJEE  
Director

ALTAFF GOKAL  
Chief Financial Officer &  
Corporate Secretary

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2018

## Statement of Claims For the year ended 31 December 2017

Class	Rupees '000									
	Claims				Reinsurance				Net claims expense 2017	Net claims expense 2016
	Paid	Outstanding		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue		
		Opening	Closing			Opening	Closing			
<b>Direct and facultative</b>										
Fire and property damage	2 316 556	3 179 851	3 493 758	2 630 463	1 783 275	2 580 812	2 805 316	2 007 779	622 684	390 350
Marine, aviation and transport	702 959	852 211	743 235	593 983	190 422	404 138	301 175	87 459	506 524	556 969
Motor	1 698 330	825 109	773 971	1 647 192	(107)	3 800	3 800	(107)	1 647 299	1 552 609
Miscellaneous	349 575	557 859	561 383	353 099	162 121	435 867	428 281	154 535	198 564	194 170
<b>Total</b>	<b>5 067 420</b>	<b>5 415 030</b>	<b>5 572 347</b>	<b>5 224 737</b>	<b>2 135 711</b>	<b>3 424 617</b>	<b>3 538 572</b>	<b>2 249 666</b>	<b>2 975 071</b>	<b>2 694 098</b>
<b>Treaty - proportional</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>5 067 420</b>	<b>5 415 030</b>	<b>5 572 347</b>	<b>5 224 737</b>	<b>2 135 711</b>	<b>3 424 617</b>	<b>3 538 572</b>	<b>2 249 666</b>	<b>2 975 071</b>	<b>2 694 098</b>

The annexed notes 1 to 36 form an integral part of these financial statements.

TAHER G. SACHAK  
Director

MUNEER R. BHIMJEE  
Director

ALTAFF GOKAL  
Chief Financial Officer &  
Corporate Secretary

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2018



## Statement of Expenses For the year ended 31 December 2017

Class	Rupees '000								
	Paid or payable	Commission		Net expense	Other management expenses	Underwriting expense	Commission from reinsurers (Note 21)	Net underwriting	Net underwriting
		Opening	Closing					expenses	expenses
								2017	2016
<b>Direct and facultative</b>									
Fire and property damage	982 337	333 386	452 526	863 197	695 979	1 559 176	625 671	933 505	762 433
Marine, aviation and transport	264 191	51 549	59 420	256 320	407 774	664 094	40 436	623 658	678 932
Motor	286 002	134 154	134 521	285 635	1 063 581	1 349 216	-	1 349 216	1 251 322
Miscellaneous	107 974	45 556	43 120	110 410	182 292	292 702	187 939	104 763	67 017
<b>Total</b>	<b>1 640 504</b>	<b>564 645</b>	<b>689 587</b>	<b>1 515 562</b>	<b>2 349 626</b>	<b>3 865 188</b>	<b>854 046</b>	<b>3 011 142</b>	<b>2 759 704</b>
<b>Treaty - proportional</b>	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>1 640 504</b>	<b>564 645</b>	<b>689 587</b>	<b>1 515 562</b>	<b>2 349 626</b>	<b>3 865 188</b>	<b>854 046</b>	<b>3 011 142</b>	<b>2 759 704</b>

The annexed notes 1 to 36 form an integral part of these financial statements.

## Statement of Investment Income For the year ended 31 December 2017

	Rupees '000	
	2017	2016
<b>Income from non - trading investments</b>		
Return on government securities	514 245	395 233
Return on other fixed income securities	-	500
Amortisation of premium relative to par	( 43 812 )	( 5 163 )
Dividend income	290 357	252 126
Gain on sale of non - trading investments	99 487	355 630
	860 277	998 326
<b>(Provision) / reversal for impairment - available for sale investments - net</b>	<b>( 37 555 )</b>	<b>12 805</b>
<b>Investment related expenses</b>	<b>( 1 435 )</b>	<b>( 1 703 )</b>
<b>Net investment income</b>	<b>821 287</b>	<b>1 009 428</b>

The annexed notes 1 to 36 form an integral part of these financial statements.

TAHER G. SACHAK  
Director

MUNEER R. BHIMJEE  
Director

ALTAF GOKAL  
Chief Financial Officer &  
Corporate Secretary

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2018

TAHER G. SACHAK  
Director

MUNEER R. BHIMJEE  
Director

ALTAF GOKAL  
Chief Financial Officer &  
Corporate Secretary

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2018



## Notes to the Financial Statements For the year ended 31 December 2017

### 1. Status and nature of business

EFU General Insurance Limited (the Company) was incorporated as a public limited company on 02 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 commenced Window Takaful Operations from 16 April 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012. The Company operates through 52 (2016: 54) 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 repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case where requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail.

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.

During the year, Securities and Exchange Commission of Pakistan (SECP) has issued Insurance Accounting Regulations, 2017, which were applicable with effect from 09 February 2017. However, the Company applied for the extension relating to the applicability of the said regulations for preparation of the financial statements for the period ended 30 September 2017 and financial statements for the year ended 31 December 2017 which was allowed by SECP vide letter ID / OSM / EFU / 2017 / 12093, dated 27 September 2017. Hence, the financial statements for the year ended 31 December 2017 are prepared in accordance with the requirements of SEC (Insurance) Rules, 2002.

Major impact in accordance with the format prescribed by SEC Insurance Rules, 2017 is on presentation and disclosure of financial statements as per Annexure II of SEC Insurance Rules, 2017 and on valuation of available-for-sale investments, the impact of which has been disclosed in note 13.1.2.

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 affect 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 recognized 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	3.4
– Premium deficiency reserve (liability adequacy test)	3.5
– Provision for outstanding claims (including IBNR)	3.7
– Employees' retirement benefits	3.11 & 7.1
– Taxation	3.12 & 26
– Investment properties	3.15 & 14
– Receivables and payables related to insurance contracts	3.16 & 15
– Fixed assets	3.17 & 19
– Impairment in value of investments	3.22 & 13.1.2

#### 2.5 Standards, interpretations and amendments with respect to the approved accounting standards that are not yet effective

##### 2.5.1 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2018:

- Classification and Measurement of Share - based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 01 January 2018. The amendments cover three accounting areas (a) measurement of cash - settled share - based payments; (b) classification of share - based payments settled net of tax withholdings; and (c) accounting for a modification of a share - based payment from cash - settled to equity - settled. The new requirements could affect the classification and / or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' effective for annual periods beginning on or after 01 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.
- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 01 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on Company's financial statements.



- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 01 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The application of interpretation is not likely to have an impact on the Company's financial statements.
- IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting years beginning on or after 01 July 2018, with early adoption permitted. The Company is assessing the potential impact on its Financial Statements resulting from the application of IFRS 9, which is generally expected to have an impact on the Financial Statements of insurance businesses.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and joint Ventures (effective for annual period beginning on or after 01 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.
- Annual Improvements to IFRS Standards 2015-2017 Cycle - the improvements address amendments to following approved accounting standards:
  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
  - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
  - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.
- The above amendments are effective from annual period beginning on or after 01 January 2019 and are not likely to have an impact on Company's financial statements.
- In addition, the Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 23 of 2017 has clarified that the companies whose financial year closes on or before 31 December 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 applicable for financial year beginning on 01 January 2018 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of fixed assets to bring it in line with the requirements of IAS 16 - Property, plant and equipment. The application of Companies Act, 2017 is not likely to have financial impact on the Company's financial statements except extended disclosures.
- Amendment to IFRS 4 'Insurance Contracts'- Applying IFRS 9 'Financial Instruments' with IFRS 4 (effective for annual periods beginning on or after 01 July 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 01 July 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

### 3. Summary of significant accounting policies

The significant accounting policies as said below have been applied consistently to all periods presented in these financial statements except for the standards, which became effective during the current year.

#### 3.1 Standards, interpretations and amendments effective during the current year

During the year, certain new standards and amendments to existing standards became effective. However, they did not have material effect on these financial statements.

#### 3.2 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.

#### 3.3 Premium

For all the insurance contracts, premiums including administrative surcharge received / receivable under a policy are recognized 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 recognized 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.

#### 3.4 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.

#### 3.5 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 recognized 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 recognized 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>2017</u>	<u>2016</u>
– Fire and property damage	27 %	27 %
– Marine, aviation and transport	38 %	39 %
– Motor	49 %	51 %
– Miscellaneous	42 %	51 %

### 3.6 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.

### 3.7 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. 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.

#### 3.7.1 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 recognized 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.

#### 3.7.2 Claims incurred but not reported

The provision for claims incurred but not reported (IBNR) is made at the balance sheet date. In accordance with SECP circular no. 9 of 2016, the Company has changed its method of estimation of IBNR. The Company now takes actuarial advice for the determination of IBNR claims. IBNR claim have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF), which represents the extent of future development of claims to reach their ultimate level.

### 3.8 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 recognized as an expense at the time the reinsurance is ceded. Commission on reinsurance cessions are recognized 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 recognized at the same time when reinsurance premiums are recognized as an expense.

Reinsurance assets or liabilities are derecognized 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.

### 3.9 Commission

#### 3.9.1 Commission expense

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

#### 3.9.2 Commission income

Commission from reinsurers is deferred and recognized 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 recognized when the Company's right to receive the same are established.

### 3.10 Revenue recognition

#### 3.10.1 Premium

The revenue recognition policy for premiums is given under note 3.3.

#### 3.10.2 Investment income

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

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

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

#### 3.10.3 Rental income

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

#### 3.10.4 Commission from reinsurers

The revenue recognition policy for commission from reinsurer is given under note 3.9.

### 3.11 Employees' retirement benefits

#### 3.11.1 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 recognized in other comprehensive income in the year in which they arise.

#### 3.11.2 Defined contribution plan

The Company contributes to a provident fund scheme, which covers all permanent employees. Both the Company and the employees make equal contributions to the fund at the rate of 8.33 % of basic salary.

### 3.12 Taxation

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



### 3.12.1 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.

### 3.12.2 Deferred

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 purposes and the amounts used for taxation purposes. The amount of deferred tax recognized 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 recognized 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.

### 3.13 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 services received, whether or not billed to the Company.

Provisions are recognized 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.

### 3.14 Investments

All investments are initially recognized 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.

#### 3.14.1 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 recognized 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.

#### 3.14.2 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".

### 3.14.3 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 recognized 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 recognized in the associates' profit and loss account are recognized 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 recognized in profit and loss account.

### 3.14.4 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.

### 3.15 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.

### 3.16 Receivables and payables related to insurance contracts

Receivables and payables related to insurance contracts are recognized 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.

### 3.17 Fixed assets

#### 3.17.1 Tangibles

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 recognized 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.

### 3.17.2 Intangibles

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 programs are recognized 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.

### 3.17.3 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.

### 3.18 Expenses of management

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

### 3.19 Compensated absences

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

### 3.20 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.

### 3.21 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.

### 3.22 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 recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

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.

### 3.23 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 recognized at the time when the Company becomes a party to the contractual provisions of the instrument and de-recognized 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 losses on de-recognition of financial assets and financial liabilities are taken to income directly.

### 3.24 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 recognized amount and the Company intends either to settle on a net basis or realise the assets and settle the liabilities simultaneously.

### 3.25 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.

### 3.26 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. 3.2.

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.

### 3.27 Dividend and bonus shares

Dividend to shareholders is recognized as liability in the period in which it is approved. Similarly, reserve for issue of bonus shares is recognized 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	
2017	2016		2017	2016
250	250	Ordinary shares of Rs. 10 each, fully paid in cash	2 500	2 500
199 750	199 750	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares	1 997 500	1 997 500
<u>200 000</u>	<u>200 000</u>		<u>2 000 000</u>	<u>2 000 000</u>

4.1.1 As at 31 December 2017, EFU Life Assurance Limited, an associated undertaking, held 13 626 105 (2016: 13 626 105) ordinary shares of Rs. 10 each.





	Note	2017	2016
Rupees '000			
<b>5. Reserves and retained earnings</b>			
General reserve	5.1	13 000 000	12 500 000
Reserve for exceptional losses	5.2	12 902	12 902
Retained earnings		2 034 319	2 388 169
		<u>15 047 221</u>	<u>14 901 071</u>
<b>5.1 General reserve</b>			
Balance at beginning of the year		12 500 000	10 500 000
Transfer from retained earnings		500 000	2 000 000
Balance at end of the year		<u>13 000 000</u>	<u>12 500 000</u>

5.2 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.

	Note	2017	2016
Rupees '000			
<b>6. Deferred taxation</b>			
Deferred tax liability / (asset) arising in respect of:			
– accelerated tax depreciation		40 494	45 001
– provision for doubtful debts		( 8 344 )	( 8 401 )
– impairment on TFCs		( 13 235 )	( 13 676 )
– share of profit from associate		374 772	353 868
– defined benefit plans		( 17 310 )	3 270
		<u>376 377</u>	<u>380 062</u>
<b>7. Other creditors and accruals</b>			
Federal insurance fee payable		12 511	14 331
Federal excise duty and sales tax payable		177 736	214 730
Staff retirement benefits	7.1	71 805	588
Sundry creditors		85 167	8 136
		<u>347 219</u>	<u>237 785</u>

#### 7.1. Staff retirement benefits

The latest actuarial valuation as at 31 December 2017 uses a discount rate of 8.20 % (2016: 8.10 %) for defined benefit obligation and plan assets. Basic salary and pension increases to average 5.20 % and 2.10 % (2016: 5.10 % and 2.00 %) respectively per annum in the long term.

Rupees '000

	2017		2016	
	Pension	Gratuity	Pension	Gratuity
<b>7.1.1 Reconciliation of the present value of defined benefit obligations</b>				
At the beginning of the year	278 214	329 987	229 022	286 272
Current service cost	1 990	15 898	1 961	14 601
Interest cost	21 613	25 884	19 643	24 759
Remeasurement loss due to:				
Change in financial assumptions	–	–	38 671	9 885
Experience	1 756	15 080	10 451	16 810
Benefits paid	( 22 764 )	( 20 859 )	( 21 534 )	( 22 340 )
At the end of the year	<u>280 809</u>	<u>365 990</u>	<u>278 214</u>	<u>329 987</u>
<b>7.1.2 Changes in fair value of plan assets</b>				
At the beginning of the year	279 401	328 138	245 209	308 587
Interest income	21 749	26 274	21 148	26 767
Remeasurement gain / (loss) due to:				
Investment return	( 29 847 )	( 21 566 )	33 506	15 124
Contributions paid by company	195	13 324	215	–
Contributions paid by employees	780	–	857	–
Benefits paid	( 22 764 )	( 20 859 )	( 21 534 )	( 22 340 )
At the end of the year	<u>249 514</u>	<u>325 311</u>	<u>279 401</u>	<u>328 138</u>
<b>7.1.3 Charge to profit and loss account</b>				
Service cost				
Current service cost	1 990	15 898	1 961	14 601
Employee contributions	( 780 )	–	( 857 )	–
Net interest income	( 136 )	( 390 )	( 1 505 )	( 2 008 )
<b>Chargeable in profit and loss account</b>	<u>1 074</u>	<u>15 508</u>	<u>( 401 )</u>	<u>12 593</u>
<b>7.1.4 Remeasurements recognized in other comprehensive income</b>				
Change in financial assumptions	–	–	38 671	9 885
Experience on obligation	1 756	15 080	10 451	16 810
Investment return	29 847	21 566	( 33 506 )	( 15 124 )
<b>Chargeable in statement of comprehensive income</b>	<u>31 603</u>	<u>36 646</u>	<u>15 616</u>	<u>11 571</u>
<b>Total defined benefit cost</b>	<u>32 677</u>	<u>52 154</u>	<u>15 215</u>	<u>24 164</u>
<b>7.1.5 (Asset) / liability on balance sheet</b>				
At the beginning of the year	( 1 187 )	1 849	( 16 187 )	( 22 315 )
Defined benefit cost	32 677	52 154	15 215	24 164
Contributions paid by company	( 195 )	( 13 324 )	( 215 )	–
At the end of the year	<u>31 295</u>	<u>40 679</u>	<u>( 1 187 )</u>	<u>1 849</u>
<b>Reconciliation</b>				
Obligation	280 809	365 990	278 214	329 987
Plan assets	( 249 514 )	( 325 311 )	( 279 401 )	( 328 138 )
Net (asset) / liability on balance sheet	<u>31 295</u>	<u>40 679</u>	<u>( 1 187 )</u>	<u>1 849</u>



## 7.1.6 Historical data

	Rupees '000				
	2016	2015	2014	2013	2012
<b>Pension</b>					
Present value of defined benefit obligation	278 214	229 022	208 786	195 560	186 508
Fair value of plan assets	( 279 401 )	( 245 209 )	( 242 916 )	( 199 090 )	( 178 842 )
(Surplus) / deficit	<u>( 1 187 )</u>	<u>( 16 187 )</u>	<u>( 34 130 )</u>	<u>( 3 530 )</u>	<u>7 666</u>
Experience adjustment					
– Actuarial loss on obligation	10 451	16 348	4 024	1 110	9 109
– Actuarial (loss) / gain on assets	<u>33 506</u>	<u>( 4 526 )</u>	<u>34 439</u>	<u>13 206</u>	<u>21 062</u>
	2016	2015	2014	2013	2012
<b>Gratuity</b>					
Present value of defined benefit obligation	329 987	286 272	268 232	268 728	243 486
Fair value of plan assets	( 328 138 )	( 308 587 )	( 306 545 )	( 296 591 )	( 277 633 )
(Surplus) / deficit	<u>1 849</u>	<u>( 22 315 )</u>	<u>( 38 313 )</u>	<u>( 27 863 )</u>	<u>( 34 147 )</u>
Remeasurements due to:					
– Actuarial loss / (gain) on obligation	16 810	10 639	4 073	( 1 567 )	( 25 771 )
– Actuarial gain on assets	<u>15 124</u>	<u>4 099</u>	<u>24 216</u>	<u>781</u>	<u>23 197</u>

## 7.1.7 Composition of fair value of plan assets

Fund investments	Pension				Gratuity			
	2017	2016	2017	2016	2017	2016	2017	2016
Debt	78%	194 334	43%	119 803	76%	249 010	67%	219 680
Equity	20%	50 782	29%	80 512	23%	74 256	28%	91 875
NIT	0%	–	28%	77 918	0%	–	4%	14 191
Cash	2%	4 398	0%	1 169	1%	2 044	1%	2 392
	100%	249 514	100%	279 402	100%	325 310	100%	328 138

The expected charge to pension and gratuity fund for the year 2018 amounts to Rs. 23 million.

## 7.1.8 Sensitivity analysis on significant actuarial assumptions: Actuarial liability

Impact on obligation of 1 % change in assumptions

Assumptions	1 % increase	1 % decrease
Discount rate	( 40 152 )	45 581
Salary increase	22 992	( 20 914 )
Pension increase	23 511	( 20 772 )

Weighted average duration of the plan is 7.6 years.

Projected payments	Rupees '000	
	Pension	Gratuity
Company contributions 2018	906	22 299
Benefit payments:		
2018	25 299	61 122
2019	26 335	36 299
2020	26 889	25 012
2021	26 742	24 698
2022	29 751	76 288
2023 - 2027	145 428	234 326

## 8. Contingencies

## 8.1 The income tax assessment of the Company has been finalised up to tax year 2017.

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

The Income Tax Department (Audit) has made assessment order for assessment year 2002-2003 by adding certain items. The Company had filed appeal before Commissioner Income Tax (Appeals). The appeal was decided in the favour of the Company. The Department had filed appeal before Income Tax Appellate Tribunal (ITAT) and the same was been decided in the favour of the Company. The department has filed appeal before Honourable High Court of Sindh 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 arise.

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

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

The Department has filed appeal for tax years 2014 and 2016 before Income Tax Appellate Tribunal (ITAT) against order of Commissioner (Appeal) in respect of Dividend Income taxed at reduced rate. If the appeal is decided against the Company a tax liability of Rs. 243 million would arise.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Company for tax year 2017 by disregarding the amount of capital gain worked out by the Company. The Company has filed appeals before Commissioner Income Tax (Appeals), and if the appeal is decided against the Company, a tax liability of Rs. 46 million would arise.

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

## 8.2 In 2014, 2015, 2016 and 2017, the Searle Company Limited issued bonus shares (453612, 312993, 664632 and 472284 shares respectively) after withholding 5 percent of bonus shares (22680, 15650, 34981 and 24857 shares respectively). In this regard, a constitutional petition had been filed by the Company in Honourable High Court of Sindh challenging the applicability of withholding tax provision on bonus shares received by the Company.



The Honourable High Court of Sindh decided the case against the Company. Subsequently, the Company filed an appeal with a larger bench of the Honourable High Court of Sindh 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. 37.09 million being withholding tax on bonus shares.

	Note	2017	2016
Rupees '000			
<b>9. Cash and other equivalents</b>			
Policy stamps in hand and bond papers		9 804	7 730
<b>10. Current and other accounts</b>			
Current accounts		233 422	164 849
Saving accounts	10.1 & 10.2	920 983	1 023 007
		<u>1 154 405</u>	<u>1 187 856</u>

10.1 The rate of return on saving accounts from various banks ranges from 3.75 % to 6.20 % per annum (2016: 4.00 % to 6.15 % per annum) depending on the size of average deposits.

10.2 This includes an amount of Rs. 24.2 million (2016: Rs. 5 million) under lien with a bank against a facility obtained.

	Note	2017	2016
Rupees '000			
<b>11. Deposits maturing within 12 months</b>			
Term deposits certificates - local currency	11.1 & 11.3	244 000	501 498
Term deposits certificates - foreign currency	11.2	186 550	170 382
		<u>430 550</u>	<u>671 880</u>

11.1 The rate of return on term deposit certificates issued by various banks ranges from 5.10 % to 6.90 % per annum (2016: 4.15 % to 6.90 % per annum) depending on tenure. These term deposit certificates have maturities upto January 2018.

11.2 The rate of return on foreign currency term deposit certificates issued by various banks is 2.1 % per annum (2016: 1.2 % per annum) depending on tenure. These term deposit certificates have maturities upto January 2018.

11.3 This includes an amount of Rs. 8.5 million (2016: Rs. 28.5 million) under lien with banks against guarantees issued in favour of the Company.

	Note	2017	2016
Rupees '000			
<b>12. Loans - secured considered good</b>			
Secured, considered good	12.1	5 393	3 036
Current portion	18	( 2 327 )	( 778 )
		<u>3 066</u>	<u>2 258</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.

	Note	2017	2016
Rupees '000			
<b>13. Investments</b>			
Investment in associate	13.1	12 131 105	11 949 485
Available for sale	13.2	11 039 172	8 387 044
		<u>23 170 277</u>	<u>20 336 529</u>

13.1 Investment in associate

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

	Number of shares	Face value per share (Rupees)	Name of associate	Note	2017	2016
Rupees '000						
	2017	2016			2017	2016
	43 392 040	43 092 040	Rs.10	13.1.1	12 131 105	11 949 485
			EFU Life Assurance Limited incorporated in Pakistan (Chief Executive: Taher G. Sachak)			

	Note	2017	2016
Rupees '000			
<b>13.1.1 Movement of investment in associate during the year:</b>			
Opening balance		11 949 485	11 570 646
Investment made		73 891	7 070
Share of profit		786 429	802 361
Dividend received		( 678 700 )	( 430 592 )
Closing balance	13.1.2	<u>12 131 105</u>	<u>11 949 485</u>

13.1.2 The carrying amount of the investment in EFU Life Assurance Limited has been tested for impairment as at 31 December 2017 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:

	2017	2016
- Discount rate:	17.5 %	17.5 %
- Terminal growth rate:	11.5 %	11.5 %

Market value of investment and percentage of holding in associate as at 31 December 2017 are Rs. 10,999 million and 43.39 % respectively (2016: Rs. 9,285 million and 43.09 %).



13.1.3 Summarised financial information in respect of associate based on its financial statements as at 31 December 2017 and 31 December 2016 is set out below:

	Rupees '000	
	2017	2016
Total assets - share holders' fund	4 521 671	4 358 151
Total liabilities - share holders' fund	( 181 026 )	( 164 689 )
Net assets	4 340 645	4 193 462
Company's share of net assets of its associate	1 883 493	1 807 046
Total assets - statutory fund	105 716 120	102 092 662
Balance of statutory fund	( 101 214 858 )	( 97 774 294 )
Total liabilities - statutory fund	4 501 262	4 318 368
Total revenue - gross premium	31 499 459	24 674 120
Profit after tax	1 812 381	1 872 977

13.2 Available for sale

	Note	2017	2016
Available for sale	13.2.2		
In related parties	13.3.1		
Mutual funds		-	175 000
Ordinary shares		396 298	396 298
		396 298	571 298
Others - quoted			
Mutual funds	13.3.2	-	333 513
Ordinary shares - net of provision - quoted	13.3.2	2 098 417	2 290 723
Ordinary shares - net of provision - unquoted	13.3.3	10 500	-
Fixed income securities			
Government securities	13.3.4	8 533 957	5 191 510
Term finance certificates	13.3.4	44 118	44 118
		10 686 992	7 859 864
Provision for impairment - net of reversals			
Term finance certificates		( 44 118 )	( 44 118 )
		11 039 172	8 387 044

13.2.1 The fair value of available for sale - equity securities / mutual funds as at 31 December 2017 is Rs. 6,419 million (2016: Rs. 9,493 million) and fixed income securities as at 31 December 2017 is Rs. 8,527 million (2016: Rs. 5,264 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 2017 would have been higher by Rs. 3,908 million (2016: higher by Rs. 6,371 million).

13.3.1 In related parties - quoted

	Number of shares / certificates / units		Face value per share / unit	Name of entity	Rupees '000	
	2017	2016			2017	2016
<b>Mutual funds</b>						
				<b>Open end mutual funds</b>		
	-	1 785 706	100	JS Income Fund	-	175 000
	-	1 785 706			-	175 000
<b>Ordinary shares</b>				<b>Commercial banks</b>		
	6 603 975	6 603 975	10	Bank Islami Pakistan Limited	76 797	76 797
	19 711 876	19 711 876	10	<b>Financial services</b>		
	26 315 851	26 315 851		Jahangir Siddiqui & Company Limited	319 501	319 501
					396 298	396 298

13.3.2 Others - quoted

	Number of shares / certificates / units		Face value per share / unit	Name of entity	Rupees '000	
	2017	2016			2017	2016
<b>Open end mutual funds</b>						
	-	4 898 601	10	ABL Islamic Income Fund	-	50 210
	-	482 838	100	Al Ameen Islamic Sovereign Fund	-	50 000
	-	245 017	100	Faysal Islamic Savings Growth Fund	-	25 320
	-	19 392 561	10	NAFA Income Opportunity Fund	-	207 983
	-	25 019 017			-	333 513
<b>Ordinary shares</b>				<b>Oil and Gas</b>		
	550 000	550 000	10	Attock Petroleum Limited	189 556	189 556
	250 000	250 000	10	National Refinery Limited	73 901	73 901
	225 000	225 000	10	Oil & Gas Development Company Limited	32 438	32 438
	510 000	510 000	10	Pakistan Oilfields Limited	164 753	164 753
	25 000	100 000	10	Pakistan Petroleum Limited	3 055	12 219
	-	1 500	10	Pakistan State Oil Company Limited	-	644
	326 440	329 440	10	Shell (Pakistan) Limited	67 421	68 406
					531 124	541 917



Number of shares		Face value per share	Name of entity	Rupees '000	
2017	2016			2017	2016
<b>Ordinary shares</b>					
<b>Chemicals</b>					
89 000	89 000	10	Archroma Pakistan Limited	8 916	8 916
–	20 200	10	Dawood Hercules Limited	–	3 032
–	100 000	10	Engro Corporation Limited	–	34 691
–	50 000	10	Fauji Fertilizer Bin Qasim Limited	–	2 653
1 946 200	1 500 700	10	Fauji Fertilizer Limited	209 359	174 941
50 000	50 000	10	ICI Pakistan Limited	8 077	8 077
300 000	300 000	10	Linde Pakistan Limited	38 702	38 702
				265 054	271 012
<b>Industrial Metals and Mining</b>					
1 242 240	1 242 240	10	International Industries Limited	63 110	63 110
1 000 000	1 000 000	10	TPL Properties Limited	12 500	12 500
				75 610	75 610
<b>Construction and Materials</b>					
46 100	46 100	10	Akzo Nobel Pakistan Limited	9 091	9 091
				9 091	9 091
<b>General Industrials</b>					
1 161 587	1 024 125	10	Cherat Packaging Limited	110 570	93 398
350 000	350 000	10	Packages Limited	49 364	49 364
346 800	350 000	5	Thal Limited	20 316	20 644
				180 250	163 406
<b>Electronic and Electrical Goods</b>					
122 540	122 540	10	Pakistan Cables Limited	11 084	11 084
				11 084	11 084
<b>Automobile and Parts</b>					
230 100	230 100	10	General Tyre & Rubber Company Limited	8 094	8 094
55 140	55 140	10	Indus Motor Company Limited	11 284	11 284
				19 378	19 378
<b>Beverages</b>					
531 659	531 659	10	Murree Brewery Pakistan Limited	40 487	40 487
<b>Food Producers</b>					
10 000	10 000	100	Rafhan Maize Products Limited	68 000	100 110
78 800	78 800	10	Shahtaj Sugar Limited	9 112	9 112
				77 112	109 222
<b>Household Goods</b>					
–	25 000	10	Tariq Glass Limited	–	2 610
<b>Personal Goods</b>					
2 380 260	2 380 260	10	Azgard Nine Limited	34 895	19 613
309 776	309 776	10	Bata (Pakistan) Limited	279 875	279 875
854 000	854 000	10	Samin Textiles Limited	3 587	7 609
				318 357	307 097

Number of shares		Face value per share	Name of entity	Rupees '000	
2017	2016			2017	2016
<b>Ordinary shares</b>					
<b>Pharma and Bio tech</b>					
954 441	954 441	10	Ferozsons Laboratories Limited	97 736	97 736
330 000	330 000	10	Glaxosmithkline Pakistan Limited	21 090	21 090
–	99 000	10	Glaxosmithkline Consumer Healthcare Pakistan Limited	–	–
19 200	19 200	10	Sanofi Aventis Pakistan Limited	5 096	5 096
3 100 382	2 348 775	10	Searle Pakistan Limited	51 861	51 861
16 040	16 000	100	Wyeth Pakistan Limited	19 918	32 404
				195 701	208 187
<b>Electricity</b>					
718 200	750 000	10	Hub Power Company Limited	72 952	76 182
450 000	500 000	10	Kot Addu Power Company Limited	25 525	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	800 000	10	Saif Power Limited	30 635	30 635
				143 139	148 862
<b>Commercial Banks</b>					
20 100	120 000	10	Allied Bank Limited	–	5 171
325 000	350 000	10	Bank Al-Habib Limited	7 738	8 166
–	407 000	10	Habib Bank Limited	–	80 405
–	75 000	10	MCB Bank Limited	–	17 754
10 000	70 000	10	United Bank Limited	1 519	10 787
				9 257	122 283
<b>Non Life Insurance</b>					
793 546	793 546	5	Habib Insurance Limited	10 911	15 078
198 374	172 500	10	Jubilee General Insurance Limited	11 310	11 310
4 630 000	6 500 000	10	Pakistan Reinsurance Company Limited	119 844	168 248
				142 065	194 636
<b>Life Insurance</b>					
1 170 079	1 063 709	10	Jubilee Life Insurance Limited	65 841	65 841
<b>Miscellaneous</b>					
530 982	–	10	Pakistan Stock Exchange Limited	14 867	–
<u>27 762 986</u>	<u>28 760 751</u>		Total	<u>2 098 417</u>	<u>2 290 723</u>

## 13.3.3 Available for Sale Securities - unquoted

Number of shares		Face value per share	Name of entity	Rupees '000	
2017	2016			2017	2016
<b>Ordinary shares - unquoted</b>					
50 191	–	10	Miscellaneous Planet N (Pvt.) Limited	10 500	–
<u>50 191</u>	<u>–</u>		Total	<u>10 500</u>	<u>–</u>



## 13.3.4 Fixed income securities

Name of investment	Maturity year	Effective yield %	Profit payment	Face value	Rupees '000	
					2017	2016
<b>Government securities</b>						
3 Years Pakistan Investment Bonds	2017	12.36	Half yearly	2 150 000	-	2 137 817
3 Years Pakistan Investment Bonds	2018	5.77 - 8.08	Half yearly	1 605 400	1 615 202	1 655 692
3 Years Pakistan Investment Bonds	2019	6.29 - 6.39	Half yearly	823 900	834 009	-
3 Years Pakistan Investment Bonds	2019	6.11	Half yearly	250 000	252 760	-
5 Years Pakistan Investment Bonds	2019	6.52	Half yearly	256 600	275 105	286 137
10 Years Pakistan Investment Bonds	2017	13.24	Half yearly	1 000	-	978
6 Months Treasury Bills	2018	6.01	on maturity	750 000	743 924	961 676
3 Months Treasury Bills	2018	5.94 - 5.99	on maturity	4 830 000	4 812 957	149 210
					8 533 957	5 191 510
The amount of Pakistan Investment Bonds includes Rs. 219 million (2016: Rs. 221 million) deposited with the State Bank of Pakistan as required by Section 29 of the Insurance Ordinance, 2000.						
<b>Term Finance Certificates (TFCs) – quoted</b>						
New Allied Electronics Limited	2012	12.92	Quarterly	3 481	3 481	3 481
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
					44 118	44 118
					8 578 075	5 235 628

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

## 14. Investment properties

Name of investment	Rupees '000							
	2017							
	Cost		Depreciation			Written down value		
As at 01 January	Addition	As at 31 December	Rate %	As at 01 January	For the year	As at 31 December	As at 31 December	
Leasehold land	47 468	-	47 468	-	-	-	47 468	
Buildings	360 000	-	360 000	5	279 376	18 000	62 624	
Lifts and other installations	72 998	317	73 315	10	27 009	7 278	39 028	
	480 466	317	480 783		306 385	25 278	149 120	

	2016							
	Cost		Depreciation			Written down value		
	As at 01 January	Addition	As at 31 December	Rate %	As at 01 January	For the year	As at 31 December	As at 31 December
Leasehold land	47 468	-	47 468	-	-	-	-	47 468
Buildings	360 000	-	360 000	5	261 376	18 000	279 376	80 624
Lifts and other installations	64 702	8 296	72 998	10	20 148	6 861	27 009	45 989
	472 170	8 296	480 466		281 524	24 861	306 385	174 081

14.1 The market value of land and buildings is estimated at Rs. 1,847 million (2016: Rs. 1,549 million). The valuations have been carried out by independent valuers. Rental income from these properties amounts to Rs. 143 million (2016: Rs. 139 million).

	Note	Rupees '000	
		2017	2016
<b>15. Premiums due but unpaid – net – unsecured</b>			
Considered good		2 802 182	3 980 010
Considered doubtful		27 814	27 100
		2 829 996	4 007 110
Provision for doubtful balances		(27 814)	(27 100)
		2 802 182	3 980 010
<b>16. Accrued investment income</b>			
Return accrued on fixed income securities		58 029	164 279
Dividend income		7 129	8 352
Return on bank deposits		1 458	1 339
		66 616	173 970
<b>17. Prepayments</b>			
Prepaid reinsurance premium ceded		5 112 083	4 151 673
Prepaid rent		12 703	12 206
Others		77 395	43 435
		5 202 181	4 207 314
<b>18. Sundry receivables</b>			
Advances to employees		3 665	3 311
Advances to suppliers and contractors		33 115	51 158
Current portion of loans to employees	12	2 327	778
Others		2 049	2 555
		41 156	57 802



## 19. Fixed assets – tangible and intangible

Rupees '000

2017										
	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
	<b>Tangible</b>									
Buildings	623 688	71 261	–	694 949	5	207 643	32 892	–	240 535	454 414
Furniture and fixtures	492 861	35 039	666	527 234	10	333 551	35 035	666	367 920	159 314
Office equipments	280 047	7 846	19	287 874	10	151 699	25 244	19	176 924	110 950
Computers	156 419	9 214	119	165 514	30	144 424	6 943	119	151 248	14 266
Vehicles	621 772	162 325	82 445	701 652	20	390 496	96 153	76 123	410 526	291 126
Tracker equipments	176 508	94 560	–	271 068	20	41 321	46 077	–	87 398	183 670
<b>Intangible</b>										
Computer softwares	74 796	–	–	74 796	33	74 796	–	–	74 796	–
	<u>2 426 091</u>	<u>380 245</u>	<u>83 249</u>	<u>2 723 087</u>		<u>1 343 930</u>	<u>242 344</u>	<u>76 927</u>	<u>1 509 347</u>	<u>1 213 740</u>

2016										
	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
	<b>Tangible</b>									
Buildings	582 652	41 036	–	623 688	5	177 488	30 155	–	207 643	416 045
Furniture and fixtures	480 577	13 642	1 358	492 861	10	299 526	35 348	1 323	333 551	159 310
Office equipments	269 245	12 467	1 665	280 047	10	126 095	26 341	737	151 699	128 348
Computers	147 045	9 579	205	156 419	30	136 608	8 021	205	144 424	11 995
Vehicles	597 167	72 529	47 924	621 772	20	348 208	88 966	46 678	390 496	231 276
Tracker equipments	119 877	56 631	–	176 508	20	11 658	29 663	–	41 321	135 187
<b>Intangible</b>										
Computer softwares	74 796	–	–	74 796	33	74 796	–	–	74 796	–
	<u>2 271 359</u>	<u>205 884</u>	<u>51 152</u>	<u>2 426 091</u>		<u>1 174 379</u>	<u>218 494</u>	<u>48 943</u>	<u>1 343 930</u>	<u>1 082 161</u>

19.1 The market value of land and buildings is estimated at Rs. 1,777 million (2016: Rs. 1,582 million). The valuations have been carried out by independent valuers.

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

Category of Assets (Mode of disposal)	Rupees '000				Sold to
	Original cost	Accumulated depreciation	Book value	Sale proceeds	
Furniture & Fixtures					
Written down value below Rs. 50,000	666	666	–	29	Various
	<u>666</u>	<u>666</u>	<u>–</u>	<u>29</u>	
Office equipments (Negotiation)	19	19	–	2	Various
	<u>19</u>	<u>19</u>	<u>–</u>	<u>2</u>	
Computers					
Written down value below Rs. 50,000	119	119	–	10	Various
	<u>119</u>	<u>119</u>	<u>–</u>	<u>10</u>	
Vehicles (Negotiation)	1 141	190	951	650	Faysal Auto Dealer Karachi
	717	454	263	350	Mr. Faisal Ur Rehman, Lahore
	713	428	285	475	Mr. Tariq Saeed, Karachi
	1 696	226	1 470	1 650	Mr. Faisal Riaz, Karachi
	1 359	634	725	1 050	Mr. Ansar Ahmed, Lahore
	1 892	1 797	95	800	Mr. Syed Farhan Bukhari (Employee) Lahore
	1 528	1 477	51	1 000	Mr. Inayatullah (Employee) Lahore
	942	879	63	500	Mr. Imtiaz Agha (Employee) Karachi
	3 725	1 366	2 359	3 050	M/s Pakistan Transport Company
Written down value below Rs. 50,000	68 732	68 672	60	34 228	Various
	<u>82 445</u>	<u>76 123</u>	<u>6 322</u>	<u>43 753</u>	

Rupees '000

	2017	2016			
<b>20. Capital work-in-progress</b>					
Lifts and other installations	8 550	–			
Advances to contractors and suppliers	–	2 750			
	<u>8 550</u>	<u>2 750</u>			
<b>21. Commission from reinsurers</b>					
	Commission received or receivable	Unearned Commission			
		Opening	Closing	Commission from reinsurers	Commission from reinsurers
Fire and property damage	730 117	254 043	358 489	625 671	500 587
Marine, aviation and transport	52 267	8 643	20 474	40 436	27 958
Motor	–	–	–	–	–
Miscellaneous	189 301	81 291	82 653	187 939	204 458
	<u>971 685</u>	<u>343 977</u>	<u>461 616</u>	<u>854 046</u>	<u>733 003</u>



	Note	2017	2016
Rupees '000			
<b>22. Management expenses</b>			
Salaries, Wages and Benefits	22.1	1 417 941	1 343 177
Bonus		112 039	103 456
Gratuity		14 062	11 257
Rent, Rates and Taxes		41 743	38 468
Telephone		18 282	19 858
Postage		7 481	7 332
Gas and Electricity		48 554	46 808
Printing and Stationery		31 111	30 510
Travelling and Entertainment		89 784	90 535
Depreciation		232 892	210 908
Repairs and Maintenance		54 392	64 782
Publicity		45 155	52 669
Charges for vehicle tracking devices		136 158	72 689
Bank Charges & Commission		5 355	4 267
Sundries		94 677	74 848
		<u>2 349 626</u>	<u>2 171 564</u>

22.1 These include Rs. 23.87 million (2016: Rs. 22.36 million) being contribution for employees' provident fund.

	Note	2017	2016
Rupees '000			
<b>23. Other income</b>			
<b>Income from financial assets</b>			
Interest on loans to employees		260	143
<b>Income from non-financial assets</b>			
Gain on sale of fixed assets		37 472	18 363
Exchange gain		8 438	247
		<u>46 170</u>	<u>18 753</u>
<b>24. General and administration expenses</b>			
Auditors Remuneration	24.1	4 489	3 505
Property Management Expenses		72 241	67 483
Donations	24.2	11 839	11 383
Legal and professional expense		13 308	56 515
Subscription to Association		13 607	9 080
Reversal for workers' welfare fund	24.3	–	(97 496)
		<u>115 484</u>	<u>50 470</u>

	2017	2016
Rupees '000		
<b>24.1 Auditors' remuneration</b>		
Audit fee	1 600	1 600
Interim review fee	500	500
Other professional fee	2 118	1 072
Out of pocket expenses	271	333
	<u>4 489</u>	<u>3 505</u>

Donations include the following in whom the directors are interested:			2017	2016
Name of Director	Interest in donee	Name and address of donee		
Saifuddin N. Zoomkawala	Board member	Shaukat Khanum Memorial Trust 7A Block R-3, M.A. Johar Town, Lahore.	750	1 000
Saifuddin N. Zoomkawala	Board member	Sindh Institute of Urology and Transplantation, Civil Hospital, Karachi, Pakistan.	500	500
Saifuddin N. Zoomkawala	Member	Institute of Business Administration, Garden, Kayani Shaheed Road, Karachi.	–	1 667
Saifuddin N. Zoomkawala and Ali Raza Siddiqui	Board Member	Fakhr-e-Imdad Foundation, Mirpurkhas Digri Road, Mirwah Gorchani, Mirpurkhas.	850	850
Hasanali Abdullah	Board Member	The Aga Khan Hospital and Medical College Foundation, Stadium Road, Karachi.	–	500

24.3 The Honourable Supreme Court of Pakistan (SCP) passed a judgement declaring the insertion of amendments introduced in the Finance Act pertaining to Workers Welfare Fund Ordinance 1971, as unlawful and thereby striking down such amendments. Pursuant to the SCP judgement, in the preceding year, the Company reversed the entire provision held for WWF for the year 2015, amounting to Rs. 97.50 million.

	Note	2017	2016
Rupees '000			
<b>25. Takaful operations - OPF</b>			
Wakala fee		301 082	168 623
Management expenses		(171 706)	(123 760)
Commission expense		(95 622)	(45 537)
Investment income		7 390	3 550
Profit on deposits		3 214	2 105
Modarib's share of PTF profit on deposits		3 154	1 720
Other income		–	12
General and administration expenses		(657)	(796)
Profit before tax		<u>46 855</u>	<u>5 917</u>
<b>26. Provision for taxation</b>			
For the year			
– Current		1 021 077	1 018 043
– Prior year	26.1	59 255	108 839
		<u>1 080 332</u>	<u>1 126 882</u>
Deferred tax		16 895	261 960
		<u>1 097 227</u>	<u>1 388 842</u>





26.1 It includes Rs. 100 million super tax at the rate of 3 % on income for the year ended 31 December 2016, Tax Year 2017, (Rs. 73 million super tax at the rate of 3 % on income for the year ended 31 December 2015, Tax Year 2016), imposed by the Federal Government vide Finance Act 2017 and Finance Act 2016. 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	
	2017	2016	2017	2016
Profit before taxation			3 441 046	3 781 284
Tax at the applicable rate	30.00	31.00	1 032 313	1 172 198
Tax effects of deductions not allowed	0.19	0.06	6 622	2 105
Tax effects of change in tax rates	(0.35)	3.68	(12 154)	139 204
Tax effects of exempt income	0.33	(0.89)	11 191	(33 592)
Prior year tax	1.72	2.88	59 255	108 927
Average effective tax rate charged on income	31.89	36.73	1 097 227	1 388 842

26.3. The Finance Act, 2017, amended Section 5A of Income Tax Ordinance, 2001. According to which now every public limited company are required to pay at the rate of 7.5 percent of its accounting profit before tax. However, this tax shall not apply in case of a public limited company, which distributes at least 40 percent of its after tax profits within six months of the end of the relevant tax year through cash or bonus shares.

The final dividend proposed by the Board of Directors of the Company as disclosed in note 32 to the financial statements, 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

		2017	2016
27.1 Basic earnings per share			
Profit after tax	(Rupees '000)	2 343 819	2 392 442
Weighted average number of ordinary shares	(Numbers '000)	200 000	200 000
Earnings per share	(Rupees)	11.72	11.96

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:

	2017				2016			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
Managerial remuneration	31 080	14 400	255 433	300 913	28 080	12 768	209 178	250 026
Bonus	–	–	40 774	40 774	–	–	36 492	36 492
Retirement benefits	–	–	16 387	16 387	–	–	14 993	14 993
Utilities	336	189	18 818	19 343	397	162	17 400	17 959
Medical expenses	828	1 629	7 410	9 867	423	82	6 596	7 101
Leave passage	647	379	5 060	6 086	913	397	6 546	7 856
Total	32 891	16 597	343 882	393 370	29 813	13 409	291 205	334 427
Number of persons	1	1	133	135	1	1	124	126

28.1 The Chief Executive Officer is provided with Company maintained cars, furniture, accommodation and medical insurance cover. The Executives are provided with free use of Company cars, medical insurance cover 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 car, maintained furnished accommodation, medical insurance cover and residential utilities.

The Non-Executive Directors were paid Directors meeting fee of Rs. 2.9 million (2016: Rs. 0.6 million). No other remuneration was paid to Non-Executive Directors.

29. Segment reporting

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Corporate segment assets-conventional	9 623 292	9 177 937	1 020 762	1 322 684	579 921	640 298	1 003 794	1 034 515	–	–	12 227 769	12 175 434
Corporate segment assets-Takaful OPF	26 159	15 751	4 429	3 148	144 487	73 668	6 942	4 632	–	–	182 017	97 199
Corporate unallocated assets-conventional											26 440 959	23 761 416
Corporate unallocated assets-Takaful OPF											251 570	170 154
Consolidated total assets											39 102 315	36 204 203
Corporate segment liabilities	14 035 587	11 382 450	1 855 601	1 794 889	2 450 302	2 490 835	2 256 262	2 225 437	–	–	20 597 752	17 893 611
Corporate segment liabilities-Takaful OPF	22 634	16 411	4 009	2 781	194 668	99 027	15 380	14 003	–	–	236 691	132 222
Corporate unallocated liabilities											1 218 964	1 275 806
Corporate unallocated liabilities-Takaful OPF											1 687	1 493
Consolidated total liabilities											22 055 094	19 303 132
Corporate segment capital expenditures	–	–	–	–	94 560	56 631	–	–	–	–	94 560	56 631
Segment unallocated capital expenditures-conventional											291 802	155 962
Segment unallocated capital expenditures-Takaful OPF											21	3 139
Consolidated total capital expenditures											386 383	215 732
Corporate segment depreciation	–	–	–	–	46 077	29 663	–	–	–	–	46 077	29 663
Unallocated depreciation - conventional											221 545	213 692
Unallocated depreciation - Takaful OPF											1 027	882
Total depreciation											268 649	244 237

Location	External premium less reinsurance by geographical segments		Carrying amount of assets by geographical segments		Carrying amount of liabilities excluding branch account by geographical segments		Capital expenditures	
	2017	2016	2017	2016	2017	2016	2017	2016
Pakistan - conventional	7 598 839	7 218 687	38 443 701	35 719 748	21 743 016	19 056 076	386 362	212 593
Pakistan - Takaful OPF	–	–	433 587	267 353	238 378	164 563	21	3 139
* EPZ - conventional	15 719	24 134	225 027	217 102	73 700	82 493	–	–
Total	7 614 558	7 242 821	39 102 315	36 204 203	22 055 094	19 303 132	386 383	215 732

\* 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 vary 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	2017				2016			
	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	63	34	67	37	59	30	63	33
Marine, aviation & transport	13	22	7	8	16	23	7	10
Motor	14	38	19	47	15	41	21	49
Miscellaneous	10	6	7	8	10	6	9	8
	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	
	2017	2016
Fire and property damage	158 550 000	199 502 000
Marine, aviation and transport	105 300 000	104 800 000
Motor	46 500	46 500
Miscellaneous	11 130 600	11 058 000

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.

#### 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	
	2017	2016	2017	2016
Rupees '000				
<b>Impact of change in claim liabilities by + 10</b>				
Fire and property damage	( 68 844 )	( 59 904 )	( 48 191 )	( 41 334 )
Marine, aviation and transport	( 44 206 )	( 44 807 )	( 30 944 )	( 30 917 )
Motor	( 77 017 )	( 82 131 )	( 53 912 )	( 56 670 )
Miscellaneous	( 13 310 )	( 12 199 )	( 9 317 )	( 8 417 )
	<u>( 203 377 )</u>	<u>( 199 041 )</u>	<u>( 142 364 )</u>	<u>( 137 338 )</u>
<b>Impact of change in claim liabilities by - 10</b>				
Fire and property damage	68 844	59 904	48 191	41 334
Marine, aviation and transport	44 206	44 807	30 944	30 917
Motor	77 017	82 131	53 912	56 670
Miscellaneous	13 310	12 199	9 317	8 417
	<u>203 377</u>	<u>199 041</u>	<u>142 364</u>	<u>137 338</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:

Accident year	2013	2014	2015	2016	2017
Rupees '000					
Estimate of ultimate claims costs:					
– At end of accident year	–	200 746	62 928	60 052	90 497
– One year later	7 769	213 387	59 103	66 533	–
– Two years later	7 661	211 873	44 729	–	–
– Three years later	10 381	212 369	–	–	–
– Four years later	10 960	–	–	–	–
Current estimate of cumulative claims	10 960	212 369	44 729	66 533	90 497
Cumulative payments to date	860	182 121	22 454	2 534	2 727
Liability recognized in balance sheet	10 100	30 248	22 275	63 999	87 770

## 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:

	2017	2016
Rupees '000		
<b>Financial assets</b>		
Bank balances and deposits	1 584 955	1 859 736
Loans to employees	5 393	3 036
Premiums due but unpaid – net – unsecured	2 802 182	3 980 010
Amount due from other insurers / reinsurers	16 887	17 862
Investments	44 118	552 631
Accrued investment income	66 616	173 970
Reinsurance recoveries against outstanding claims	3 538 572	3 424 617
Security deposits	7 780	8 758
Sundry receivables	38 829	57 024
	<u>8 105 332</u>	<u>10 077 644</u>

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

Rating	2017	2016
Rupees '000		
AAA	600 071	611 892
AA+	541 049	582 963
AA	85 522	73 894
AA-	317 141	536 008
A+	10	47 082
A	21 162	7 897
A-	20 000	–
	<u>1 584 955</u>	<u>1 859 736</u>

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

Rating	Short Term	Rating Agency	2017	2016
Rupees '000				
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	–	3 481	3 481
			<u>44 118</u>	<u>44 118</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 2017, the premiums due but unpaid (other than impaired balances) includes amount receivable within one year and above one year amounting to Rs. 2,775 million (2016: Rs. 3,912 million) and Rs. 27 million (2016: Rs. 43 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:

Rating	2017		2016	
	Amounts due from insurers / reinsurers	Reinsurance recoveries against outstanding claims	Amounts due from insurers / reinsurers	Reinsurance recoveries against outstanding claims
Rupees '000				
A or above (including Pakistan Reinsurance Company Limited)	16 814	3 432 412	8 603	3 319 724
BBB	74	92 937	9 259	103 292
Others	–	13 223	–	1 601
	<u>16 888</u>	<u>3 538 572</u>	<u>17 862</u>	<u>3 424 617</u>

As at 31 December 2017, the amounts due from insurers / reinsurers includes amount receivable within one year and above one year amounting to Rs. 12.735 million (2016: Rs. 5.350 million) and Rs. 4.153 million (2016: Rs. 12.512 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 reinsurance 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

	2017		
	Carrying amount	Up to one year	Greater than one year
<b>Financial liabilities</b>			
Provision for outstanding claims (including IBNR)	5 572 347	5 572 347	–
Amounts due to other insurers / reinsurers	4 992 011	4 992 011	–
Accrued expenses	227 879	227 879	–
Agent balances	499 928	499 928	–
Other creditors and accruals	85 167	85 167	–
Other deposits	543 677	543 677	–
Unclaimed dividends	196 503	196 503	–
	<u>12 117 512</u>	<u>12 117 512</u>	<u>–</u>
	2016		
	Carrying amount	Up to one year	Greater than one year
<b>Financial liabilities</b>			
Provision for outstanding claims (including IBNR)	5 415 030	5 415 030	–
Amounts due to other insurers / reinsurers	3 584 545	3 584 545	–
Accrued expenses	235 112	235 112	–
Agent balances	573 490	573 490	–
Other creditors and accruals	8 136	8 136	–
Other deposits	583 291	583 291	–
Unclaimed dividends	159 020	159 020	–
	<u>10 558 624</u>	<u>10 558 624</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 reprising or maturity dates whichever is earlier is as follows:

Rupees '000

	2017						
	Effective yield %	Upto one year	Over one year to five years	Over five years	Sub total	Non-interest / mark-up bearing	Total
<b>Financial assets</b>							
Cash and bank deposits	3.75 - 6.20	1 351 533	–	–	1 351 533	243 226	1 594 759
Loans to employees	4.75	2 327	2 538	528	5 393	–	5 393
Investments	6.06	7 172 083	1 361 874	–	8 533 957	14 636 320	23 170 277
Premiums due but unpaid-net-unsecured	–	–	–	–	–	2 802 182	2 802 182
Premiums due from other insurers / reinsurers	–	–	–	–	–	16 887	16 887
Accrued investment income	–	–	–	–	–	66 616	66 616
Reinsurance recoveries against outstanding claims	–	–	–	–	–	3 538 572	3 538 572
Security deposits	–	–	–	–	–	7 780	7 780
Sundry receivables	–	–	–	–	–	38 829	38 829
		<u>8 525 943</u>	<u>1 364 412</u>	<u>528</u>	<u>9 890 883</u>	<u>21 350 412</u>	<u>31 241 295</u>
<b>Financial liabilities</b>							
Provision for outstanding claims (including IBNR)	–	–	–	–	–	5 572 347	5 572 347
Amount due to other insurers / reinsurers	–	–	–	–	–	4 992 011	4 992 011
Accrued expenses	–	–	–	–	–	227 879	227 879
Agent balances	–	–	–	–	–	499 928	499 928
Other creditors and accruals	–	–	–	–	–	85 167	85 167
Other deposits	–	–	–	–	–	543 677	543 677
Unclaimed dividends	–	–	–	–	–	196 503	196 503
		<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>12 117 512</u>	<u>12 117 512</u>
On-balance sheet sensitivity gap		<u>8 525 943</u>	<u>1 364 412</u>	<u>528</u>	<u>9 890 883</u>		
Total yield / mark-up rate risk sensitivity gap		<u>8 525 943</u>	<u>1 364 412</u>	<u>528</u>	<u>9 890 883</u>		



	2016						Rupees '000	
	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			
<b>Financial assets</b>								
Cash and bank deposits	4.00 – 6.90	1 694 887	–	–	1 694 887	172 579	1 867 466	
Loans to employees	4.75	778	1 635	623	3 036	–	3 036	
Investments	7.39	3 249 681	1 941 829	–	5 191 510	15 145 019	20 336 529	
Premiums due but unpaid-net-unsecured	–	–	–	–	–	3 980 010	3 980 010	
Premiums due from other insurers / reinsurers	–	–	–	–	–	17 862	17 862	
Accrued investment income	–	–	–	–	–	173 970	173 970	
Reinsurance recoveries against outstanding claims	–	–	–	–	–	3 424 617	3 424 617	
Security deposits	–	–	–	–	–	8 758	8 758	
Sundry receivables	–	–	–	–	–	57 024	57 024	
		<u>4 945 346</u>	<u>1 943 464</u>	<u>623</u>	<u>6 889 433</u>	<u>22 979 839</u>	<u>29 869 272</u>	
<b>Financial liabilities</b>								
Provision for outstanding claims (including IBNR)	–	–	–	–	–	5 415 030	5 415 030	
Amount due to other insurers / reinsurers	–	–	–	–	–	3 584 545	3 584 545	
Accrued expenses	–	–	–	–	–	235 112	235 112	
Agent balances	–	–	–	–	–	573 490	573 490	
Other creditors and accruals	–	–	–	–	–	8 136	8 136	
Other deposits	–	–	–	–	–	583 291	583 291	
Unclaimed dividends	–	–	–	–	–	159 020	159 020	
		<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>10 558 624</u>	<u>10 558 624</u>	
On-balance sheet sensitivity gap		<u>4 945 346</u>	<u>1 943 464</u>	<u>623</u>	<u>6 889 433</u>			
Total yield / mark-up rate risk sensitivity gap		<u>4 945 346</u>	<u>1 943 464</u>	<u>623</u>	<u>6 889 433</u>			

## Sensitivity analysis

As on 31 December 2017, 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.

	Rupees '000		
	Change in basis points	Effect on profit and loss before tax	Effect on shareholders' equity
31 December 2017	{ 100	9 210	6 447
	{ ( 100 )	( 9 210 )	( 6 447 )
31 December 2016	{ 100	10 230	7 059
	{ ( 100 )	( 10 230 )	( 7 059 )

## 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. 17,419 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. 11,857 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 2017 and 2016. 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 associate, 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 2017	6 419 425	{ 10 % increase	7 061 368	–	449 360
		{ 10 % decrease	5 777 483	–	( 449 360 )
31 December 2016	9 493 420	{ 10 % increase	10 442 762	–	655 046
		{ 10 % decrease	8 544 078	–	( 655 046 )

## 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

Rupees '000

For the year ended 31 December 2017 (Audited)									
	Available for sale	Loan & Receivables	Other financial Assets	Other financial liabilities	Total	Fair value measurement using			
						Level 1	Level 2	Level 3	Total
<b>Financial assets not measured at fair value</b>									
Cash and bank balances*	-	-	1 594 759	-	1 594 759	-	-	-	-
Loans to employees	-	3 066	-	-	3 066	-	-	-	-
Investments									
Investment in associate	12 131 105	-	-	-	12 131 105	10 999 448	-	-	10 999 448
Government Securities	8 533 957	-	-	-	8 533 957	-	8 527 268	-	8 527 268
Quoted equity securities/mutual funds	2 494 715	-	-	-	2 494 715	6 408 925	-	-	6 408 925
Unquoted equity shares*	10 500	-	-	-	10 500	-	-	10 500	10 500
Premiums due but unpaid*	-	2 802 182	-	-	2 802 182	-	-	-	-
Amount due from									
other insurers / reinsurers*	-	16 887	-	-	16 887	-	-	-	-
Accrued investment income*	-	66 616	-	-	66 616	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	3 538 572	-	-	3 538 572	-	-	-	-
Security deposits	-	7 780	-	-	7 780	-	-	-	-
Sundry receivables*	-	41 156	-	-	41 156	-	-	-	-
Total assets of Window Takaful Operations - Operator's Fund*	30 589	125 198	210 264	-	366 051	-	30 482	-	30 482
	23 200 866	6 601 457	1 805 023	-	31 607 346	17 408 373	8 557 750	10 500	25 976 623
<b>Financial liabilities not measured at fair value</b>									
Premiums received in advance	-	-	-	(31 487)	(31 487)	-	-	-	-
Provision for outstanding claims including (IBNR)*	-	-	-	(5 572 347)	(5 572 347)	-	-	-	-
Amount due to other insurers / reinsurers*	-	-	-	(4 992 011)	(4 992 011)	-	-	-	-
Accrued expenses*	-	-	-	(227 879)	(227 879)	-	-	-	-
Agent balances	-	-	-	(499 928)	(499 928)	-	-	-	-
Other creditors and accruals*	-	-	-	(347 219)	(347 219)	-	-	-	-
Other deposits *	-	-	-	(543 677)	(543 677)	-	-	-	-
Unclaimed dividend*	-	-	-	(196 503)	(196 503)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund*	-	-	-	(31 551)	(31 551)	-	-	-	-
	23 200 866	6 601 457	1 805 023	(12 442 602)	19 164 744	17 408 373	8 557 750	10 500	25 976 623

	For the year ended 31 December 2016 (Audited)								
	Available for sale	Loan & Receivables	Other financial Assets	Other financial liabilities	Total	Fair value measurement using			
						Level 1	Level 2	Level 3	Total
<b>Financial assets not measured at fair value</b>									
Cash and bank balances*	-	-	1 867 466	-	1 867 466	-	-	-	-
Loans to employees*	-	2 258	-	-	2 258	-	-	-	-
Investments									
Investment in associate	11 949 485	-	-	-	11 949 485	9 285 042	-	-	9 285 042
Government Securities	5 191 510	-	-	-	5 191 510	-	5 264 392	-	5 264 392
Quoted equity securities/mutual funds	3 195 534	-	-	-	3 195 534	8 974 331	519 089	-	9 493 420
Premiums due but unpaid*	-	3 980 010	-	-	3 980 010	-	-	-	-
Amount due from									
other insurers / reinsurers*	-	17 862	-	-	17 862	-	-	-	-
Accrued investment income*	-	173 970	-	-	173 970	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	3 424 617	-	-	3 424 617	-	-	-	-
Security deposits*	-	8 758	-	-	8 758	-	-	-	-
Sundry receivables*	-	57 802	-	-	57 802	-	-	-	-
Total assets of Window Takaful Operations - Operator's Fund*	20 590	61 213	56 350	-	138 153	20 448	-	-	20 448
	20 357 119	7 726 490	1 923 816	-	30 007 425	18 279 821	5 783 481	-	24 063 302
<b>Financial liabilities not measured at fair value</b>									
Premiums received in advance	-	-	-	(4 597)	(4 597)	-	-	-	-
Provision for outstanding claims including (IBNR)*	-	-	-	(5 415 030)	(5 415 030)	-	-	-	-
Amount due to other insurers / reinsurers*	-	-	-	(3 584 545)	(3 584 545)	-	-	-	-
Accrued expenses*	-	-	-	(235 112)	(235 112)	-	-	-	-
Agent balances*	-	-	-	(573 490)	(573 490)	-	-	-	-
Other creditors and accruals*	-	-	-	(237 785)	(237 785)	-	-	-	-
Other deposits *	-	-	-	(583 291)	(583 291)	-	-	-	-
Unclaimed dividend*	-	-	-	(159 020)	(159 020)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund*	-	-	-	(21 038)	(21 038)	-	-	-	-
	20 357 119	7 726 490	1 923 816	(10 813 908)	19 193 517	18 279 821	5 783 481	-	24 063 302

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



### 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. Provident Fund related disclosure

The following information is based on unaudited financial statements for the year ended 31 December 2017 and audited financial statements for the year ended 31 December 2016.

	Rupees '000	
	2017	2016
Size of the Fund - Total assets	760 352	762 856
Cost of investments	752 528	728 904
Percentage of investments made	99%	96%
Fair value of investments	752 413	743 122

#### 31.1 The break-up of fair value of investments is as follows:

	Percentage (%)		Rupees '000	
	2017	2016	2017	2016
Deposits and bank balances	0.50	0.60	3 752	4 435
Pakistan Investment Bonds	85.41	60.72	642 662	451 280
Mutual Funds	-	21.07	-	156 545
Listed Securities	14.09	17.61	105 999	130 862
	<u>100.00</u>	<u>100.00</u>	<u>752 413</u>	<u>743 122</u>

#### 31.2 The above investments / placement of funds in a special bank account has been made in accordance with the provisions of section 227 of the repealed Companies Ordinance, 1984 and the rules formulated for this purpose.

### 32. Non-adjusting event after the balance sheet date

The Board of Directors in its meeting held on 14 February 2018 have announced a final cash dividend in respect of the year ended 31 December 2017 of Rs. 6.25 per share, 62.50% (2016: Rs. 7.00 per share, 70%). In addition, the Board of Directors have also approved the transfer to general reserve from un-appropriated profit amounting to Rs. 500 million (2016: Rs. 500 million). These financial statements for the year ended 31 December 2017 do not include the effect of these appropriations, which will be accounted for subsequent to the year end.

### 33. 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	
	2017	2016
<b>Transactions</b>		
<b>Associated company</b>		
Premiums written	247 192	135 365
Premiums paid	17 008	17 284
Claims paid	86 063	57 319
Dividends received	678 700	430 592
Dividends paid	234 449	122 820
Bonus shares issued	-	35 140
<b>Key management personnel</b>		
Premiums written	1 192	782
Claims paid	221	124
Dividends paid	9 015	5 526
Bonus shares issued	-	1 667
Compensation	210 721	179 640
<b>Others</b>		
Premiums written	33 278	49 514
Premiums paid	17 565	14 683
Claims paid	3 794	9 227
Investments made	200 000	395 000
Investments sold	375 000	425 000
Dividends paid	1 094 364	689 321
Expenses paid	3 226	3 648
Bonus shares issued	-	211 215
Bank deposits withdrawn	( 75 000 )	-
Brokerage paid	207	425
<b>Employees' funds</b>		
Contributions to provident fund	23 867	22 362
Contributions to gratuity fund	15 508	12 537
Contributions charged / (released) - pension fund	1 074	( 401 )
Dividends paid	11 082	6 804
Bonus shares issued	-	2 062



Rupees '000

	2017	2016
<b>Balances</b>		
Others		
Balances receivable	15 131	15 308
Balances payable	( 73 891 )	( 316 )
Deposits maturing within 12 months	154 000	229 000
Bank balances	106 039	259 753
<b>Employees' funds (payable) / receivable</b>		
EFU gratuity fund	( 40 509 )	( 1 849 )
EFU pension fund	( 31 295 )	1 187

**34. Number of employees**

The total average number of employees during the year end as at 31 December 2017 and 2016 are as follows:

	2017	2016
At year end	1 232	1 248
Average during the year	1 237	1 192

**35. General**

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

Reclassified from	Reclassified to	Rupees in '000
General & Administrative Expenses	Management Expenses	71 434

35.2 Due to the above reclassification, comparative figure of statement of expenses have also been reclassified.

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

**36. 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 14 February 2018.

TAHER G. SACHAK  
Director

MUNEER R. BHIMJEE  
Director

ALTAF GOKAL  
Chief Financial Officer &  
Corporate Secretary

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2018

**Annexure - A**

# Window Takaful Operations

## Financial Statements

For the year ended 31 December 2017







## EFU General Insurance Limited – Window Takaful Operations Balance Sheet As at 31 December 2017

					Rupees '000				
					2017				
					2016				
Note	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate	Note	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
<b>Operator's Fund</b>					<b>Cash and bank deposits</b>				
	100 000	–	100 000	100 000		–	590	590	468
	49 645	–	49 645	2 790		87 764	152 982	240 746	151 153
	149 645	–	149 645	102 790		122 500	100 000	222 500	109 000
<b>Waqf / Participants' Takaful Fund</b>									
	–	500	500	500		210 264	253 572	463 836	260 621
	–	140 415	140 415	28 309	<b>Investments</b>				
	–	140 915	140 915	28 809	10	30 589	607 819	638 408	400 620
<b>Qard-e-hasna</b>					<b>Qard-e-hasna</b>				
	–	–	–	85 000		–	–	–	85 000
<b>Underwriting provisions</b>					<b>Current assets - others</b>				
	–	340 118	340 118	210 412		–	249 961	249 961	167 944
	–	823 906	823 906	537 429		5 497	–	5 497	764
	–	16 062	16 062	12 360		–	30 900	30 900	5 195
	–	1 180 086	1 180 086	760 201		154	2 964	3 118	2 874
<b>Creditors and accruals</b>					<b>Retakaful recoveries against outstanding claims</b>				
	–	1 439	1 439	596	11	–	88 944	88 944	38 780
	–	142 778	142 778	42 311		61 094	–	61 094	38 477
	206 827	–	206 827	112 677		115 426	–	115 426	58 047
	–	115 426	115 426	58 047		2 843	–	2 843	1 117
	–	2 843	2 843	1 117		–	206 827	206 827	112 677
	1 492	–	1 492	1 325		2 839	4 762	7 601	2 088
	29 865	–	29 865	19 547		–	144 249	144 249	81 856
	194	19 805	19 999	18 742		301	–	301	301
	45 564	–	45 564	30 848		977	13 294	14 271	1 040
	283 942	282 291	566 233	285 210		189 131	741 901	931 032	511 160
<b>Total liabilities</b>					<b>Fixed assets - tangible</b>				
	283 942	1 462 377	1 746 319	1 130 411	13	1 603	–	1 603	1 934
<b>Total equity and liabilities</b>					<b>Vehicles</b>				
	433 587	1 603 292	2 036 879	1 262 010		2 000	–	2 000	2 675
						3 603	–	3 603	4 609
<b>Contingencies</b>					<b>Total assets</b>				
6						433 587	1 603 292	2 036 879	1 262 010

The annexed notes 1 to 24 form an integral part of these financial statements.

TAHER G. SACHAK  
Director

MUNEER R. BHIMJEE  
Director

ALTAJ GOKAL  
Chief Financial Officer &  
Corporate Secretary

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman



EFU General Insurance Limited – Window Takaful Operations  
Profit and Loss Account  
For the year ended 31 December 2017

						Rupees '000	
Note	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty	Aggregate 2017	Aggregate 2016
<b>Participants' Takaful Fund - (PTF) Revenue Account</b>							
	12 774	3 716	1 037 598	33 516	-	1 087 604	582 653
Net contribution revenue							
Wakala expense	(27 793)	(8 760)	(242 723)	(21 806)	-	(301 082)	(168 623)
Net claims	(7 234)	(256)	(514 228)	(19 266)	-	(540 984)	(307 975)
Direct expenses	14 (10)	(3)	(191 974)	(25)	-	(192 012)	(114 924)
Retakaful rebate	15 18 644	4 797	-	6 682	-	30 123	20 378
<b>Underwriting results</b>	<b>(3 619)</b>	<b>(506)</b>	<b>88 673</b>	<b>(899)</b>	<b>-</b>	<b>83 649</b>	<b>11 509</b>
Investment income						19 009	3 545
Profit on deposits						12 617	6 880
Modarib's share on profit on deposits						(3 154)	(1 720)
Exchange (loss) / gain						(15)	56
						28 457	8 761
<b>Surplus for the year</b>						<b>112 106</b>	<b>20 270</b>
<b>Accumulated Surplus</b>							
Balance at the beginning of the year						28 309	8 039
Surplus for the year						112 106	20 270
Balance at the end of the year						140 415	28 309
<b>Operator's Fund - (OPF) Revenue Account</b>							
Wakala fee						301 082	168 623
Management expenses	16					(171 706)	(123 760)
Commission expense						(95 622)	(45 537)
						33 754	(674)
Investment income						7 390	3 550
Profit on deposits						3 214	2 105
Modarib's share of PTF profit on deposits						3 154	1 720
Other income - Gain on sale of fixed asset						-	12
General and administration expenses	17					(657)	(796)
						13 101	6 591
<b>Profit for the year</b>						<b>46 855</b>	<b>5 917</b>

The annexed notes 1 to 24 form an integral part of these financial statements.

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

Karachi 14 February 2018

EFU General Insurance Limited – Window Takaful Operations  
Statement of Comprehensive Income  
For the year ended 31 December 2017

		Rupees '000	
		2017	2016
<b>Operator's Fund (OPF)</b>			
Profit for the year		46 855	5 917
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>46 855</b>	<b>5 917</b>

The annexed notes 1 to 24 form an integral part of these financial statements.

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MUNEER R. BHIMJEE Director  
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SAIFUDDIN N. ZOOMKAWALA Chairman

Karachi 14 February 2018



EFU General Insurance Limited – Window Takaful Operations  
Statement of Changes in Funds  
For the year ended 31 December 2017

Rupees '000

	Operator's Fund		
	Statutory fund	Accumulated profit / (loss)	Total
Balance as at 01 January 2016	50 000	( 3 127 )	46 873
Contribution made during the year	50 000	–	50 000
<b>Total comprehensive income for the period ended 31 December 2016</b>			
Profit for the year	–	5 917	5 917
Balance as at 31 December 2016	100 000	2 790	102 790
Balance as at 01 January 2017	100 000	2 790	102 790
<b>Total comprehensive income for the year ended 31 December 2017</b>			
Profit for the year	–	46 855	46 855
Balance as at 31 December 2017	100 000	49 645	149 645
	Participants' Takaful Fund		
	Cede money	Accumulated surplus	Total
Balance as at 01 January 2016	500	8 039	8 539
Surplus for the year	–	20 270	20 270
Balance as at 31 December 2016	500	28 309	28 809
Balance as at 01 January 2017	500	28 309	28 809
Surplus for the year	–	112 106	112 106
Balance as at 31 December 2017	500	140 415	140 915

The annexed notes 1 to 24 form an integral part of these financial statements.

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SAIFUDDIN N. ZOOMKAWALA Chairman

Karachi 14 February 2018

EFU General Insurance Limited – Window Takaful Operations  
Statement of Cash Flows  
For the year ended 31 December 2017

Rupees '000

	Operator's Fund	Participants' Takaful Fund	2017 Aggregate	2016 Aggregate
<b>Operating activities</b>				
a) Takaful activities				
Contributions received	–	1 485 995	1 485 995	1 014 512
Retakaful contributions paid	–	( 116 301 )	( 116 301 )	( 156 403 )
Claims paid	–	( 540 715 )	( 540 715 )	( 189 791 )
Retakaful and other recoveries received	–	53 658	53 658	39 693
Commissions paid	( 107 921 )	–	( 107 921 )	( 61 956 )
Retakaful rebate received	–	33 825	33 825	25 533
Wakala fees received / (paid)	337 854	( 337 854 )	–	–
Management expenses	( 170 513 )	( 192 010 )	( 362 523 )	( 237 041 )
Net cash inflow from takaful activities	59 420	386 598	446 018	434 547
b) Other operating activities				
Income tax paid	( 1 725 )	( 3 788 )	( 5 513 )	( 1 822 )
General and administration expenses	( 657 )	–	( 657 )	( 646 )
Other operating payments	( 4 760 )	( 52 009 )	( 56 769 )	( 10 144 )
Other operating receipts	14 743	1 216	15 959	39 580
Net cash inflow / (outflow) from other operating activities	7 601	( 54 581 )	( 46 980 )	26 968
<b>Total cash inflow from all operating activities</b>	67 021	332 017	399 038	461 515
<b>Investment activities</b>				
Profit / return received	3 627	26 453	30 080	9 202
Dividends received	1 076	12 497	13 573	2 282
Modarib fee received / (paid)	7 765	( 7 765 )	–	–
Payments for investments	( 31 408 )	( 637 777 )	( 669 185 )	( 751 946 )
Proceeds from disposal of investments	20 854	408 876	429 730	353 381
Fixed capital expenditures	( 21 )	–	( 21 )	( 3 139 )
Proceeds from disposal / adjustment of fixed assets	–	–	–	975
<b>Total cash inflow / (outflow) from investing activities</b>	1 893	( 197 716 )	( 195 823 )	( 389 245 )
<b>Financing activities</b>				
<b>Total cash inflows from financing activities –</b>				
Contribution to the operator's fund	–	–	–	50 000
<b>Net cash inflow from all activities</b>	68 914	134 301	203 215	122 270
Qard-e-hasna repaid from PTF to OPF	85 000	( 85 000 )	–	–
Cash at the beginning of the year	56 350	204 271	260 621	138 351
<b>Cash at the end of the year</b>	210 264	253 572	463 836	260 621
<b>Reconciliation to profit and loss account</b>				
Operating cash flows	67 021	332 017	399 038	461 515
Depreciation expense	( 1 027 )	–	( 1 027 )	( 882 )
Investment income	7 390	19 009	26 399	7 095
Profit on deposits	6 368	9 463	15 831	8 985
Other income	–	–	–	12
Increase in assets other than cash	86 481	331 423	417 904	271 689
Increase in liabilities other than running finance	( 119 378 )	( 579 806 )	( 699 184 )	( 722 227 )
<b>Surplus for the year</b>	46 855	112 106	158 961	26 187
<b>Attributed to</b>				
Operator's Fund	46 855	–	46 855	5 917
Participants' Takaful Fund	–	112 106	112 106	20 270
	46 855	112 106	158 961	26 187
<b>Definition of cash</b>				
Cash for the purposes of the statement of cash flows consists of:				
Cash and other equivalents	–	590	590	468
Current and other accounts	87 764	152 982	240 746	151 153
Deposits maturing within 12 months	122 500	100 000	222 500	109 000
	210 264	253 572	463 836	260 621

The annexed notes 1 to 24 form an integral part of these financial statements.

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

Karachi 14 February 2018



EFU General Insurance Limited – Window Takaful Operations  
Statement of Contributions  
For the year ended 31 December 2017

Rupees '000

Class	Contribution				Retakaful				Net contribution revenue 2017	Net contribution revenue 2016
	Written	Unearned contribution reserve		Earned	Retakaful ceded	Prepaid retakaful contribution ceded		Retakaful expense		
		Opening	Closing			Opening	Closing			
<b>Direct and facultative</b>										
Fire and property damage	126 868	47 065	62 758	111 175	112 599	41 475	55 673	98 401	12 774	7 675
Marine, aviation and transport	27 575	4 102	6 642	25 035	23 486	3 560	5 727	21 319	3 716	1 758
Motor	1 322 199	437 536	702 471	1 057 264	19 666	-	-	19 666	1 037 598	542 391
Miscellaneous	90 528	48 726	52 035	87 219	61 015	27 762	35 074	53 703	33 516	30 829
Total	1 567 170	537 429	823 906	1 280 693	216 766	72 797	96 474	193 089	1 087 604	582 653
<b>Treaty - proportional</b>	-	-	-	-	-	-	-	-	-	-
Grand total	1 567 170	537 429	823 906	1 280 693	216 766	72 797	96 474	193 089	1 087 604	582 653

**Note:** Contributions written includes administrative surcharge of Rs.290 million (2016: Rs. 229 million).

The annexed notes 1 to 24 form an integral part of these financial statements.

TAHER G. SACHAK  
Director

MUNEER R. BHIMJEE  
Director

ALTAF GOKAL  
Chief Financial Officer &  
Corporate Secretary

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2018

EFU General Insurance Limited – Window Takaful Operations  
Statement of Claims  
For the year ended 31 December 2017

Rupees '000

Class	Claims				Retakaful				Net claims expense 2017	Net claims expense 2016
	Paid	Outstanding		Claims expense	Retakaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims		Retakaful and other recoveries revenue		
		Opening	Closing			Opening	Closing			
<b>Direct and facultative</b>										
Fire and property damage	42 289	20 447	55 432	77 274	38 020	18 356	50 376	70 040	7 234	4 264
Marine, aviation and transport	4 716	7 187	5 044	2 573	4 245	6 468	4 540	2 317	256	1 019
Motor	449 868	167 454	232 095	514 509	-	-	281	281	514 228	300 652
Miscellaneous	18 138	15 324	47 547	50 361	11 304	13 956	33 747	31 095	19 266	2 040
Total	515 011	210 412	340 118	644 717	53 569	38 780	88 944	103 733	540 984	307 975
<b>Treaty - proportional</b>	-	-	-	-	-	-	-	-	-	-
Grand total	515 011	210 412	340 118	644 717	53 569	38 780	88 944	103 733	540 984	307 975

The annexed notes 1 to 24 form an integral part of these financial statements.

TAHER G. SACHAK  
Director

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Director

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Chief Financial Officer &  
Corporate Secretary

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2018



EFU General Insurance Limited – Window Takaful Operations  
Statement of Expenses - OPF  
For the year ended 31 December 2017

Rupees '000

Class	Paid or payable	Commission Deferred		Net expense	Other management expenses	Net OPF expenses	Net OPF expenses
		Opening	Closing			2017	2016
<b>Direct and facultative</b>							
Fire and property damage	17 768	6 306	9 099	14 975	10 808	25 783	17 199
Marine, aviation and transport	4 777	685	1 137	4 325	3 467	7 792	4 639
Motor	93 550	28 979	49 752	72 777	150 428	223 205	136 075
Miscellaneous	2 144	2 507	1 106	3 545	7 003	10 548	11 384
Total	118 239	38 477	61 094	95 622	171 706	267 328	169 297
<b>Treaty - proportional</b>							
	-	-	-	-	-	-	-
Grand total	118 239	38 477	61 094	95 622	171 706	267 328	169 297

The annexed notes 1 to 24 form an integral part of these financial statements.

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Karachi 14 February 2018

EFU General Insurance Limited – Window Takaful Operations  
Statement of Expenses - PTF  
For the year ended 31 December 2017

Rupees '000

Class	Gross wakala fee	Deferred wakala fee		Net expenses	PTF Direct expenses	Rebate from retakaful operators (Note 15)	Net PTF expenses	Net PTF expenses
		Opening	Closing				2017	2016
<b>Direct and facultative</b>								
Fire and property damage	31 717	11 766	15 690	27 793	10	18 644	9 159	4 514
Marine, aviation and transport	9 651	1 436	2 327	8 760	3	4 797	3 966	1 877
Motor	331 232	87 293	175 802	242 723	191 974	-	434 697	242 678
Miscellaneous	22 632	12 182	13 008	21 806	25	6 682	15 149	14 100
Total	395 232	112 677	206 827	301 082	192 012	30 123	462 971	263 169
<b>Treaty - proportional</b>								
	-	-	-	-	-	-	-	-
Grand total	395 232	112 677	206 827	301 082	192 012	30 123	462 971	263 169

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

The annexed notes 1 to 24 form an integral part of these financial statements.

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Karachi 14 February 2018



EFU General Insurance Limited – Window Takaful Operations  
Statement of Investment Income  
For the year ended 31 December 2017

	Rupees '000	
	2017	2016
<b>Participants' Takaful Fund</b>		
Return on government securities - Ijara sukuk	14 829	3 185
Amortisation of premium relative to par	( 869 )	( 427 )
Dividend income	12 497	470
(Loss) / gain on sale of non - trading investments	( 1 112 )	1 499
	25 345	4 727
Modarib's share on investment income	( 6 336 )	( 1 182 )
<b>Net investment income</b>	<u>19 009</u>	<u>3 545</u>
<b>Operator's Fund</b>		
Return on government securities - Ijara sukuk	547	-
Amortisation of premium relative to par	( 13 )	-
Dividend income	1 076	1 812
(Loss) / gain on sale of non - trading investments	( 556 )	556
Modarib's share of PTF investment income	6 336	1 182
<b>Net investment income</b>	<u>7 390</u>	<u>3 550</u>

The annexed notes 1 to 24 form an integral part of these financial statements.

TAHER G. SACHAK Director	MUNEER R. BHIMJEE Director	ALTAF GOKAL Chief Financial Officer & Corporate Secretary	HASANALI ABDULLAH Managing Director & Chief Executive	SAIFUDDIN N. ZOOMKAWALA Chairman
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Karachi 14 February 2018

EFU General Insurance Limited – Window Takaful Operations  
Notes to the Financial Statements  
For the year ended 31 December 2017

**1. Status and nature of business**

EFU General Insurance Limited (the Operator) was allowed to undertake Window Takaful Operations (the Operations) 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 06 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 09 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.

**2.1. Statement of compliance**

These financial statements of the Operations 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 repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed 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 repealed Companies Ordinance, 1984, Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012 shall prevail.

During the year, Securities and Exchange Commission of Pakistan ("SECP") has issued Insurance Accounting Regulations, 2017 which were applicable with effect from 09 February 2017. However, the Operator applied for the extension relating to the applicability of the said regulations for preparation of the financial statements for the period ended 30 September 2017 and financial statements for the year ended 31 December 2017 which was allowed by SECP vide letter ID/OSM/EFU/2017/12093, dated 27 September 2017. Hence, the financial statements for the year ended 31 December 2017 are prepared in accordance with the requirements of SEC (Insurance) Rules, 2002.

Major impact in accordance with the format prescribed by SEC Insurance Rules, 2017 is on presentation and disclosure of financial statements as per Annexure II of SEC Insurance Rules, 2017 and on valuation of available-for-sale investments the impact of which has been disclosed in note 10.1.2 and 10.2.2.

**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 Operations 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 affect 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 recognized 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	3.4
– Contributions deficiency reserve	3.5
– Provision for outstanding claims (including IBNR)	3.7
– Receivables and payables related to takaful contracts	3.13
– Fixed assets	3.16 & 13

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

2.5.1 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2018:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 01 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Operator's financial statements.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after 01 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Operator's financial statements.
- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 01 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Operator's financial statements.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on Operator's financial statements.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Operator's financial statements.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 01 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction

Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The application of interpretation is not likely to have an impact on the Operator's financial statements.

- IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting years beginning on or after 01 July 2018, with early adoption permitted. The Operator is assessing the potential impact on its Financial Statements resulting from the application of IFRS 9 which is generally expected to have an impact on the Financial Statements of takaful businesses.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 01 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Operator's financial statements.
- Annual Improvements to IFRS Standards 2015-2017 Cycle - the improvements address amendments to following approved accounting standards:
  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
  - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
  - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.
- The above amendments are effective from annual period beginning on or after 01 January 2019 and are not likely to have an impact on Operator's financial statements.
- In addition, the Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 23 of 2017 has clarified that the companies whose financial year closes on or before 31 December 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 applicable for financial year beginning on 01 January 2018 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of fixed assets to bring it in line with the requirements of IAS 16 - Property, plant and equipment. The application of Companies Act, 2017 is not likely to have financial impact on the Operator's financial statements except extended disclosures.
- Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 (effective for annual periods beginning on or after 01 July 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 01 July 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

### 3. Summary of significant accounting policies

The significant accounting policies as said below have been applied consistently to all periods presented in these financial statements except for the standards which became effective during the current year.



### 3.1 Standards, interpretation and amendments effective during the current year

During the year, certain new standards and amendments to existing standards became effective. However, they did not have material effect on these financial statements.

### 3.2 Takaful contracts

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

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.

### 3.3 Contribution

For all the takaful contracts, contributions including administrative surcharge received / receivable under a policy are recognized 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 recognized 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.

### 3.4 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.

### 3.5 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 recognized 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 recognized 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>2017</u>	<u>2016</u>
– Fire and property damage	56 %	30 %
– Marine, aviation and transport	23 %	39 %
– Motor	52 %	55 %
– Miscellaneous	32 %	57 %

### 3.6 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.

### 3.7 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. 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.

#### 3.7.1 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 recognized 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.

#### 3.7.2 Claims incurred but not reported

The provision for claims incurred but not reported (IBNR) is made at the balance sheet date. In accordance with SECP circular no. 9 of 2016, the Operator has changed its method of estimation of IBNR. The Operator now takes actuarial advice for the determination of IBNR claims. IBNR claim have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

### 3.8 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 recognized as an expense at the time the retakaful is ceded. Commission on retakaful cessions are recognized 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 recognized at the same time when retakaful contributions are recognized as an expense.

Retakaful assets or liabilities are derecognized 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.





### 3.9 Commission

#### 3.9.1 Commission expense

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

#### 3.9.2 Rebate from retakaful operators

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

### 3.10 Wakala fees

The Operator manages the general takaful operations for the participants and charges 25 % (2016: 25 %) for Fire and Property, 35 % (2016: 35 %) for Marine, Aviation and Transport, 25 % (2016: 20 %) for Motor, 25 % (2016: 25 %) for Miscellaneous, of gross contribution written including administrative surcharge as wakala fee against the services.

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

### 3.11 Modarib's fee

The Operator also manages the participants' investment as modarib and charges 25 % of investment income and profit on profit and loss sharing accounts and bank deposits earned by the PTF as Modarib's fee. It is recognized on the same basis on which related revenue is recognized.

### 3.12 Revenue recognition

#### 3.12.1 PTF

##### 3.12.1.1 Contribution

The revenue recognition policy for Contributions is given under note 3.3.

##### 3.12.1.2 Rebate from retakaful operators

The revenue recognition policy for rebate from retakaful operator is given under note 3.9.2.

#### 3.12.2 OPF

The revenue recognition policy for wakala fee is given under note 3.10.

#### 3.12.3 PTF / OPF

##### 3.12.3.1 Investment Income

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

### 3.13 Receivables and payables related to takaful contracts

Receivables and payables related to takaful contracts are recognized 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.

### 3.14 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 recognized 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.

### 3.15 Investments

All investments are initially recognized 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 Operator commits to purchase or sell the investments.

#### 3.15.1 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 / profit rate movements are considered as held for trading. After initial recognition, these are measured at fair values with any resulting gains or losses recognized 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 Operator's right to receive such dividend and bonus shares is established.

#### 3.15.2 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 profit 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 Operator 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".

### 3.16 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 as specified in note 13 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 recognized as a separate asset, as appropriate, only when it is probable that the future economic benefit associated with the item will flow to the Operations and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to profit and loss account.

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

#### 3.16.2 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.

### 3.17 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.

### 3.18 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.



## 3.19 Foreign currencies

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

## 3.20 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 recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

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.

## 3.21 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 recognized at the time when the Operations becomes a party to the contractual provisions of the instrument and de-recognized when the Operations 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.

## 3.22 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 recognized amount and the Operator intends either to settle on a net basis or realise the assets and settle the liabilities simultaneously.

## 3.23 Operating segments

An operating segment is a component of the Operations 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. 3.2.

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.

## 3.24 The profit of the Operator is taxed as part of total profit of the EFU General Insurance Limited as the Operator is not separately registered for tax purposes.

Rupees '000

	2017	2016
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## 4. Other creditors and accruals - PTF

Federal insurance fee payable	1 444	1 168
Federal excise duty payable	16 726	14 927
Sundry creditors	1 635	2 481
	<u>19 805</u>	<u>18 576</u>

## 5. Payable to EFU General Insurance Limited

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

## 6. Contingencies

There are no contingency and commitment as at 31 December 2017 (31 December 2016: Nil).

Rupees '000

Note	2017			2016		
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## 7. Cash and other equivalents

	OPF	PTF	Aggregate	OPF	PTF	Aggregate
Current accounts	-	590	590	-	468	468
	<u>-</u>	<u>590</u>	<u>590</u>	<u>-</u>	<u>468</u>	<u>468</u>

## 8. Current and other accounts

Current accounts		21	628	649	21	21	42
Saving accounts	8.1	87 743	152 354	240 097	41 329	109 782	151 111
		<u>87 764</u>	<u>152 982</u>	<u>240 746</u>	<u>41 350</u>	<u>109 803</u>	<u>151 153</u>

8.1 The rate of profit on profit and loss sharing accounts from various banks range from 2.40 % to 5.50 % per annum (2016: 4.90 % to 5.50 % per annum) depending on the size of average deposits.

Rupees '000

Note	2017			2016		
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## 9. Deposits maturing within 12 months

	OPF	PTF	Aggregate	OPF	PTF	Aggregate	
Terms deposit certificates - local currency	9.1	122 500	100 000	222 500	15 000	94 000	109 000
		<u>122 500</u>	<u>100 000</u>	<u>222 500</u>	<u>15 000</u>	<u>94 000</u>	<u>109 000</u>

9.1 The rate of profit on term deposit certificates issued by our banks range from 4.90 % to 5.95 % per annum (2016: 4.90 % to 5.65 % per annum) depending on tenor. These term deposit certificates have maturities upto March 2018.



## 10. Investments

	Note	2017	2016
Rupees '000			
<b>10.1 Operator's Fund</b>			
Available for sale			
Mutual funds	10.3.1	–	20 590
Fixed income securities			
Government securities - Ijara sukuk	10.3.4	30 589	–
		<u>30 589</u>	<u>20 590</u>

10.1.1 The market value of available for sale investments as on 31 December 2017 was Rs. 30.48 million (31 December 2016: 20.45 million).

10.1.2 As per the Operations 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 2017 would have been lower by Rs. 0.11 million (31 December 2016: lower by Rs. 0.14 million).

	Note	2017	2016
Rupees '000			
<b>10.2 Participants' Takaful Fund</b>			
Available for sale			
Mutual funds	10.3.2 & 10.3.3	–	279 085
Fixed income securities			
Government securities - Ijara sukuk	10.3.5	607 819	100 945
		<u>607 819</u>	<u>380 030</u>

10.2.1 The market value of available for sale investments as on 31 December 2017 was Rs. 606.54 million (31 December 2016: 385.67 million).

10.2.2 As per the Operations 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 2017 would have been lower by Rs. 1.28 million (31 December 2016: higher by 5.64 million).

### 10.3 Detail of Investments

#### 10.3.1 Quoted Mutual Fund - OPF

Number of units		Face value per unit	Name of entity	Rupees '000	
2017	2016			2017	2016
<b>Mutual funds</b>					
<b>Open end mutual funds</b>					
–	48 314	100	Faysal Islamic Savings Growth Fund	–	5 000
–	1 471 163	10	NAFA Riba Free Savings Fund	–	15 590
–	<u>1 519 477</u>			–	<u>20 590</u>

#### 10.3.2 Quoted Mutual Fund - PTF (In related parties)

Number of units		Face value per unit	Name of entity	Rupees '000	
2017	2016			2017	2016
<b>Mutual funds</b>					
<b>Open end mutual funds</b>					
–	291 228	100	JS Islamic Government Securities Fund	–	30 000
–	<u>291 228</u>			–	<u>30 000</u>

#### 10.3.3 Quoted Mutual Fund - PTF (Others)

Number of units		Face value per unit	Name of entity	Rupees '000	
2017	2016			2017	2016
<b>Mutual funds</b>					
<b>Open end mutual funds</b>					
–	3 961 106	10	ABL Islamic Income Fund	–	40 185
–	100 180	100	Alfalah GHP Islamic Income Fund	–	10 078
–	296 024	100	Al Ameen Islamic Sovereign Fund	–	30 132
–	39 264	500	Atlas Islamic Income Fund	–	20 000
–	484 247	100	Faysal Islamic Savings Growth Fund	–	50 352
–	641 936	50	Meezan Sovereign Fund	–	32 861
–	1 491 158	10	NAFA Riba Free Savings Fund	–	15 164
–	498 784	100	PIML Islamic Income Fund	–	50 313
–	<u>7 512 699</u>			–	<u>249 085</u>
–	<u>9 323 404</u>		Total	–	<u>299 675</u>

#### 10.3.4 Fixed income securities - OPF

Name of investment	Maturity year	Effective yield %	Profit payment	Face value	Rupees '000	
					2017	2016
<b>Government securities</b>						
3 Years Ijarah Sukuk XIX	2020	5.11%	Half yearly	20 500	20 565	–
3 Years Ijarah Sukuk XIX	2020	5.14%	Half yearly	10 000	10 024	–
					<u>30 589</u>	–



## 10.3.5 Fixed income securities - PTF

Name of investment	Maturity year	Effective yield %	Profit payment	Face value	Rupees '000	
					2017	2016
<b>Government securities</b>						
3 Years Ijara Sukuk XVII	2019	5.39%	Half Yearly	58 000	58 448	58 822
3 Years Ijara Sukuk XVII	2019	5.35%	Half Yearly	41 500	41 839	42 123
3 Years Ijara Sukuk XIX	2020	5.04%	Half Yearly	15 000	15 072	-
3 Years Ijara Sukuk XIX	2020	5.10%	Half Yearly	200 000	200 674	-
3 Years Ijara Sukuk XIX	2020	5.11%	Half Yearly	86 000	86 271	-
3 Years Ijara Sukuk XIX	2020	5.13%	Half Yearly	50 000	50 129	-
3 Years Ijara Sukuk XIX	2020	5.13%	Half Yearly	30 000	30 077	-
3 Years Ijara Sukuk XIX	2020	5.14%	Half Yearly	25 000	25 059	-
3 Years Ijara Sukuk XIX	2020	5.13%	Half Yearly	40 000	40 103	-
3 Years Ijara Sukuk XIX	2020	5.14%	Half Yearly	30 000	30 071	-
3 Years Ijara Sukuk XIX	2020	5.13%	Half Yearly	30 000	30 076	-
					607 819	100 945
Total					638 408	100 945

## 11. Accrued Investment Income

	Rupees '000	
	2017	2016
<b>11.1 Operator's Fund</b>		
Return accrued on fixed income securities	4	-
Return on bank deposits	150	33
	154	33
<b>11.2 Participants' Takaful Fund</b>		
Return accrued on fixed income securities	2 368	2 294
Return on bank deposits	596	547
	2 964	2 841
Total	3 118	2 874

## 12. Prepayments - PTF

	Rupees '000	
	2017	2016
Prepaid retakaful contribution ceded	96 474	72 797
Prepaid charges for vehicle tracking devices	47 775	9 059
	144 249	81 856

## 13. Fixed assets - tangible and intangible

	OPF - 2017									
	Cost				Rate %	Depreciation / amortisation				Written down value
	As at 01 January	Additions	Disposal	As at 31 December		As at 01 January	For the year	Disposal	As at 31 December	
<b>Tangible</b>										
Furniture and fixtures	1 481	21	-	1 502	10	174	150	-	324	1 178
Office equipments	333	-	-	333	10	52	33	-	85	248
Computers	562	-	-	562	30	216	169	-	385	177
Vehicles	3 376	-	-	3 376	20	701	675	-	1 376	2 000
	5 752	21	-	5 773		1 143	1 027	-	2 170	3 603
	OPF - 2016									
<b>Tangible</b>										
Furniture & Fixtures	1 421	60	-	1 481	10	28	146	-	174	1 307
Office equipments	333	-	-	333	10	19	33	-	52	281
Computers	290	272	-	562	30	82	134	-	216	346
Vehicles	1 680	2 807	1 111	3 376	20	280	569	148	701	2 675
	3 724	3 139	1 111	5 752		409	882	148	1 143	4 609

## 14. Direct expenses - PTF

	Rupees '000	
	2017	2016
Charges for Vehicle Tracking Devices	191 187	114 538
Other Expenses	825	386
	192 012	114 924



					Rupees '000	
					2017	2016
<b>15. Rebate from retakaful operator - PTF</b>						
	Rebate received or receivable	Unearned Rebate		Rebate from retakaful operators	Rebate from retakaful operators	
		Opening	Closing			
Fire and property damage	20 288	8 385	10 029	18 644	13 276	
Marine, aviation and transport	5 285	801	1 289	4 797	2 270	
Motor	-	-	-	-	-	
Miscellaneous	8 252	3 174	4 744	6 682	4 832	
	<u>33 825</u>	<u>12 360</u>	<u>16 062</u>	<u>30 123</u>	<u>20 378</u>	

			Rupees '000	
			2017	2016
<b>16. Management Expenses - OPF</b>	Note			
Salaries, wages and benefits	16.1		128 380	92 014
Bonus to staff			10 533	7 334
Gratuity			1 429	1 294
Rent, rates and taxes			5 415	4 081
Telephone			1 209	1 086
Postage			945	401
Gas and electricity			4 010	3 083
Printing and stationery			2 600	1 901
Travelling and entertainment			1 124	1 071
Depreciation			10 337	7 877
Repairs and maintenance			2 218	2 089
Publicity			2	15
Bank charges and commission			130	72
Sundries			3 374	1 442
			<u>171 706</u>	<u>123 760</u>

16.1 These include Rs. 142 thousand (2016: Rs. 99 thousand) being contribution for employees' provident fund.

			Rupees '000	
			2017	2016
<b>17. General and administration expenses - OPF</b>	Note			
Audit remuneration	17.1		657	796
			<u>657</u>	<u>796</u>

			Rupees '000	
			2017	2016
<b>17.1 Auditors' remuneration</b>				
Audit fee			300	300
Interim review			150	150
Shariah compliance audit fee			150	275
Out of pocket expenses			57	71
			<u>657</u>	<u>796</u>

## 18. Operating segments

### 18.1 Operator's Fund

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Corporate segment assets	26 159	15 751	4 429	3 148	144 487	73 668	6 942	4 632	-	-	182 017
Corporate unallocated assets											251 570	170 154
Total assets											<u>433 587</u>	<u>267 353</u>
Corporate segment liabilities	22 634	16 411	4 009	2 781	194 668	99 027	15 380	14 003	-	-	236 691	132 222
Corporate unallocated liabilities											47 251	32 341
Total liabilities											<u>283 942</u>	<u>164 563</u>
Capital expenditures											21	3 139
Unallocated depreciation											1 027	882
Total despreciation											<u>1 027</u>	<u>882</u>

### 18.2 Participants' Takaful Fund

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Corporate segment assets	144 120	91 393	15 208	16 346	410 924	321 205	102 854	60 640	-	-	673 106
Corporate unallocated assets											930 186	505 073
Total assets											<u>1 603 292</u>	<u>994 657</u>
Corporate segment liabilities	202 492	92 371	27 378	18 670	1 060 658	659 000	149 200	78 755	-	-	1 439 728	848 796
Corporate unallocated liabilities											22 649	117 052
Total liabilities											<u>1 462 377</u>	<u>965 848</u>

## 19. Surplus distribution

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

## 20. Qard-e-Hasana

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.



## 21. Management of takaful and financial risk

### 21.1 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 Operations 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 Operations 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.

#### 21.1.1 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 Operations 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	2017				2016			
	Gross claims liabilities	Net claims liabilities	Gross contribution liabilities	Net contribution liabilities	Gross claims liabilities	Net claims liabilities	Gross contribution liabilities	Net contribution liabilities
	%	%	%	%	%	%	%	%
Fire and property damage	16	2	8	1	10	1	9	1
Marine, aviation and transport	1	–	1	–	3	–	1	–
Motor	68	92	85	97	80	98	81	94
Miscellaneous	15	6	6	2	7	1	9	5
	100	100	100	100	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 Operations class wise major gross risk exposure is as follows:

Class	Rupees '000	
	2017	2016
Fire and property damage	3 681 000	1 736 870
Marine, aviation and transport	82 720	206 800
Motor	28 350	18 900
Miscellaneous	1 162 500	1 000 000

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

#### 21.1.2 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 3.7.

#### 21.1.3 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. The Operator has taken actuarial advice for the determination of IBNR claims which has been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

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.



## 21.1.4 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	
	2017	2017	2016	2016
<b>Impact of change in claim liabilities by + 10%</b>				
Fire and property damage	( 506 )	( 506 )	( 209 )	( 209 )
Marine, aviation and transport	( 50 )	( 50 )	( 72 )	( 72 )
Motor	( 23 181 )	( 23 181 )	( 16 745 )	( 16 745 )
Miscellaneous	( 1 380 )	( 1 380 )	( 137 )	( 137 )
	<u>( 25 117 )</u>	<u>( 25 117 )</u>	<u>( 17 163 )</u>	<u>( 17 163 )</u>
<b>Impact of change in claim liabilities by - 10%</b>				
Fire and property damage	506	506	209	209
Marine, aviation and transport	50	50	72	72
Motor	23 181	23 181	16 745	16 745
Miscellaneous	1 380	1 380	137	137
	<u>25 117</u>	<u>25 117</u>	<u>17 163</u>	<u>17 163</u>

## 21.2 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 over sight of the Operator's risk management framework. There are Board Committees and Management Committees for developing and monitoring the risk management policies.

## 21.2.1 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					
	2017			2016		
	OPF	PTF	Aggregate	OPF	PTF	Aggregate
<b>Financial assets</b>						
Bank balances and deposits	210 264	252 982	463 246	56 350	203 803	260 153
Investments in mutual funds	-	-	-	20 590	279 085	299 675
Contributions due but unpaid - net	-	249 961	249 961	-	167 944	167 944
Amount due from other takaful / retakaful operator	5 497	-	5 497	675	89	764
Accrued investment income	154	2 964	3 118	33	2 841	2 874
Retakaful recoveries against outstanding claims	-	88 944	88 944	-	38 780	38 780
Wakala fees receivable	115 426	-	115 426	58 047	-	58 047
Modarib fees receivable	2 843	-	2 843	1 117	-	1 117
Security deposits	301	-	301	301	-	301
Other receivables	977	13 294	14 271	1 040	-	1 040
	<u>335 462</u>	<u>608 145</u>	<u>943 607</u>	<u>138 153</u>	<u>692 542</u>	<u>830 695</u>

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

	Rupees '000					
	2017			2016		
	OPF	PTF	Aggregate	OPF	PTF	Aggregate
<b>Rating</b>						
AAA	-	9 563	9 563	-	2 461	2 461
AA	15 977	67 366	83 343	1 652	8 719	10 371
AA-	14 513	40 946	55 459	-	-	-
A+	43 830	17 300	61 130	28 798	85 240	114 038
A	13 444	17 807	31 251	10 900	13 383	24 283
	<u>87 764</u>	<u>152 982</u>	<u>240 746</u>	<u>41 350</u>	<u>109 803</u>	<u>151 153</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	
	2017	
	Amounts due from takaful / retakaful	Amounts due from takaful / retakaful
a. Operator's Fund		
A or above	5 471	675
B or above	26	-
	<u>5 497</u>	<u>675</u>

As at 31 December 2017, the amount due from takaful / retakaful operator includes amount receivable within one year and above one year amounting to Rs. 5.149 million (2016 : Rs. 0.630 million) and Rs.0.348 million (2016: Rs. 0.045 million) respectively.



## b. Participants' Takaful Fund

Rupees '000

Rating	2017		2016	
	Amounts due from takaful / retakaful	Retakaful recoveries against outstanding claims	Amounts due from takaful / retakaful	Retakaful recoveries against outstanding claims
A or above	–	88 251	89	38 780
B or above	–	693	–	–
	–	88 944	89	38 780

As at 31 December 2017, the amount of Rs. Nil (2016: Rs. 89 thousand) due from takaful / retakaful operator is receivable within one year.

## 21.2.2 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 outflows 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 Operations 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 2017		
	Carrying amount	Up to one year	Greater than one year
<b>Financial liabilities:</b>			
Accrued expenses	1 492	1 492	–
Agent balances	29 865	29 865	–
Other creditors and accruals	194	194	–
Payable to EFU General Insurance Limited	45 564	45 564	–
	77 115	77 115	–

Rupees '000

	PTF 2017		
	Carrying amount	Up to one year	Greater than one year
<b>Financial liabilities:</b>			
Provision for outstanding claims (including IBNR)	340 118	340 118	–
Amounts due to other takaful / retakaful operator	142 778	142 778	–
Wakala fees payable	115 426	115 426	–
Modarib fees payable	2 843	2 843	–
Other creditors and accruals	19 805	19 805	–
	620 970	620 970	–

	OPF 2016		
	Carrying amount	Up to one year	Greater than one year
<b>Financial liabilities:</b>			
Accrued expenses	1 325	1 325	–
Agent balances	19 547	19 547	–
Other creditors and accruals	166	166	–
Payable to EFU General Insurance Limited	30 848	30 848	–
	51 886	51 886	–

Rupees '000

	PTF 2016		
	Carrying amount	Up to one year	Greater than one year
<b>Financial liabilities:</b>			
Provision for outstanding claims (including IBNR)	210 412	210 412	–
Amounts due to other takaful / retakaful operator	42 311	42 311	–
Wakala fees payable	58 047	58 047	–
Modarib fees payable	1 117	1 117	–
Other creditors and accruals	18 576	18 576	–
	330 463	330 463	–

## 21.2.3 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.

## 21.2.3.1 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 the Operations exposure to profit rate risk based on contractual reprising or maturity dates whichever is earlier is as follows:





Rupees '000

	OPF 2017						
	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		
<b>Financial assets</b>							
Cash and bank deposits	2.40-5.95	210 243	-	-	210 243	21	210 264
Investments	5.12	-	30 589	-	30 589	-	30 589
Amounts due from other takaful / retakaful operator		-	-	-	-	5 497	5 497
Accrued investment income		-	-	-	-	154	154
Wakala fees receivable		-	-	-	-	115 426	115 426
Modarib fees receivable		-	-	-	-	2 843	2 843
Security deposits		-	-	-	-	301	301
Sundry receivables		-	-	-	-	977	977
		<u>210 243</u>	<u>30 589</u>	<u>-</u>	<u>240 832</u>	<u>125 219</u>	<u>366 051</u>
<b>Financial liabilities</b>							
Accrued expenses		-	-	-	-	1 492	1 492
Agent balances		-	-	-	-	29 865	29 865
Other creditors and accruals		-	-	-	-	194	194
Payable to EFU General Insurance Limited		-	-	-	-	45 564	45 564
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77 115</u>	<u>77 115</u>
On-balance sheet sensitivity gap		<u>210 243</u>	<u>30 589</u>	<u>-</u>	<u>240 832</u>		
Total yield / mark-up rate risk sensitivity gap		<u>210 243</u>	<u>30 589</u>	<u>-</u>	<u>240 832</u>		

Rupees '000

	PTF 2017						
	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		
<b>Financial assets</b>							
Cash and bank deposits	2.40-5.95	252 354	-	-	252 354	1 218	253 572
Investments	5.15	-	607 819	-	607 819	-	607 819
Contributions due but unpaid - net		-	-	-	-	249 961	249 961
Accrued investment income		-	-	-	-	2 964	2 964
Retakaful recoveries against outstanding claims		-	-	-	-	88 944	88 944
Sundry receivables		-	-	-	-	13 294	13 294
		<u>252 354</u>	<u>607 819</u>	<u>-</u>	<u>860 173</u>	<u>356 381</u>	<u>1 216 554</u>
<b>Financial liabilities</b>							
Provision for outstanding claims (including IBNR)		-	-	-	-	340 118	340 118
Amounts due to other takaful / retakaful operator		-	-	-	-	142 778	142 778
Wakala fees payable		-	-	-	-	115 426	115 426
Modarib fees payable		-	-	-	-	2 843	2 843
Other creditors and accruals		-	-	-	-	19 805	19 805
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>620 970</u>	<u>620 970</u>
On-balance sheet sensitivity gap		<u>252 354</u>	<u>607 819</u>	<u>-</u>	<u>860 173</u>		
Total yield / mark-up rate risk sensitivity gap		<u>252 354</u>	<u>607 819</u>	<u>-</u>	<u>860 173</u>		



Rupees '000

## OPF 2016

	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		
<b>Financial assets</b>							
Cash and bank deposits	4.90-5.65	56 329	-	-	56 329	21	56 350
Investments		-	-	-	-	20 590	20 590
Amounts due from other takaful / retakaful operator		-	-	-	-	675	675
Accrued investment income		-	-	-	-	33	33
Wakala fees receivable		-	-	-	-	58 047	58 047
Modarib fees receivable		-	-	-	-	1 117	1 117
Security deposits		-	-	-	-	301	301
Sundry receivables		-	-	-	-	1 040	1 040
		<u>56 329</u>	<u>-</u>	<u>-</u>	<u>56 329</u>	<u>81 824</u>	<u>138 153</u>
<b>Financial liabilities</b>							
Accrued expenses		-	-	-	-	1 325	1 325
Agent balances		-	-	-	-	19 547	19 547
Other creditors and accruals		-	-	-	-	166	166
Payable to EFU General Insurance Limited		-	-	-	-	30 848	30 848
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51 886</u>	<u>51 886</u>
On-balance sheet sensitivity gap		<u>56 329</u>	<u>-</u>	<u>-</u>	<u>56 329</u>		
Total yield / mark-up rate risk sensitivity gap		<u>56 329</u>	<u>-</u>	<u>-</u>	<u>56 329</u>		

Rupees '000

## PTF 2016

	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		
<b>Financial assets</b>							
Cash and bank deposits	4.90-5.65	203 782	-	-	203 782	489	204 271
Investments	5.39	-	100 945	-	100 945	279 085	380 030
Contributions due but unpaid - net		-	-	-	-	167 944	167 944
Amounts due from other takaful / retakaful operator		-	-	-	-	89	89
Accrued investment income		-	-	-	-	2 841	2 841
Retakaful recoveries against outstanding claims		-	-	-	-	38 780	38 780
		<u>203 782</u>	<u>100 945</u>	<u>-</u>	<u>304 727</u>	<u>489 228</u>	<u>793 955</u>
<b>Financial liabilities</b>							
Provision for outstanding claims (including IBNR)		-	-	-	-	210 412	210 412
Amounts due to other takaful / retakaful operator		-	-	-	-	42 311	42 311
Wakala fees payable		-	-	-	-	58 047	58 047
Modarib fees payable		-	-	-	-	1 117	1 117
Other creditors and accruals		-	-	-	-	18 576	18 576
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>330 463</u>	<u>330 463</u>
On-balance sheet sensitivity gap		<u>203 782</u>	<u>100 945</u>	<u>-</u>	<u>304 727</u>		
Total yield / mark-up rate risk sensitivity gap		<u>203 782</u>	<u>100 945</u>	<u>-</u>	<u>304 727</u>		



## Sensitivity analysis

As on 31 December 2017, the Operations 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 profit 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 profit rate risk. Actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

Operator's Fund			
	Change in basis points	Effect on profit and loss before tax	Operator's Fund
			Rupees '000
31 December 2017	100	877	614
	(100)	(877)	(614)
31 December 2016	100	413	285
	(100)	(413)	(285)

Participants' Takaful Fund			
	Change in basis points	Effect on PTF Revenue	Participants' Takaful Fund
			Rupees '000
31 December 2017	100	1 524	1 524
	(100)	(1 524)	(1 524)
31 December 2016	100	1 098	1 098
	(100)	(1 098)	(1 098)

## 21.2.3.2 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 Operations, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistani Rupees.

## 21.2.3.3 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.

The Operator's Fund investments amounting to Rs. Nil (2016: Rs. 20.45 million) and the Participant's Fund investments amounting to Rs. Nil (2016: Rs. 284 million) are susceptible to market price risk arising from uncertainty about the future value of investment securities. The Funds limits market risk by diversifying its equity investment portfolio and by actively monitoring the developments in equity and money markets.

The table below summarises Funds market price risk as of 31 December 2017 and 2016. It shows the effect of a 10 % increase and 10 % decrease in the market prices of equity investments as on those dates on Operator's profit and equity.

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

Operator's Fund					
	Fair value	Price change	Estimated fair value	Effect on profit and loss before tax	Operator's Fund
					Rupees '000
31 December 2017	-	10 % increase	-	-	-
		10 % decrease	-	-	-
31 December 2016	20 448	10 % increase	22 493	-	2 045
		10 % decrease	18 403	-	(2 045)

Participants' Takaful Fund					
	Fair value	Price change	Estimated fair value	Effect on PTF Revenue	Participants' Takaful Fund
					Rupees '000
31 December 2017	-	10 % increase	-	-	-
		10 % decrease	-	-	-
31 December 2016	283 954	10 % increase	312 349	-	28 395
		10 % decrease	255 559	-	(28 395)

## 21.3 Fair value

21.3.1 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.

21.3.2 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:

### 21.3.3 Operator's Fund

Rupees '000

	For the year ended 31 December 2017 (Audited)								
	Available for sale	Loan & Receivables	Other financial Assets	Other financial liabilities	Total	Fair value measurement using			
						Level 1	Level 2	Level 3	Total
<b>Financial assets not measured at fair value</b>									
Cash and bank balances*	-	-	210 264	-	210 264	-	-	-	-
Investments									
Ijara Sukuk	30 589	-	-	-	30 589	-	30 482	-	30 482
Amount due from other takaful / retakaful operator*	-	5 497	-	-	5 497	-	-	-	-
Accrued investment income*	-	154	-	-	154	-	-	-	-
Wakala fees receivable*	-	115 426	-	-	115 426	-	-	-	-
Modarib fees receivable*	-	2 843	-	-	2 843	-	-	-	-
Security deposits*	-	301	-	-	301	-	-	-	-
Sundry receivables*	-	977	-	-	977	-	-	-	-
	30 589	125 198	210 264	-	366 051	-	30 482	-	30 482
<b>Financial liabilities not measured at fair value</b>									
Accrued expenses*	-	-	-	(1 492)	(1 492)	-	-	-	-
Agent balances*	-	-	-	(29 865)	(29 865)	-	-	-	-
Other creditors and accruals*	-	-	-	(194)	(194)	-	-	-	-
	30 589	125 198	210 264	(31 551)	334 500	-	30 482	-	30 482

Rupees '000

	For the year ended 31 December 2016 (Audited)								
	Available for sale	Loan & Receivables	Other financial Assets	Other financial liabilities	Total	Fair value measurement using			
						Level 1	Level 2	Level 3	Total
<b>Financial assets not measured at fair value</b>									
Cash and bank balances*	-	-	56 350	-	56 350	-	-	-	-
Investments									
Mutual funds	20 590	-	-	-	20 590	20 448	-	-	20 448
Amount due from other takaful / retakaful operator*	-	675	-	-	675	-	-	-	-
Accrued investment income*	-	33	-	-	33	-	-	-	-
Wakala fees receivable*	-	58 047	-	-	58 047	-	-	-	-
Modarib fees receivable*	-	1 117	-	-	1 117	-	-	-	-
Security deposits*	-	301	-	-	301	-	-	-	-
Sundry receivables*	-	1 040	-	-	1 040	-	-	-	-
	20 590	61 213	56 350	-	138 153	20 448	-	-	20 448
<b>Financial liabilities not measured at fair value</b>									
Accrued expenses*	-	-	-	(1 325)	(1 325)	-	-	-	-
Agent balances*	-	-	-	(19 547)	(19 547)	-	-	-	-
Other creditors and accruals*	-	-	-	(166)	(166)	-	-	-	-
	20 590	61 213	56 350	(21 038)	117 115	20 448	-	-	20 448

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

### 21.3.4 Participants' Takaful Fund

Rupees '000

	For the year ended 31 December 2017 (Audited)								
	Available for sale	Loan & Receivables	Other financial Assets	Other financial liabilities	Total	Fair value measurement using			
						Level 1	Level 2	Level 3	Total
<b>Financial assets not measured at fair value</b>									
Cash and bank balances*	-	-	253 572	-	253 572	-	-	-	-
Investments									
Ijara Sukuk	607 819	-	-	-	607 819	-	606 540	-	606 540
Contribution due but unpaid - net*	-	249 961	-	-	249 961	-	-	-	-
Accrued investment income*	-	2 964	-	-	2 964	-	-	-	-
Retakaful recoveries against outstanding claims*	-	88 944	-	-	88 944	-	-	-	-
Sundry receivables*	-	13 294	-	-	13 294	-	-	-	-
	607 819	355 163	253 572	-	1 216 554	-	606 540	-	606 540
<b>Financial liabilities not measured at fair value</b>									
Outstanding claims including IBNR*	-	-	-	(340 118)	(340 118)	-	-	-	-
Contributions received in advance*	-	-	-	(1 439)	(1 439)	-	-	-	-
Amount due to other takaful / retakaful operator*	-	-	-	(142 778)	(142 778)	-	-	-	-
Wakala fees payable*	-	-	-	(115 426)	(115 426)	-	-	-	-
Modarib fees payables*	-	-	-	(2 843)	(2 843)	-	-	-	-
Other creditors and accruals*	-	-	-	(19 805)	(19 805)	-	-	-	-
	607 819	355 163	253 572	(622 409)	594 145	-	606 540	-	606 540

Rupees '000

	For the year ended 31 December 2016 (Audited)								
	Available for sale	Loan & Receivables	Other financial Assets	Other financial liabilities	Total	Fair value measurement using			
						Level 1	Level 2	Level 3	Total
<b>Financial assets not measured at fair value</b>									
Cash and bank balances*	-	-	204 271	-	204 271	-	-	-	-
Investments									
Mutual funds	279 085	-	-	-	279 085	283 954	-	-	283 954
Ijara Sukuk	100 945	-	-	-	100 945	-	101 719	-	101 719
Contribution due but unpaid - net*	-	167 944	-	-	167 944	-	-	-	-
Amount due from other takaful / retakaful operator*	-	89	-	-	89	-	-	-	-
Accrued investment income*	-	2 841	-	-	2 841	-	-	-	-
Retakaful recoveries against outstanding claims*	-	38 780	-	-	38 780	-	-	-	-
	380 030	209 654	204 271	-	793 955	283 954	101 719	-	385 673
<b>Financial liabilities not measured at fair value</b>									
Outstanding claims including IBNR*	-	-	-	(210 412)	(210 412)	-	-	-	-
Contributions received in advance*	-	-	-	(596)	(596)	-	-	-	-
Amount due to other takaful / retakaful operator*	-	-	-	(42 311)	(42 311)	-	-	-	-
Wakala fees payable*	-	-	-	(58 047)	(58 047)	-	-	-	-
Modarib fees payables*	-	-	-	(1 117)	(1 117)	-	-	-	-
Other creditors and accruals*	-	-	-	(18 576)	(18 576)	-	-	-	-
	380 030	209 654	204 271	(331 059)	462 896	283 954	101 719	-	385 673

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



## Pattern of Shareholding As at 31 December 2017

### 22. Related party transactions

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

	Rupees '000	
	2017	2016
<b>22.1 Operators' Fund</b>		
Transactions		
Others		
Expenses paid	2	-
<b>22.2 Participants' Takaful Funds</b>		
Transactions		
Key management personnel		
Contributions written	105	43
Claim paid	3	108
Others		
Investments made	29 944	29 900
Investments sold	59 944	-

### 23. General

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

Reclassified from	Reclassified to	Rupees in '000
Sundry receivables	Amounts due from other takaful / retakaful operator	675

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

### 24. 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 14 February 2018.

TAHER G. SACHAK Director	MUNEER R. BHIMJEE Director	ALTAF GOKAL Chief Financial Officer & Corporate Secretary	HASANALI ABDULLAH Managing Director & Chief Executive	SAIFUDDIN N. ZOOMKAWALA Chairman
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Karachi 14 February 2018

Number of shareholders	Shareholdings		Shares held
	From	To	
329	1	100	11 773
303	101	500	76 868
200	501	1 000	153 299
334	1 001	5 000	869 328
132	5 001	10 000	976 935
66	10 001	15 000	829 866
39	15 001	20 000	692 546
27	20 001	25 000	610 615
19	25 001	30 000	516 131
8	30 001	35 000	258 889
16	35 001	40 000	626 695
6	40 001	45 000	260 163
9	45 001	50 000	433 816
9	50 001	55 000	466 041
8	55 001	60 000	464 067
4	65 001	70 000	268 768
6	70 001	75 000	433 939
13	75 001	80 000	1 021 873
1	80 001	85 000	85 000
3	85 001	90 000	262 104
4	90 001	95 000	370 406
10	95 001	100 000	988 240
3	100 001	105 000	306 065
3	105 001	110 000	320 057
1	110 001	115 000	110 734
5	115 001	120 000	592 696
1	125 001	130 000	128 729
1	135 001	140 000	135 258
2	150 001	155 000	302 514
3	155 001	160 000	474 097
1	160 001	165 000	162 162
1	165 001	170 000	169 300
1	170 001	175 000	171 528
1	195 001	200 000	200 000
3	200 001	205 000	604 032
1	220 001	225 000	224 261
1	235 001	240 000	237 600
1	265 001	270 000	269 775
1	275 001	280 000	277 992
1	300 001	305 000	300 313
1	315 001	320 000	316 800
3	365 001	370 000	1 102 744
1	370 001	375 000	374 704
5	395 001	400 000	1 996 000
1	455 001	460 000	456 393
1	520 001	525 000	521 114
1	525 001	530 000	525 500
1	530 001	535 000	530 684
2	595 001	600 000	1 196 607
1	600 001	605 000	604 992
1	620 001	625 000	623 610
1	675 001	680 000	675 075
1	695 001	700 000	699 200
3	790 001	795 000	2 376 181
1	940 001	945 000	943 300
1	950 001	955 000	951 336
1	1 010 001	1 015 000	1 011 392
1	1 340 001	1 345 000	1 343 972
1	1 590 001	1 595 000	1 590 200
1	1 595 001	1 600 000	1 600 000
1	2 355 001	2 360 000	2 358 205
1	2 490 001	2 495 000	2 491 760
1	2 700 001	2 705 000	2 704 126
1	3 920 001	3 925 000	3 923 775
1	3 940 001	3 945 000	3 943 875
1	4 315 001	4 320 000	4 315 676
1	4 830 001	4 835 000	4 831 987
1	5 285 001	5 290 000	5 287 485
1	9 785 001	9 790 000	9 787 798
1	13 625 001	13 630 000	13 626 105
1	13 845 001	13 850 000	13 845 355
1	15 965 001	15 970 000	15 965 743
1	16 575 001	16 580 000	16 579 935
1	24 040 001	24 045 000	24 042 744
1	41 190 001	41 195 000	41 191 152
<b>1 621</b>			<b>200 000 000</b>



Categories of shareholders	Shareholders	Shares held	Percentage
<b>Associated Companies, Undertakings and Related Parties</b>			
EFU Life Assurance Ltd		13 626 105	
J S Bank Limited		3 943 875	
JS Infocom Limited		699 200	
Jahangir Siddiqui & Co. Ltd.		41 191 152	
Jahangir Siddiqui & Sons Limited		5 287 485	
Jahangir Siddiqui Securities Services Limited		4 831 987	
Energy Infrastructure Holding (Private) Limited		3 923 775	
Trustee - Future Trust		1 590 200	
Trustee EFU General Insurance Ltd., Staff Provident Fund		604 992	
Trustees EFU General Ins. Ltd., Officer's Pension Fund		201 600	
Trustees EFU General Insurance Ltd., Employees Gratuity Fund		224 261	
	<b>11</b>	<b>76 124 632</b>	<b>38.06</b>
<b>NIT</b>	-	-	-
<b>Directors, CEO, &amp; their spouses and minor children</b>			
Saifuddin N. Zoomkawala		316 800	
Abdul Rehman Haji Habib		8 323	
Muneer R.Bhimjee		15 965 743	
Hasanali Abdullah		369 758	
Taher G.Sachak		2 046	
Ali Raza Siddiqui		800	
Mohammed Iqbal Mankani		625	
Mahmood Lotia		1 328	
Saad Ali Bhimjee		842	
Naila Bhimjee		1 343 972	
Lulua Saifuddin Zoomkawala		792 000	
	<b>11</b>	<b>18 802 237</b>	<b>9.40</b>
<b>Executives</b>	<b>7</b>	<b>249 156</b>	<b>0.12</b>
<b>Public sector companies &amp; corporations</b>	<b>1</b>	<b>4 315 676</b>	<b>2.15</b>
<b>Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurers, Modarabas and Mutual Funds</b>	<b>12</b>	<b>2 999 597</b>	<b>1.50</b>
<b>Charitable Institutions</b>	<b>3</b>	<b>24 214 906</b>	<b>12.11</b>
<b>Individuals / Others</b>	<b>1 572</b>	<b>62 883 413</b>	<b>31.45</b>
<b>Foreign Investors (repatriable basis)</b>	<b>4</b>	<b>10 410 383</b>	<b>5.21</b>
<b>Total</b>	<b>1 621</b>	<b>200 000 000</b>	<b>100.00</b>
<b>Shareholders holding 5% or more voting interest</b>			
Jahangir Siddiqui & Co. Ltd.		41 191 152	20.60
Managing Committee Of Ebrahim Alibhai Foundation		24 042 744	12.02
Rafique R.Bhimjee		16 579 935	8.29
Muneer R.Bhimjee		15 965 743	7.98
Bano R.Bhimjee		13 845 355	6.92
EFU Life Assurance Ltd		13 626 105	6.81

## 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 Participants' 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 (PTF)** - 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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Ali Raza  
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Riaz Ahmed  
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Asif Mehmood  
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Muhammad Saleem Gaho  
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Shahzeb Lodhi  
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Muhammad Kashif Sheikh  
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Imran Siddiq  
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Mazhar Ali  
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Muhammad Naseem  
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M. Saghiruddin  
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Noman Shahid, M.B.A.  
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S. Ferozuddin Haider  
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S. Khaliluddin  
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Muhammad Shoaib Naziruddin  
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Muhammad Yamin  
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Raja Azhar Rafique  
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43-44, 2nd Floor, Rehman Trade Center, University Road Sargodha  
3721381 - 3728253. Fax: 3729023

Abdul Shakoor Piracha  
Senior Vice President

**SIALKOT****Sialkot Branch**

1st Floor, Riaz Plaza, Paris Road Sialkot. 4267001-3  
Fax: 052-4292280

Mohammad Naeem Ahsan  
Senior Vice President

Fazal-Ur-Rehman Butt  
Assistant Vice President

Mudassir Atif Baig  
Manager (Development)

**ISLAMABAD REGION**

2nd Floor, Ferozsons Building 32 Saddar Road, Rawalpindi Cantt., Rawalpindi. 5514323 - 5563065-5562024 - 5516085  
Fax: 5565406

M. Akbar Awan  
Deputy Managing Director / Regional Head

**Islamabad Main Branch**

Kamran Center, 1st Floor, 85 East Jinnah Avenue, Blue Area, Islamabad. 2150375-8  
Fax: 2150379

Malik Firdaus Alam  
Senior Executive Vice President

M. Maroof Chaudhry  
Vice President

Amir Alvi  
Assistant Vice President

Waqas Ahmed Sheikh  
Assistant Vice President

Ejaz Ahmed  
Executive Vice President (Development)

Imdadullah Awan  
Executive Vice President (Development)

Ms. Somia Ali  
Senior Vice President (Development)

Zaka Ullah Khan  
Senior Vice President (Development)

Qazi Altaf Hussain  
Chief Manager (Development)

Muhammad Ali Junaid  
Manager (Development)

Shahzad Munawar  
Manager (Development)

**Rawalpindi Division**

2nd Floor, Ferozsons Building 32 Saddar Road, Rawalpindi Cantt. Rawalpindi  
5794634 - 5563065 5562024  
5516085 - 5514323. Fax: 5565406

Syed Aftab Hussain Zaidi, M.A., M.B.A.  
Executive Director

Saifullah  
Executive Vice President

Muhammad Mobeen  
Vice President

Noman Mehboob, A.C.I.I.  
Vice President

Onaib-ur-Rehman, M.B.A.  
Vice President

Muhammad Haroon Akbar  
Senior Vice President (Development)

Akhtar Ali  
Manager (Development)

**City Branch Rawalpindi**

2nd Floor, Ferozsons Building 32 Saddar Road, Rawalpindi Cantt. Rawalpindi. 5584563 - 5516882  
5794684. Fax: 5794685

Agha Ali Khan  
Senior Vice President

Faraz Javed  
Senior Vice President (Development)

Shehzad Akhtar  
Chief Manager (Development)

Syed Zeeshan Abbas Abidi  
Chief Manager (Development)

**ABBOTTABAD**

112 Iqbal Shopping Complex The Mall. 336371, 334186

**GOTH MACHI****Goth Machi Branch**

6, Commercial Area, (F.F.C.) Distt. Rahim Yar Khan  
5954550, Ext: 5154  
Fax: 5954518

Altaf Hussain  
Assistant Vice President

**Peshawar Branch**

2nd Floor, Mall Tower, 35, The Mall, Peshawar  
5608508 - 5608504- 5608507  
5608503. Fax: 5608506

S. M. Aamir Kazmi, LL.B.  
Executive Vice President

Salimullah Khan, M.Com  
Senior Vice President

Ali Farman, M.A.  
Assistant Vice President

Najma Riaz, M.A.  
Assistant Vice President

Inayatullah Khalil  
Senior Vice President (Development)

Muhammad Riaz  
Chief Manager (Development)

Khyzar Hayat, M.A.  
Manager (Development)

Zia-ul-Hasan  
Manager (Development)

**Jamrud Road Branch**

7 -10, Upper Ground Floor Azam Tower, Jamrud Road Peshawar  
5846120 - 5850190  
Fax: 5846121

Farman Ali Afridi B.E.  
Executive Vice President

Taimoor Zaib  
Asstt. Vice President (Development)

**MARDAN (Sub Office)**

Room No. 18, 2nd Floor, Arman Tower Moqaam Chowk Mardan 337-B, The Mall, Mardan  
0937-862294  
Fax: 866096

Arshad Iqbal, M.B.A.  
Asstt. Vice President (Development)

**ABBOTTABAD (Sub-Office)**

Al-Asif Plaza, Mansehra Road 334186

Ejaz Ali  
Manager (Development)

**Branch Network of Window Takaful Operations****Southern Zone**

Central Division  
Corporate Division  
Jinnah Division  
Multan Division  
SITE Division

**Northern Zone**

Lahore Division  
Rawalpindi Division



# 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 85th Annual General Meeting of the Company to be held on Saturday, 07 April 2018 at 10:00 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

### 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.



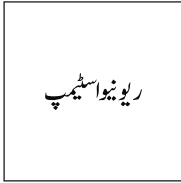
# ای ایف یو جنرل انشورنس لمیٹڈ پراکسی فارم

میں/ہم \_\_\_\_\_  
ساکن \_\_\_\_\_  
بحیثیت ممبر ای ایف یو جنرل انشورنس لمیٹڈ بذریعہ مذکورہ مسمی  
\_\_\_\_\_ ساکن  
\_\_\_\_\_ کو یا ان کی عدم دستیابی کی صورت میں مسمی  
\_\_\_\_\_ ساکن

کو اپنی/ہماری جانب سے پراکسی مقرر کر رہا/رہی ہوں تاکہ وہ ہفتہ ۷ اپریل ۲۰۱۸ء بوقت ۱۰:۰۰ بجے صبح منعقد ہونے والے ۸۵ ویں سالانہ اجلاس عام  
یا اس کے کسی بھی التواء میں میری/ہماری جگہ شرکت کرے اور ووٹ ڈالے۔

دستخط بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ ۲۰۱۸ء

## گواہان:



ریونیو اسٹیٹ

ممبر (ممبران) کے دستخط

۱- دستخط: \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
سی این آئی سی یا پاسپورٹ نمبر \_\_\_\_\_

۲- دستخط: \_\_\_\_\_  
شیمز ہولڈر کا فوینمبر اور/یا سی ڈی سی \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
پارٹیسپنٹ کا آئی ڈی نمبر \_\_\_\_\_  
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 شیمز 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 شیمز 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۔



# E F U GENERAL INSURANCE LIMITED

## Form Of E-Voting

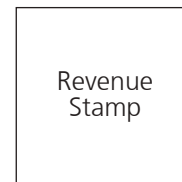
I/We \_\_\_\_\_  
of \_\_\_\_\_ being a member of EFU GENERAL INSURANCE LIMITED hereby  
opt for e-voting through intermediary as proxy and will exercise e-voting as per the Companies  
(e-voting) Regulations, 2016 and hereby demand for poll for resolutions at the Annual General Meeting  
of the Company to be held on Saturday April 7, 2018 at 10:00 a.m. and at any adjournment thereof.

My secured email address is \_\_\_\_\_, please send login details,  
password and electronic signature through email.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

### 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. \_\_\_\_\_

### Note:

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, and Islamabad or through email:  
altaf.gokal@efuinsurance.com.





# ای ایف یوجنرل انشورنس لمیٹڈ

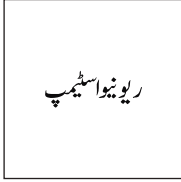
## ای۔ ووٹنگ فارم

میں/ہم \_\_\_\_\_ ساکن \_\_\_\_\_  
بحیثیت ای ایف یوجنرل انشورنس لمیٹڈ کی/کے ممبر بذریعہ ہذا ای۔ ووٹنگ کیلئے بذریعہ ثالثی بطور پراسی کی اجازت دیتا ہوں/دیتے ہیں اور یہ کمپنیز  
(ای۔ ووٹنگ) ریگولیشنز ۲۰۱۶ء کے مطابق ای۔ ووٹنگ کا حق استعمال کریں گے اور بذریعہ ہذا کمپنی کے سالانہ اجلاس عام منعقدہ بروز ہفتہ ۷ اپریل  
۲۰۱۸ء بوقت صبح ۱۰ بجے یا کسی زیر التواء تاریخ پر میں قرارداد کیلئے پول کا مطالبہ کرتا ہوں/کرتے ہیں۔

میرا محفوظ ای میل ایڈریس \_\_\_\_\_ ہے۔ برائے مہربانی لاگ ان تفصیلات، پاس ورڈ اور الیکٹرونک دستخط بذریعہ ای میل ارسال کریں۔

دستخط بروز \_\_\_\_\_ تاریخ \_\_\_\_\_ ۲۰۱۸ء

### گواہان:



ریونیواسٹیمپ

ممبر (ممبران) کے دستخط

۱۔ دستخط: \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
سی این آئی سی یا پاسپورٹ نمبر \_\_\_\_\_

۲۔ دستخط: \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
سی این آئی سی یا پاسپورٹ نمبر \_\_\_\_\_

### نوٹ:

پراسی کا یہ فارم باقاعدہ مکمل کر کے لازماً کمپنی کے رجسٹرڈ آفس واقع کامران سینٹر، پہلی منزل، ۸۵ ایسٹ، جناح ایونیو، بلیو ایریا، اسلام آباد یا بذریعہ  
ای میل: [altaf.gokal@efuinsurance.com](mailto:altaf.gokal@efuinsurance.com) ارسال کریں۔



# E F U GENERAL INSURANCE LIMITED

## **Bank Mandate Form**

Folio / CDS Account No. \_\_\_\_\_

Date \_\_\_\_\_

Name of Shareholder \_\_\_\_\_

S/o, D/o, W/o \_\_\_\_\_

Address \_\_\_\_\_

### **Bank Mandate Form For Electronic Credit of Cash Dividend**

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is **mandatory** and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information:

<b>(i) Shareholder's detail</b>	
Name of the Shareholder	
Folio No. / CDC Account No.	
CNIC No.	
Passport No. (in case of foreign shareholder)	
Cell Number of Shareholder	
Landline Number of Shareholder, if any	
E-mail address	

<b>(ii) Shareholder's bank detail</b>	
Title of the Bank Account	
IBAN "24 Digits"	
Bank's Name	
Branch Name and Code No.	
Branch Address	

It is stated that the above mentioned information is correct and in case of any change therein, I/we will immediately intimate Participant / Share Registrar accordingly.

\_\_\_\_\_  
Signature of the Shareholder

You are requested to kindly send this letter immediately duly filled in and signed by you along with legible photocopy of your valid CNIC at our address, **Share Registrar Services, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, S.M.C.H.S, Main Shakra-e-Faisal, Karachi-74400, Pakistan.**

