

Defined by Values



Report (Un-Audited)
SECOND QUARTER 2018



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Company Information

Chairman

Saifuddin N. Zoomkawala

Managing Director & Chief Executive

Hasanali Abdullah

Directors

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

Investment Committee

Saifuddin N. Zoomkawala
Hasanali Abdullah
Daanish 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

Email

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

Directors' Review

We are pleased to present the unaudited financial statements for the six months period ended 30 June 2018.

The Written Premium (including Takaful) for the six months period was Rs. 9,976 million (Takaful Contribution Rs. 871 million) as against Rs. 9,873 million (Takaful Contribution Rs. 688 million) for corresponding period of last year. The Net Premium Revenue for the six months period (including Takaful Net Contribution Revenue) was Rs. 4,410 million as against Rs. 4,241 million for the corresponding period of last year. The overall Claims ratio to Net Premium Revenue was 43 % as compared to 39 % for the corresponding period of last year.

The after tax profit for the six months period was Rs. 1,011 million compared to Rs. 1,297 million in the corresponding period last year.

The earning per share for the period was Rs. 5.06 against Rs. 6.49 (restated) in the corresponding period of last year.

As required by Insurance Rules, 2017, your Company has commenced recording Investment in equities and fixed income securities at fair value effective January 2018. The unrealized gain as on 30 June 2018 (net of deferred tax) was Rs. 3,784 million which has been reflected in Other Comprehensive Income.

The Consolidation has been effective from 31 March 2018, therefore, the consolidation of subsidiary's results in Consolidated Profit and Loss Account is for three months period from 1 April 2018 to 30 June 2018.

As per requirements of Section 228 of the Companies Act, 2017, the consolidated financial statements of the Company and EFU Life Assurance Limited are also presented. Consolidated gross premium was Rs. 16 billion and net premium was Rs. 11 billion. The consolidated total assets were Rs. 154 billion and profit after tax was Rs. 828 m. Insurance Accounting Regulations 2017 gives option to value investment property at either fair value model or cost model. Consequently, the Company has changed its accounting policy for valuation of investment properties from cost model to fair value model.

The Company has also changed its accounting policy for 'Investments in Subsidiary and Associates' which were being accounted for by using the equity method of accounting are now accounted for at fair value and classified as available for sale investments in the unconsolidated condensed interim financial statements.

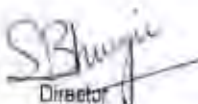
Both changes in accounting policies have been applied retrospectively in accordance with the requirement of IAS. The comparatives have been restated accordingly.

Your Directors have pleasure in declaring 2nd interim cash dividend of Rs. 1.25 (12.5 %) per share for the year 2018.

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

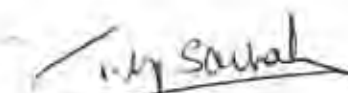
It is a matter of deep gratification for your Directors to place on record their appreciation of the efforts made by officers, field force and staff who had contributed to the growth of the Company and the continued success of its operations.

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


Director


Director


HASANALI ABDULLAH
Managing Director & Chief Executive


Director
Chairman of the meeting

Karachi, 18 August 2018

ڈائریکٹر زریو

(یہ انگریزی ڈائریکٹر زریو کا ترجمہ ہے)

ہم مسرت آپ کی خدمت میں ۳۰ جون ۲۰۱۸ء کو ختم ہونے والی ششماہی مدت کیلئے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں۔

اس ششماہی مدت کے دوران زیر تحریر پریئم ۹,۹۷,۹۷۶ روپے رہا (حکافل کنٹریوشن ۸,۷۱,۷۱۱ روپے) جبکہ گزشتہ سال اسی مدت میں ۹,۸۷,۸۷۳ روپے (حکافل کنٹریوشن ۷,۸۸,۷۸۸ روپے) تھا۔ ششماہی مدت کے دوران خالص پریئم آمدن (بشمول خالص حکافل کنٹریوشن آمدن) ۳,۳۱,۳۱۰ روپے رہا جبکہ گزشتہ سال اسی مدت میں ۲,۲۳,۲۳۱ روپے تھا۔ خالص پریئم آمدن کیلئے مجموعی گیمز کا تناسب ۳۳ فیصد رہا جبکہ گزشتہ سال اسی مدت میں ۳۹ فیصد تھا۔

۶ ماہ کی مدت کیلئے منافع بعد از ٹیکس ۱,۰۱۱,۰۱۱ روپے تھا جو گزشتہ سال اسی مدت میں ۱,۲۴,۱۲۴ روپے رہا تھا۔

اس مدت کیلئے آمدنی فی شیئر ۵۰۶ روپے تھی جو گزشتہ سال اسی مدت میں اس کے برخلاف ۶۰۳۹ روپے (دوبارہ بیان کردہ) رہی تھی۔

انشورنس رولز ۲۰۱۷ کی شرائط کے مطابق آپ کی کمپنی نے جنوری ۲۰۱۸ء سے موثر العمل فیئر ویلیو پرائیکٹس اور گیسڈ انکم سکیورٹیز میں ریکارڈ سرمایہ کاری کا آغاز کیا تھا۔ ۳۰ جون ۲۰۱۸ء کے مطابق غیر یقینی فائدہ (ڈیفریڈ ٹیکس کا خالص) ۳,۷۸,۷۸۳ روپے تھا جو دیگر جامع آمدنی میں ظاہر کیا جاسکتا ہے۔

مجموعی حسابات ۳۱ مارچ ۲۰۱۸ء سے موثر العمل ہوئے تھے لہذا مجموعی نفع و نقصان کے کھاتے صرف تین ماہ یعنی یکم اپریل ۲۰۱۸ء تا ۳۰ جون ۲۰۱۸ء کے لئے ہیں۔

کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۲۲۸ کی شرائط کے مطابق کمپنی اور انی ایف بولائف انشورنس لمیٹڈ کے مجموعی مالیاتی حسابات بھی پیش کئے گئے ہیں۔ بلٹریب مجموعی اور خالص پریئم ۱۶ ملین اور ۱۱ ملین روپے تھے۔ مجموعی نوکل ۵۱۱ جات ۱۵۳ ملین روپے اور منافع بعد از ٹیکس ۸۲۸ ملین روپے تھا۔ انشورنس اکاؤنٹنگ ریگولیشنز ۲۰۱۷ انویسٹمنٹ پراپرٹی کی قدر و قیمت کے لئے فیئر ویلیو ماڈل یا کاسٹ ماڈل کا اختیار دیتا ہے۔ بعد ازاں کمپنی نے سرمایہ کاری کی املاک کی قدر و قیمت کے لئے اپنی اکاؤنٹنگ پالیسی کو کاسٹ ماڈل سے فیئر ویلیو ماڈل میں تبدیل کیا۔

کمپنی نے "ذیلی اداروں اور ایسوسی ایشن میں سرمایہ کاریوں" کے لئے اپنی اکاؤنٹنگ پالیسی بھی تبدیل کی جو کہ اکاؤنٹنگ کے ایکویٹی طریقہ کار کو استعمال کرتے ہوئے شمار کی جاتی تھی اور اب اس کی اکاؤنٹنگ فیئر ویلیو اور درجہ بندی پر کی جاتی ہے جیسا کہ غیر مجموعی کنڈرینڈ عبوری مالیاتی حسابات میں فروخت کی انویسٹمنٹ کے لئے دستیاب ہے۔

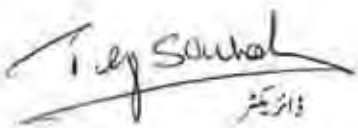
اکاؤنٹنگ پالیسیوں میں دونوں تبدیلیاں آئی اے ایس کی شرائط کے مطابق ابتدا سے لاگو کی گئی ہیں۔ موازنہ جات بھی اس کے مطابق بیان کیے گئے ہیں۔

آپ کے ڈائریکٹر زریو سال ۲۰۱۸ء کیلئے مسرت دوسرے عبوری نقد منافع مقدمہ ۲۵,۲۵ روپے (۲۵ فیصد) فی شیئر کا اعلان کر رہے ہیں۔

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


آپ کے ڈائریکٹر کیلئے یہ امر گہرے اطمینان اور مسرت کا باعث ہے کہ وہ کمپنی کی ترقی اور اس کے آپریشنز میں مسلسل کامیابی اور بہتری کے ضمن میں انصران، فیلڈ فورس اور منافق کی جانب سے کی گئی کاوشوں پر انہیں خراج تحسین پیش کرتے ہیں۔

آپ کے ڈائریکٹر زریو سیکورٹیز اینڈ اینیجمنٹ کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ اور اپنے تمام ری انشوررز کا ان کی مسلسل رہنمائی اور تعاون کیلئے شکریہ بھی ادا کرتا چاہتے ہیں۔

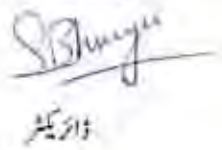

ڈائریکٹر

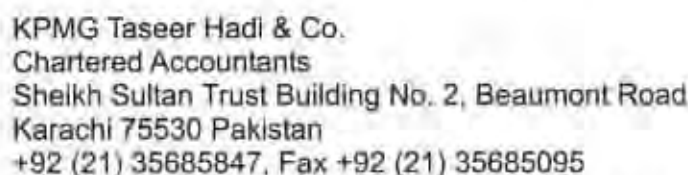
چیرمین آف دی مینٹگ

کراچی، ۱۸ اگست ۲۰۱۸ء


حسن علی عبداللہ
چیئرمین ڈائریکٹر چیف ایگزیکٹو


ڈائریکٹر


ڈائریکٹر



To the members of EFU General Insurance Limited

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of EFU General Insurance Limited ("the Company") as at 30 June 2018 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



KPMG Taseer Hadi & Co.

Other matter

The figures for the quarters ended 30 June 2018 and 30 June 2017 in the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Taufiq.

Date: 18 August 2018

Karachi

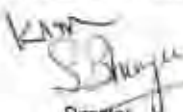
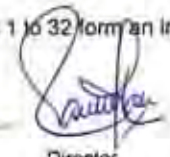
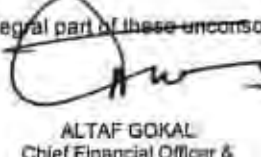
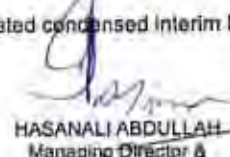
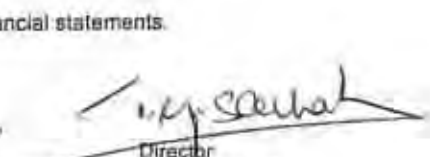
KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants

Unconsolidated Condensed Interim Statement of Financial Position

As at 30 June 2018

		Rupees '000	
		30 June 2018 (Unaudited)	31 December 2017 (Audited) (Restated)
	Note		
Assets			
Property and equipments	7	2,532,332	1,289,023
Investment property	8	1,854,169	1,847,093
Investments			
Equity securities	9	19,575,125	17,418,874
Debt securities	10	8,013,600	8,527,268
Term deposits	27	529,318	430,550
Loans and other receivables	11	91,403	118,618
Insurance / reinsurance receivables	12	3,608,682	2,819,089
Reinsurance recoveries against outstanding claims	20	3,102,972	3,538,572
Salvage recoveries accrued		84,732	68,458
Deferred commission expense	21	537,207	689,587
Taxation - payments less provision		-	95,797
Prepayments	13	4,778,425	5,202,181
Cash and bank	14	981,721	1,164,209
Total assets		45,689,686	43,209,299
Total assets of window takaful operations - Operator's fund		558,226	433,480
Total assets		46,247,912	43,642,779
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		2,000,000	2,000,000
Reserves	15	17,296,488	15,031,342
Unappropriated profit		2,368,357	3,357,115
Total equity		21,664,845	20,388,457
Surplus on revaluation of property and equipment		851,132	-
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	20	5,097,810	5,572,347
Unearned premium reserves	19	7,872,446	8,496,686
Unearned reinsurance commission	21	386,483	481,616
Retirement benefit obligations		42,824	71,805
Deferred taxation		2,459,198	1,575,805
Premium received in advance		194,731	31,487
Insurance / reinsurance payables		5,523,707	4,992,011
Other creditors and accruals	16	1,798,389	1,814,387
Taxation - payments less provision		59,428	-
Total liabilities		23,435,016	23,015,944
Total equity and liabilities		45,950,993	43,404,401
Total liabilities of window takaful operations - Operator's fund		296,919	238,378
Total equity and liabilities		46,247,912	43,642,779
Contingencies and commitments	17		

The annexed notes 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.

 Director
  Director
  **ALTAf GOKAL**
Chief Financial Officer &
Corporate Secretary
  **HASANALI ABDULLAH**
Managing Director &
Chief Executive
  **Chairman of the meeting**

Unconsolidated Condensed Interim Profit and Loss Account

For the six months period ended 30 June 2018 (Unaudited)

	Note	Three months period ended 30 June		Six months period ended 30 June	
		2018	2017 (Restated)	2018	2017 (Restated)
Net insurance premium	19	1,807,439	1,936,917	3,673,225	3,756,708
Net insurance claims	20	(809,003)	(735,361)	(1,560,285)	(1,460,979)
Net commission	21	(145,926)	(114,815)	(337,072)	(278,007)
Insurance claims and acquisition expenses		(954,929)	(850,176)	(1,897,357)	(1,738,986)
Management expenses		(619,555)	(590,123)	(1,271,372)	(1,168,105)
Underwriting results		232,955	496,618	504,496	849,617
Investment income	22	722,509	835,105	911,235	1,045,934
Rental income		30,652	31,584	49,995	43,938
Other income	23	25,259	30,707	50,422	54,792
Other expenses		(13,373)	(13,899)	(32,787)	(27,706)
		765,047	863,497	978,865	1,116,958
Results of operating activities		998,002	1,380,115	1,483,361	1,966,575
Finance cost		8,528	194	16,153	200
Profit from window takaful operations - Operator's fund	24	20,144	8,513	53,230	18,811
Profit before tax		1,026,674	1,388,822	1,552,744	1,985,386
Income tax expense	25	(381,327)	(508,342)	(541,502)	(688,240)
Profit after tax		645,347	880,480	1,011,242	1,297,146
Earning (after tax) per share - Rupees	26	3.23	4.40	5.06	6.49

The annexed notes 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.

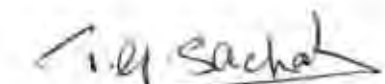
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Director


Director


ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary


HASANALI ABDULLAH
Managing Director &
Chief Executive


Director
Chairman of the meeting

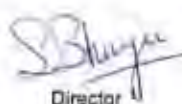
Unconsolidated Condensed Interim Statement of Comprehensive Income

For the six months period ended 30 June 2018 (Unaudited)

	Rupees '000			
	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017 (Restated)	2018	2017 (Restated)
Profit after tax	645,347	880,480	1,011,242	1,297,146
Other comprehensive income				
Unrealized loss on available for sale investments during the period	(751,143)	(747,599)	(163,723)	(649,632)
Reclassification adjustments relating to available for sale investments disposed off in the period	9,379	16,528	9,379	(116,133)
Unrealized gain on available for sale investments during the period of subsidiary / associate company	2,255,518	628,262	2,516,304	2,565,269
Total items that may be reclassified subsequently to profit and loss	1,513,754	(102,789)	2,361,960	1,799,504
Deferred tax on available for sale investment	260,081	254,135	83,835	293,411
Deferred tax on available for sale investment of subsidiary company	(602,306)	(188,485)	(880,272)	(769,581)
Net unrealized gain / (loss) after deferred tax	1,171,509	(37,139)	1,765,523	1,323,334
Net unrealized gain / (loss) from window takaful operation (net of deferred tax)	32	(574)	(377)	(350)
Net other comprehensive income	1,171,541	(37,713)	1,765,146	1,322,984
Total comprehensive income for the period	1,816,888	842,767	2,776,388	2,620,130

The annexed notes 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.

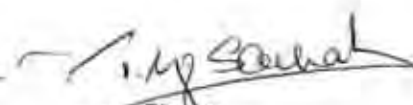
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Director


Director


ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary


HASANALLABDULLAH
Managing Director &
Chief Executive


Director
Chairman of the meeting

Unconsolidated Condensed Interim Cash Flow Statement

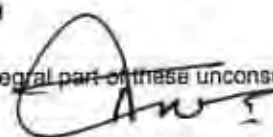
For the six months period ended 30 June 2018 (Unaudited)

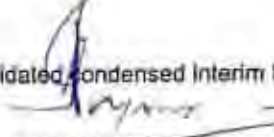
	2018	2017 (Restated)
Rupees '000		
Operating activities		
a) Underwriting activities		
Insurance premium received	8,472,175	9,923,191
Reinsurance premium paid	(5,074,164)	(5,076,995)
Claims paid	(2,547,559)	(2,588,417)
Reinsurance and other recoveries received	938,486	1,123,188
Commission paid	(745,627)	(823,653)
Commission received	392,226	486,769
Management expenses paid	(1,179,770)	(1,109,873)
Net cash flow from underwriting activities	255,767	1,954,210
b) Other operating activities		
Income tax paid	(446,614)	(566,125)
Other operating payments	(81,564)	(94,159)
Other operating receipts	25,083	(138,915)
Loans advanced	(2,459)	(778)
Loans repayments received	3,568	105
Net cash flow from other operating activities	(511,986)	(799,872)
Total cash flow from all operating activities	(256,219)	1,154,338
Investment activities		
Profit / return received	347,029	299,293
Dividend received	683,848	719,554
Rental received	23,930	43,664
Payment for investments / investment properties	(18,152,222)	(5,408,040)
Proceeds from investments / investment properties	18,740,685	5,249,786
Fixed capital expenditures	(180,254)	(186,967)
Proceeds from sale of property and equipment	19,230	25,402
Total cash flow from investing activities	1,482,248	742,692
Financing activities		
Dividends paid	(1,408,515)	(1,619,926)
Net cash flow from all activities	(182,488)	277,104
Cash and cash equivalents at the beginning of period	1,164,209	1,195,586
Cash and cash equivalents at the end of period	981,721	1,472,690
Reconciliation to profit and loss account		
Operating cashflows	(256,219)	1,154,338
Depreciation / amortisation expense	(132,742)	(116,943)
Finance cost	16,153	200
Profit on disposal of property and equipment	16,249	22,067
Rental income	49,995	43,938
Dividend income	680,133	718,229
Other investment income	231,102	327,705
Profit on deposit	34,000	32,655
Other income	173	70
(Decrease) / Increase in assets other than cash	(271,113)	1,160,763
Decrease / (Increase) in liabilities other than running finance	390,281	(2,064,487)
Profit after tax from conventional insurance operations	958,012	1,278,535
Profit from window takaful operations - operator's fund	53,230	18,611
Profit after tax at the end of the period	1,011,242	1,297,146

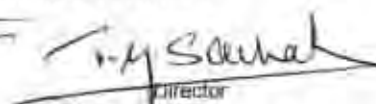
The annexed notes 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.


Director


Director


ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary


HASANALI ABDULLAH
Managing Director &
Chief Executive


Chairman of the meeting

EFU GENERAL INSURANCE LIMITED

Karachi 18 August 2018

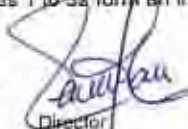
Unconsolidated Condensed Interim Statement of Changes in Equity

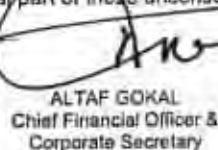
For the six months period ended 30 June 2018 (Unaudited)

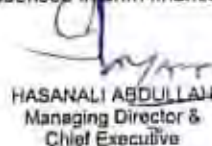
	Rupees '000					
	Share capital	General reserve	Reserve for exceptional losses	Revaluation reserve	Unappropriated profit	Total (Restated)
Balance as at 01 January 2017 as previously reported	2,000,000	12,500,000	12,902	-	2,388,169	16,901,071
Restatement due to change in accounting policies (refer note 4) - net of deferred tax	-	-	-	2,528,788	1,114,395	3,643,183
Balance as at 01 January 2017 (restated)	2,000,000	12,500,000	12,902	2,528,788	3,502,564	20,544,254
Total comprehensive income for the period ended 30 June 2017						
Profit after tax	-	-	-	-	1,297,146	1,297,146
Other comprehensive income	-	-	-	1,322,984	-	1,322,984
				1,322,984	1,297,146	2,620,130
Transactions with owners, recorded directly in equity						
Final dividend for the year 2016 at the rate of Rs. 7.00 (70%) per share	-	-	-	-	(1,400,000)	(1,400,000)
1st Interim dividend paid for the year 2017 at the rate of Rs. 1.25 (12.5%) per share	-	-	-	-	(250,000)	(250,000)
Other transfer within equity						
Transfer to general reserve	-	500,000	-	-	(500,000)	-
Balance as at 30 June 2017 (restated)	2,000,000	13,000,000	12,902	3,851,772	2,648,710	21,514,384
Balance as at 01 January 2018 as previously reported	2,000,000	13,000,000	12,902	-	2,034,319	17,047,221
Restatement due to change in accounting policies (refer note 4) - net of deferred tax	-	-	-	2,018,440	1,322,796	3,341,236
Balance as at 01 January 2018 (restated)	2,000,000	13,000,000	12,902	2,018,440	3,357,115	20,388,457
Total comprehensive income for the period ended 30 June 2018						
Profit after tax	-	-	-	-	1,011,242	1,011,242
Other comprehensive income	-	-	-	1,765,146	-	1,765,146
				1,765,146	1,011,242	2,776,388
Transactions with owners, recorded directly in equity						
Final dividend for the year 2017 at the rate of Rs. 6.25 (62.5%) per share	-	-	-	-	(1,250,000)	(1,250,000)
1st Interim dividend paid for the year 2018 at the rate of Rs. 1.25 (12.5%) per share	-	-	-	-	(250,000)	(250,000)
Other transfer within equity						
Transfer to general reserve	-	500,000	-	-	(500,000)	-
Balance as at 30 June 2018	2,000,000	13,500,000	12,902	3,783,586	2,368,357	21,654,845

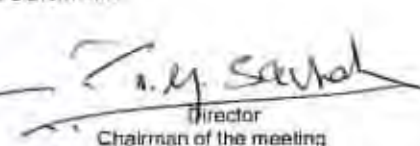
The annexed notes 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.


 Director


 Director


 ALTAF GOKAL
 Chief Financial Officer &
 Corporate Secretary


 HASANALI ABDULLAH
 Managing Director &
 Chief Executive


 Chairman of the meeting

EFU GENERAL INSURANCE LIMITED

Karachi 18 August 2018

Notes to the Unconsolidated Condensed Interim Financial Statements
For the six months period ended 30 June 2018 (Unaudited)

1. Legal 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 (2017: 52) branches in Pakistan including a branch in Export Processing Zone (EPZ).

- 1.1 During the year, the Company has assessed its control position in relation to its investments in EFU Life Assurance Limited after its agreement with some shareholders of EFU Life Assurance Limited effective 31 March 2018, accordingly it has been concluded that the Company has the ability to control the composition of the Board of Directors of EFU Life Assurance Limited, therefore EFU Life Assurance Limited has become the subsidiary of the Company from 31 March 2018.

2. Basis of preparation and statement of compliance

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012. Where the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017 Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 have been followed. Total assets, total liabilities and profit of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in these unconsolidated condensed interim financial statement in accordance with the requirements of Circular 25 of 2015 dated July 9, 2015. A separate set of condensed interim financial statements of the General Window Takaful Operations has been reported which is annexed to these unconsolidated condensed interim financial statements as per the requirements of the SECP Takaful Rules, 2012.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2017.

3. Basis of measurement

- 3.1 The unconsolidated condensed interim financial statements have been prepared under the historical cost basis except for the available for-sale investments, property and equipments and investment property that have been measured at fair value.

3.2 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupees in thousand, unless otherwise stated.

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

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

- IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' and amendment - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 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. A new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.

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- IFRS 15 'Revenue from contracts with customers'

IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 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 Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.

- IFRS 16 'Leases'

IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases - Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessor continue to classify leases as finance or operating leases. The Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.

4. Summary of significant accounting policies

The accounting policies and method of computation adopted in the preparation of the unconsolidated condensed interim financial statement are consistent with those followed in the preparation of the annual financial statements of the Company for the year ended 31 December 2017 except for available for sale investment, property and equipment, investment property and format for preparation of unconsolidated condensed interim financial statements as disclosed in note 4.1.1, 4.1.2, 4.1.3, 4.1.4 and 4.1.5 respectively.

Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the Company's operation and do not have any impact on the accounting policies of the Company.

4.1 Change in accounting policies

- 4.1.1 During the period, the Company has changed its accounting policy for the valuation of the available-for-sale investments to comply with the requirements of the 'Insurance Rules, 2017' issued by Securities and Exchange Commission of Pakistan vide its S.R.O. 89(1) / 2017 dated 09 February 2017. In line with the requirements provided in the Rules, the quoted available-for-sale investments are to be valued at market value and any unrealised gains or losses arising on revaluation of available-for-sale investments are taken to Other Comprehensive Income and transferred to revaluation reserves, whereas unquoted available-for-sale investments are valued at cost less impairment in value, if any. On derecognition or impairment of available-for-sale investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to Profit and Loss Account for the period. This change in accounting policy has been applied retrospectively in accordance with the requirement of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error' and comparatives have been restated accordingly.

Previously, quoted available-for-sale investments were stated at the lower of cost or market value (market value being taken as lower if the reduction is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002.

Had the accounting policy not been changed, available-for-sale investments, reserves and deferred taxation would have been lower by Rs.3,752 million, Rs.2,664 million and Rs.1,088 million (December 2017: Rs.3,807 million, Rs.2,735 million and Rs.1,172 million) respectively.

- 4.1.2 During the period, the Company has changed its accounting policy for valuation of investment properties from cost model to fair value model as per IAS 40 investment property. This change in accounting policy has been applied retrospectively in accordance with the requirement of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error'. The comparatives have been restated accordingly.

Had the accounting policy not been changed, investment property and deferred taxation would have been lower by Rs.1,710 million and Rs. 485 million (December 2017: Rs. 1,697 million, and Rs. 502 million) respectively.

- 4.1.3 During the period the Company has changed its accounting policy for its land and building and related assets from cost model to revaluation model. Revaluation was carried out by the independent valuer. Surplus on revaluation is credited to surplus on revaluation account. This change in policy has been applied prospectively.

Had the accounting policy not been changed, property and equipment and deferred taxation would have been lower by Rs. 1,199 million and Rs. 348 million respectively.

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4.1.4 During the period, the Company has changed format for preparation of its unconsolidated condensed interim financial statements to comply with the requirements of the 'Insurance Rules, 2017' issued by SECP vide its S.R.O. 89(1) / 2017 dated 09 February 2017. In line with the requirements provided in the Rules, accordingly these are the first set of unconsolidated condensed interim financial statements of the Company for the six months period ended 30 June 2018.

4.1.5 During the period the Company has changed its accounting policy for 'Investments in subsidiaries and associates' were being accounted for by using the equity method of accounting are now accounted for at fair value and classified as available for sale investments in accordance with the International Accounting Standards 39 'Financial Instruments: Recognition and measurement'. The management of the Company believes that the new policy provides more relevant information to the users of these unconsolidated condensed interim financial statements. This change in accounting policy has been applied retrospectively in accordance with the requirement of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error'. The comparatives have been restated accordingly.

Had the accounting policy not been changed, investment in subsidiary would be higher by Rs. 1,132 million.

4.1.6 As per note 4.1.1, 4.1.2, 4.1.4 and 4.1.5 retrospective adjustments have been made in these unconsolidated condensed interim financial statements and comparatives have been revised as follows:

Rupees '000

	31 December 2017			31 December 2016		
	Balance Previously Reported	Adjustment	Balance Restated	Balance Previously Reported	Adjustment	Balance Restated
Property and equipment	1,222,290	66,733	1,289,023	1,084,911	63,280	1,148,201
Investment property	149,120	1,697,973	1,847,093	174,061	1,374,465	1,548,548
Investments in subsidiary / associate	12,131,105	(1,131,857)	10,999,448	11,949,485	(2,664,443)	9,285,042
Investments						
Equity securities	2,505,215	3,914,209	6,419,424	3,195,534	6,297,865	9,493,419
Debt securities	8,533,957	(8,669)	8,527,268	5,191,510	72,882	5,264,392
Total assets from window takaful operations - Operator's fund	433,587	(107)	433,480	267,353	(143)	267,210
Deferred taxation	(376,377)	(1,199,228)	(1,575,605)	(380,082)	(1,946,564)	(2,326,646)
Reserves	(13,012,902)	(2,018,440)	(15,031,342)	(12,512,902)	(2,528,788)	(15,041,690)
Unappropriated profit	(2,034,319)	(1,322,798)	(3,357,115)	(2,388,169)	(1,114,395)	(3,502,564)

Six months
period ended
30 June 2017
(Unaudited)

Impact on profit and loss account

Profit after tax would have been lower by

178,578

Earnings per share would have been higher by

0.90

4.1.7 During the period the Companies Act, 2017 has been implemented, however there is no impact on the unconsolidated condensed interim financial statements.

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5. **Accounting estimates and judgements**

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

In preparation of these unconsolidated condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation, uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2017 except for those mentioned in note 4.1.

6. **Management of insurance and financial risk**

Insurance and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2017.

7. **Property and equipment**

The details of additions and disposals during the six months period ended 30 June 2018 are as follows:

	<u>Additions (at cost)</u>		<u>Disposals (at net book value)</u>	
	<u>30 June 2018 (Unaudited)</u>	<u>30 June 2017 (Unaudited)</u>	<u>30 June 2018 (Unaudited)</u>	<u>30 June 2017 (Unaudited)</u>
Buildings	39 693	26 136	-	-
Furniture and fixtures	26 622	10 516	-	-
Office equipments	8 179	2 250	-	-
Tracker equipments	38 471	52 397	-	-
Computers	15 738	4 104	-	-
Vehicles	47 981	87 092	2 981	3 334
Capital work-in-progress	3 570	2 470	-	-
	<u>180 254</u>	<u>186 967</u>	<u>2 981</u>	<u>3 334</u>

8. **Investment property**

	<u>30 June 2018 (Unaudited)</u>	<u>31 December 2017 (Audited) (Restated)</u>
Opening net book value	1 647 093	1 548 006
Additions and capital improvements	7 076	317
Unrealized fair value gain	-	298 768
Closing book value	<u>1 654 169</u>	<u>1 847 093</u>

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Rupees '000

9. Investment in equity securities – available for sale

	30 June 2018 (Unaudited)			31 December 2017 (Audited) (Restated)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Subsidiary						
Listed shares (refer note 1.1 and 4.1.5)	12,023,375	-	12,023,375	-	-	-
Associate						
Listed shares (refer note 1.1 and 4.1.5)	-	-	-	12,023,375	-	12,023,375
Related Party*						
Listed shares	444,664	17,565	427,099	444,664	28,753	415,911
	12,468,039	17,565	12,450,474	12,468,040	28,753	12,439,287
Others						
Listed shares	1,924,195	66,543	1,855,652	2,133,539	54,735	2,078,804
Unlisted shares	15,500	-	15,500	10,500	-	10,500
	1,939,695	66,543	1,871,152	2,144,039	54,735	2,089,304
Surplus on revaluation	-	-	5,253,489	-	-	2,890,283
	14,407,734	66,108	19,875,125	14,612,079	83,488	17,418,674

* The Company has not accounted for investment in related parties as associates under IAS 28 "Investment in Associates and Joint Ventures", as management has concluded that the Company does not have significant influence in these companies.

10. Investment in debt securities – available for sale

	30 June 2018 (Unaudited)			31 December 2017 (Audited) (Restated)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Government securities	8 033 850	-	8 033 850	8 533 957	-	8 533 957
Term finance certificates	44 118	44 118	-	44 118	44 118	-
Deficit on revaluation	(20 250)	-	(20 250)	(6 689)	-	(6 689)
	8 057 718	44 118	8 013 600	8 571 386	44 118	8 527 268

11. Loans and other receivables – considered good

	30 June 2018 (Unaudited)	31 December 2017 (Audited)
Loans to employees	4 323	5 394
Accrued investment income	22 369	66 816
Security deposits	8 600	7 760
Advances to suppliers	46 344	33 115
Advances to employees	5 204	3 665
Other receivables	4 563	2 048
	91 403	118 618

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		Rupees '000	
		30 June 2018 (Unaudited)	31 December 2017 (Audited)
	Nota		
12.	Insurance / reinsurance receivables – unsecured and considered good		
	Due from insurance contract holders	3 650 341	2 829 996
	Provision for Impairment of receivables from insurance contract holders	(52 125)	(27 914)
		3 598 216	2 802 182
	Due from other insurer / reinsurers	10 466	16 687
		3 608 682	2 819 069
13.	Prepayments		
	Prepaid reinsurance premium ceded	4 661 962	5 112 083
	Prepaid rent	9 951	12 703
	Others	106 512	77 395
		4 778 425	5 202 181
14.	Cash and bank		
	Cash and cash equivalents		
	Cash in hand	11	2
	Policy and revenue stamps, bond papers	8,341	9,802
		8,352	9,804
	Cash at bank		
	Current accounts	195,727	233,422
	Saving accounts	777,642	920,983
		973,369	1,154,405
		981,721	1,164,209
15.	Reserves		
	General reserve	13 500 000	13 000 000
	Reserve for exceptional losses	12 902	12 902
	Revaluation reserve – available for sale investments	3 783 586	2 018 440
		17 296 488	15 031 342
15.1	The reserve for exceptional losses was created prior to 1979 and was charged to income in accordance with the provisions of the repealed Income Tax Act, 1922 and has been so retained to date.		
16.	Other creditors and accruals		
		30 June 2018 (Unaudited)	31 December 2017 (Audited)
	Federal insurance fee payable	12 445	12,510
	Federal excise duty and sales tax payable	140 017	170,800
	Accrued expenses	185 970	227,879
	Agent commission payable	406 355	498,929
	Unearned rentals	44 921	70,986
	Other deposits	659 323	543,677
	Unclaimed dividends	287 988	196,503
	Others	61 370	92,103
		1 798 389	1 814 387

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17. **Contingencies and commitments**

17.1 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 expenses. The Company had filed appeals before Commissioner Inland Revenue (Appeals). The appeals have been decided in the favour of the Income Tax Department. 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 has 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. 78 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 year 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 unconsolidated condensed interim financial statements for the above contingencies, as the management, based on tax advisor's opinion, is confident that the decision in this respect will be received in favour of the Company.

17.2 In 2014, 2015, 2016 and 2017, the Searle Company Limited issued bonus shares (453,612, 312,993, 684,632 and 472,284 shares respectively) after withholding 5 percent of bonus shares (22,680, 15,850, 34,981 and 24,857 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.

17.3 There are no commitments as at 30 June 2018 (31 December 2017: Nil).

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Rupees '000

18. Segments Information

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treasury	Six months period ended 30 June 2018 (Unaudited)
Premium receivable (Inclusive of FED, Federal Insurance fee and Administrative surcharge)	5,953,206	1,621,696	1,915,855	1,020,265	-	10,510,754
Less: Federal excise duty	728,510	177,100	232,230	116,529	-	1,254,429
Stamp duty	222	58,595	762	769	-	60,348
Federal Insurance fee	51,705	13,707	16,680	8,940	-	91,012
Gross Written Premium (Inclusive of Administrative surcharge)	5,172,789	1,372,198	1,666,833	894,027	-	9,104,965
Gross direct premium	5,185,296	1,346,662	1,462,658	883,147	-	8,886,683
Facultative inward premium	2,225	1,470	-	-	-	3,695
Administrative surcharge	15,248	25,004	183,475	10,880	-	234,607
Insurance premium earned	6,087,600	1,200,740	1,697,506	743,057	-	9,729,203
Insurance premium ceded to reinsurers	5,182,180	447,266	4,813	451,721	-	6,085,980
Net insurance premium	935,720	753,474	1,692,695	291,336	-	3,673,225
Commission income	337,397	14,585	-	115,378	-	467,360
Net underwriting income	1,273,117	768,059	1,692,695	406,714	-	4,140,585
Insurance claims	612,657	405,687	844,019	194,488	-	2,056,749
Insurance claims recovered from reinsurers	243,483	161,853	(70)	91,118	-	496,484
Net claims	369,094	243,734	844,089	103,368	-	1,560,285
Commission expense	468,487	140,068	141,875	56,202	-	806,432
Management expenses	342,897	239,522	668,813	100,140	-	1,271,372
Net Insurance claims and expenses	1,178,478	623,324	1,574,577	259,710	-	3,536,089
Underwriting result	94,639	144,735	118,118	147,004	-	504,496
Net investment income						911,235
Rental income						49,985
Other income						50,422
Other expenses						(32,787)
Finance costs						16,153
Profit from window takaful operations - Operator's fund						53,230
Profit before tax						1,552,744
						As at 30 June 2018 (Unaudited)
Corporate segment assets	8,856,757	1,489,660	645,689	1,101,218	-	11,993,354
Corporate segment assets-Takaful OPF	22,361	6,907	167,720	8,610	-	224,618
Corporate unallocated assets						33,694,132
Corporate unallocated assets-Takaful OPF						333,608
Total assets						46,247,912
Corporate segment liabilities	12,824,385	2,238,317	2,356,365	2,718,768	-	20,140,855
Corporate segment liabilities-Takaful OPF	15,860	9,373	258,517	10,285	-	294,675
Corporate unallocated liabilities						3,294,161
Corporate unallocated liabilities-Takaful OPF						2,044
Total liabilities						23,731,935

External premium less reinsurance by geographical segments 2018

Location

Pakistan

* EPZ

Total

3,670,242

2,863

3,673,225

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Six months period ended 30 June 2017 (Unaudited)
Premium receivable (inclusive of FED, Federal Insurance fee and Administrative surcharge)	6,181,031	1,538,773	1,888,048	887,814	-	10,515,796
Less: Federal excise duty	779,219	172,575	240,169	85,283	-	1,287,246
Stamp duty	255	50,636	834	1,054	-	52,979
Federal Insurance fee	52,405	12,888	17,481	8,023	-	90,877
Gross Written Premium (Inclusive of Administrative surcharge)	5,359,162	1,302,364	1,728,564	793,554	-	9,184,684
Gross direct premium	5,328,710	1,275,740	1,538,286	778,650	-	8,920,396
Facultative inward premium	14,288	1,113	-	-	-	16,401
Administrative surcharge	16,164	25,511	193,278	13,894	-	248,867
Insurance premium earned	4,855,548	1,073,911	1,711,517	791,425	-	8,332,401
Insurance premium ceded to reinsurers	3,876,443	334,487	5,174	378,589	-	4,595,693
Net Insurance premium	989,105	739,424	1,703,343	324,836	-	3,756,708
Commission income	318,967	17,272	-	99,156	-	435,397
Net underwriting income	1,308,072	756,696	1,703,343	423,994	-	4,192,105
Insurance claims	1,890,601	227,837	668,363	208,075	-	3,192,966
Insurance claims recovered from reinsurers	1,596,913	13,103	(93)	120,064	-	1,731,987
Net claims	291,688	214,834	668,456	86,011	-	1,460,979
Commission expense	357,385	128,272	142,213	66,524	-	713,404
Management expenses	321,402	214,667	530,939	100,677	-	1,168,108
Net insurance claims and expenses	1,000,485	557,693	1,539,598	244,412	-	3,342,488
Underwriting result	307,587	199,003	163,745	179,582	-	849,617
Net investment income						1,045,934
Rental income						43,938
Other income						54,792
Other expenses						(27,706)
Finance costs						200
Profit from window takaful operations - Operator's fund						18,811
Profit before tax						<u>1,865,385</u>
						As at 31 December 2017 (Audited) (restated)
Corporate segment assets	9,523,292	1,020,762	578,921	1,003,794	-	12,227,769
Corporate segment assets-Takaful OPF	28,159	4,429	144,487	6,942	-	182,017
Corporate unallocated assets						30,881,530
Corporate unallocated assets-Takaful OPF						251,483
Total assets						<u>42,642,779</u>
Corporate segment liabilities	14,035,687	1,855,601	2,450,302	2,256,262	-	20,597,752
Corporate segment liabilities-Takaful OPF	22,694	4,009	194,688	15,380	-	238,691
Corporate unallocated liabilities						2,743,144
Corporate unallocated liabilities-Takaful OPF						1,687
Total liabilities						<u>23,579,274</u>

Location	External premium less reinsurance by geographical segments 2017
Pakistan	3,748,178
* EPZ	5,532
Total	<u>3,756,706</u>

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Three months period ended 30 June 2016 (Unaudited)
Premium receivable (inclusive of FED, Federal Insurance fee and Administrative surcharge)	2,400,875	953,382	858,275	315,831	-	4,528,363
Less: Federal excise duty	388,275	108,860	103,458	38,323	-	644,914
Stamp duty	88	29,140	358	360	-	29,886
Federal Insurance fee	19,602	8,079	7,450	2,763	-	38,094
Gross Written premium (inclusive of Administrative surcharge)	1,982,510	809,303	745,011	276,365	-	3,813,189
Gross direct premium	1,974,342	795,443	648,349	271,148	-	3,687,282
Facultative inward premium	2,225	1,203	-	-	-	3,428
Administrative surcharge	5,943	12,657	98,662	5,217	-	122,479
Insurance premium earned	2,907,251	822,478	844,825	378,993	-	4,753,545
Insurance premium ceded to reinsurers	2,439,711	258,105	2,134	235,156	-	2,946,106
Net insurance premium	467,540	564,373	842,691	143,837	-	1,807,439
Commission income	189,713	12,158	-	48,373	-	250,244
Net underwriting income	657,253	576,531	842,691	192,210	-	2,067,583
Insurance claims	623,797	277,087	437,561	46,174	-	1,284,519
Insurance claims recovered from reinsurers	295,658	151,888	(45)	28,037	-	475,518
Net claims	228,139	125,199	437,606	17,137	-	809,003
Commission expense	225,672	70,992	70,774	28,732	-	396,170
Management expenses	170,957	110,538	288,826	49,234	-	619,555
Net insurance claims and expenses	624,768	307,661	797,196	95,103	-	1,824,728
Underwriting result	32,485	268,870	45,495	97,107	-	232,955
Net investment income						722,608
Rental income						30,652
Other income						25,258
Other expenses						(13,373)
Finance costs						8,528
Profit from window takeful operations - Operator's fund						20,144
Profit before tax						1,026,674

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Rupees '000

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Three months period ended 30 June 2017 (Unaudited)
Premium receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	2,881,574	914,237	787,331	324,521	-	4,907,663
Less: Federal excise duty	375,405	103,442	104,091	34,128	-	617,066
Stamp duty	98	24,579	378	322	-	25,375
Federal insurance fee	24,271	7,729	7,650	2,963	-	42,633
Gross Written premium (Inclusive of Administrative surcharge)	2,481,799	778,487	675,214	287,088	-	4,222,588
Gross direct premium	2,480,933	784,808	671,853	280,487	-	4,078,081
Facultative inward premium	14,288	1,113	-	-	-	15,401
Administrative surcharge	6,578	12,566	103,361	6,601	-	129,106
Insurance premium earned	2,555,277	552,084	854,276	354,693	-	4,316,330
Insurance premium ceded to reinsurers	2,026,565	152,863	3,482	186,503	-	2,379,413
Net Insurance premium	528,712	399,221	850,794	158,190	-	1,936,917
Commission income	195,579	11,487	-	46,767	-	255,833
Net underwriting income	724,291	410,708	850,794	206,957	-	2,192,750
Insurance claims	1,140,609	105,687	392,881	123,308	-	1,762,443
Insurance claims recovered from reinsurers	950,778	(905)	(10)	77,219	-	1,027,082
Net claims	189,831	106,572	392,871	46,087	-	735,361
Commission expense	206,283	66,139	70,357	27,889	-	370,648
Management expenses	168,320	113,049	282,183	48,561	-	590,123
Net insurance claims and expenses	562,434	285,760	725,421	122,517	-	1,696,132
Underwriting result	161,857	124,948	125,373	84,440	-	486,618
Net investment income						835,105
Rental income						31,584
Other income						30,707
Other expenses						(13,899)
Finance costs						194
Profit from window talkful operations - Operator's fund						8,513
Profit before tax						1,388,822

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Rupees in '000

19. Net insurance premium

	Three months period ended 30 June (Unaudited)		Six months period ended 30 June (Unaudited)	
	2018	2017	2018	2017
Written gross premium	3 813 189	4 222 588	9 104 965	9 184 664
Unearned premium reserve - opening	8 812 802	8 314 685	8 496 686	7 368 680
Unearned premium reserve - closing	(7 872 446)	(8 220 943)	(7 872 446)	(8 220 943)
Premium earned	4 753 545	4 316 330	9 729 205	8 352 401
Less:				
Reinsurance premium ceded	2 400 681	2 632 742	5 605 859	5 521 126
Prepaid reinsurance premium - opening	5 207 187	4 623 778	5 112 083	4 151 674
Prepaid reinsurance premium - closing	(4 661 982)	(5 077 107)	(4 661 982)	(5 077 107)
Reinsurance expense	2 946 106	2 379 413	6 055 960	4 595 693
	<u>1 807 439</u>	<u>1 936 917</u>	<u>3 673 225</u>	<u>3 756 706</u>

20. Net insurance claim expense

Claim Paid	1 209 761	1 179 383	2 531 288	2 551 481
Outstanding claims including IBNR - closing	5 087 810	6 056 515	5 087 810	6 056 515
Outstanding claims including IBNR - opening	(5 023 052)	(5 473 456)	(5 572 347)	(5 415 030)
Claims expense	1 264 519	1 762 443	2 050 749	3 192 966
Less:				
Reinsurance and other recoveries received	412 711	478 448	932 084	1 126 652
Reinsurance and other recoveries in respect of outstanding claims - opening	(3 040 167)	(3 481 318)	(3 536 572)	(3 424 617)
Reinsurance and other recoveries in respect of outstanding claims - closing	3 102 972	4 029 952	3 102 972	4 029 952
Reinsurance and other recoveries revenue	475 516	1 027 082	496 464	1 731 987
	<u>809 003</u>	<u>735 361</u>	<u>1 560 265</u>	<u>1 460 979</u>

19/11/2017

Rupees In '000

21. Net commission expense

	Three months period ended 30 June (Unaudited)		Six months period ended 30 June (Unaudited)	
	2018	2017	2018	2017
Commission paid or payable	291,105	423,359	652,052	833,681
Deferred commission expense - opening	642,272	632,211	689,587	564,645
Deferred commission expense - closing	(537,207)	(684,922)	(537,207)	(684,922)
Net commission	396,170	370,648	804,432	713,404
Less:				
Commission received or recoverable	110,717	255,833	392,227	475,859
Unearned reinsurance commission - opening	526,010	364,439	481,616	343,977
Unearned reinsurance commission - closing	(388,483)	(384,439)	(388,483)	(384,439)
Commission from reinsurers	250,244	255,833	467,360	435,397
	145,926	114,615	337,072	278,007

22. Investment income

Income from equity securities - available for sale				
Dividend income	617,371	653,684	680,133	718,228
Income from debt securities - available for sale				
Return on debt securities	127,182	119,893	250,787	226,774
Income from term deposits				
Return on term deposits	2,801	3,000	5,886	6,619
	747,154	776,577	936,806	951,621
Net realised gains / (losses) on investments				
Available for sale financial assets				
Realised gains on:				
Equity securities	7,555	104,209	7,828	120,863
Debt securities	-	-	-	5,229
Realised losses on:				
Equity securities	(16,875)	(4,603)	(17,972)	(4,730)
	(9,320)	99,606	(10,144)	122,362
	737,834	875,983	926,762	1,073,983
Impairment in value of available for sale equity securities	(14,924)	(40,463)	(14,924)	(29,234)
Investment related expenses	(401)	(415)	(603)	(615)
Total investment income	722,909	835,105	911,235	1,045,934

23. Other income

Gain on sale of fixed assets	7,962	13,010	16,249	22,067
Interest on loans to employees	81	35	173	70
Profit on bank deposits	17,216	17,862	34,000	32,655
	25,259	30,707	50,422	54,792

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Rupees in '000

24. Window takafut operations – Operator's fund

	Three months period ended 30 June (Unaudited)		Six months period ended 30 June (Unaudited)	
	2018	2017	2018	2017
Wakala fee	116 993	67 858	224 926	128 520
Management expenses	(63 980)	(42 416)	(109 234)	(75 271)
Commission expense	(39 355)	(22 305)	(74 122)	(41 997)
Investment income	5 295	4 898	9 131	6 039
Other income	1 438	868	2 976	1 740
Other expenses	(247)	(410)	(447)	(420)
Profit for the period	<u>20 144</u>	<u>8 513</u>	<u>63 230</u>	<u>18 611</u>

25. Taxation

For the period

- Current
- Prior year

Deferred tax

405 538	427 061	575 328	603,842
102 292	98 768	102 292	98,768
507 830	525 827	677 620	702,608
(126 503)	(17 486)	(136 118)	(14,368)
<u>381 327</u>	<u>508 342</u>	<u>541 502</u>	<u>688,240</u>

26. Earnings per share – basic and diluted

Profit after tax	(Rupees '000)	<u>645 347</u>	<u>880 480</u>	<u>1 011 242</u>	<u>1 297 148</u>
Weighted average number of ordinary shares	(Numbers '000)	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>
Earnings per share	(Rupees)	<u>3.23</u>	<u>4.40</u>	<u>5.06</u>	<u>6.49</u>

27. Movement in Investment

Name of Investment	Held to maturity	Available for sale	Fair value through P & L	Deposit maturing within 12 months	Total
At beginning of previous year	-	24,042,854	-	671,880	24,714,734
Additions	-	16,282,889	-	1,623,884	16,906,753
Disposals (sale and redemptions)	-	(12,519,296)	-	(1,885,214)	(14,384,510)
Fair value net gains (excluding net realised gains)	-	(607,449)	-	-	(607,449)
Impairment losses	-	(52,836)	-	-	(52,836)
At beginning of period	-	25,946,142	-	430,550	26,376,692
Additions	-	17,143,502	-	1,001,643	18,145,145
Disposals (sale and redemptions)	-	(17,847,955)	-	(902,875)	(18,750,830)
Fair value net gains (excluding net realised gains)	-	2,361,960	-	-	2,361,960
Impairment losses	-	(14,924)	-	-	(14,924)
At end of period	-	<u>27,588,725</u>	-	<u>529,318</u>	<u>28,118,043</u>

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28. **Related party transactions**

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

	Rupees '000			
	Three months period ended 30 June (Unaudited)		Six months period ended 30 June (Unaudited)	
	2018	2017	2018	2017
Transactions				
Subsidiary company				
Premium written	1 981	-	1 981	-
Premium paid	295	-	295	-
Claims paid	2 313	-	2 313	-
Dividend received	542 401	-	542 401	-
Dividend paid	35 107	-	35 107	-
Associated companies				
Premium written	58 284	44 350	203 400	141 163
Premium paid	225	-	28 144	30 448
Claims paid	28 903	23 610	137 357	40 971
Dividend received	-	570 970	-	570 970
Dividend paid	436 266	529 825	436 266	529 825
Key management personnel				
Premium written	60	434	250	555
Claims paid	-	127	-	202
Dividend paid	6 309	6 918	6 309	6 918
Compensation	50 618	46 361	91 374	65 123
Others				
Premium written	8 475	3 756	17 937	14 734
Claims paid	1 103	1 213	2 469	1 702
Investments made	-	150 000	-	200 000
Investments sold	-	103 179	-	225 000
Dividend paid	458 220	489 344	458 220	489 344
Bank deposits made	75 000	-	50 000	-
Brokerage paid	236	92	236	98
Employees' funds				
Contribution to provident fund	5 772	6 244	12 144	11 634
Contribution to gratuity fund	4 885	3 874	9 771	7 697
Contribution to pension fund	879	302	1 852	603
Dividend paid	7 731	8 505	7 731	8 505
			30 June 2018 (Unaudited)	31 December 2017 (Audited)
Balances				
Others				
Balances receivable			15 819	15 131
Balances payable			-	(73 891)
Deposits maturing within 12 months			204 000	154 000
Bank balances			133 386	106 039

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	30 June 2018 (Unaudited)	31 December 2017 (Audited)
Employees' funds payable		
EFU gratuity fund	(9 770)	(40 510)
EFU pension fund	(33 054)	(31 295)

29 Fair value

29.1 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.

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

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

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

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

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

Rupees '000

	Six months period ended 30 June 2018 (Unaudited)					Fair value measurement using		
	Available for sale	Loans & Receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Equity securities - quoted	19,559,625				19,559,625	19,559,625		
Equity securities - unquoted	15,500				15,500			15,500
Debt securities	8,013,800				8,013,800		8,013,800	
Financial assets not measured at fair value								
Term deposits*			529,318		529,318			
Loans and other receivables*		91,403			91,403			
Insurance / reinsurance receivables*		3,608,682			3,608,682			
Reinsurance recoveries against outstanding claims*		3,102,972			3,102,972			
Cash and bank*			981,721		981,721			
Total assets of Window Takaful Operations - Operator's Fund*	29,538	142,058	268,299		482,953		29,930	
	<u>27,518,604</u>	<u>6,950,115</u>	<u>1,797,595</u>	<u>-</u>	<u>36,266,774</u>	<u>19,559,625</u>	<u>8,043,730</u>	<u>15,500</u>
Financial liabilities not measured at fair value								
Outstanding claims including IBNR*				(5,097,810)	(5,097,810)			
Premium received in advance*				(194,731)	(194,731)			
Insurance / reinsurance payables*				(5,823,707)	(5,823,707)			
Other creditors and accruals*				(1,798,389)	(1,798,389)			
Total liabilities of Window Takaful Operations - Operator's Fund*				(12,814,637)	(12,814,637)			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,814,637)</u>	<u>(12,814,637)</u>	<u>-</u>	<u>-</u>	<u>-</u>

kmh

Rupees in '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
Financial assets measured at fair value								
Investments:								
Equity securities - quoted	17,408,374				17,408,374	17,408,374		
Equity securities - unquoted	10,500				10,500			10,500
Debt securities	8,527,268				8,527,268		8,527,268	
Financial assets not measured at fair value								
Term deposits*			430,550		430,550			
Loans and other receivables*		118,618			118,618			
Insurance / reinsurance receivables*		2,810,068			2,810,068			
Reinsurance recoveries against outstanding claims*		5,538,572			5,538,572			
Cash and bank*			1,104,209		1,104,209			
Total assets of Window Takaful Operations - Operator's Fund*	38,442	125,198	210,264		353,944		30,482	
	<u>25,976,524</u>	<u>6,601,467</u>	<u>1,808,023</u>	<u>-</u>	<u>34,383,104</u>	<u>17,408,374</u>	<u>8,557,750</u>	<u>10,500</u>
Financial liabilities not measured at fair value								
Outstanding claims including IBNR*				(5,572,347)	(5,572,347)			
Premium received in advance*				(31,487)	(31,487)			
Insurance / reinsurance payables*				(4,892,011)	(4,892,011)			
Other creditors and equities*				(1,814,387)	(1,814,387)			
Total liabilities of Window Takaful Operations - Operator's Fund*				(12,441,614)	(12,441,614)			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,441,614)</u>	<u>(12,441,614)</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

30. Corresponding Figures

During last year the SECP vide SRO 89(I)/2017 dated 09 February 2017 has issued Insurance Rules, 2017 (the Rules), which requires every Company to prepare their financial statements as per the presentation and disclosure requirement prescribed in the format, in view of the applicability of the Rules, the Company has changed the presentation and disclosures of the unconsolidated condensed interim financial statements and recorded its investments as per IAS 39, which was further explained in note 4.1.1.

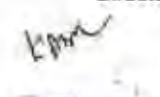
31. General

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

31.2 The effects of changes stated in note 4.1 have been accounted for retrospectively in accordance with IAS-8 'Accounting Policies, Changes in Accounting Estimates and Errors', resulting in restatement of financial statements of prior periods. Resultantly, the cumulative effect of adjustments that arose as at 01 January 2017 and 01 January 2018 have been presented and disclosed as part of the statement of changes in equity, while the corresponding period adjustment through other comprehensive income and profit or loss is restated and disclosed as part of the Statement of Comprehensive Income and Profit and Loss Account respectively. The Statement of Financial Position also presents the prior year numbers as restated, due to the said change.

32. Date of authorisation for issue of unconsolidated condensed interim financial statements


These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors in its meeting held on 18 August 2018.


Director


Director


ALTAF GOKAL
Chief Financial Officer
& Corporate Secretary


HASANALI ABDULLAH
Managing Director &
Chief Executive

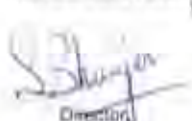

Director
Chairman of the meeting

**Consolidated
Condensed Interim
Financial Statements
EFU General Insurance Ltd.**
For the six months period ended 30 June 2018 (Unaudited)

Consolidated Condensed Interim Statement of Financial Position As at 30 June 2018 (Unaudited)

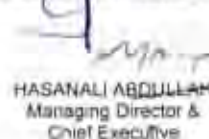
			Rupees '000
		30 June 2018 (Unaudited)	31 December 2017 (Audited) (Restated)
	Note		
Assets			
Property and equipments	9	4,706,194	1,289,023
Intangible assets		8,335,460	-
Investment property	10	1,854,169	1,847,093
Investments			
Equity securities	11	39,298,653	17,418,874
Debt securities	12	69,120,669	6,527,268
Term deposits	29	12,118,418	430,550
Loans and other receivables	13	1,692,517	118,618
Insurance / reinsurance receivables	14	3,880,727	2,819,069
Reinsurance recoveries against outstanding claims		3,102,972	3,538,572
Salvage recoveries accrued		84,732	68,458
Deferred commission expense		537,207	689,567
Taxation - payments less provision		305,392	95,797
Prepayments	15	4,649,329	5,202,181
Cash and bank	16	3,648,853	1,164,209
Total assets		153,535,292	43,209,299
Total assets of window takaful operations - Operator's fund		558,226	433,480
Total assets		154,093,518	43,642,779
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		2,000,000	2,000,000
Reserves	17	15,458,576	15,031,342
Unappropriated profit		1,981,630	3,357,115
Capital and reserve attributable to Company's equity holders		19,438,206	20,388,457
Non controlling interest		2,938,161	-
Total equity		22,374,387	20,388,457
Surplus on revaluation of property and equipment		851,606	
Liabilities			
Insurance liabilities		105,098,341	
Underwriting provisions			
Outstanding claims including IBNR	22	5,097,810	5,572,347
Unearned premium reserves	21	7,872,446	8,496,686
Unearned reinsurance commission	23	386,483	461,616
Retirement benefit obligations		42,824	71,805
Deferred taxation		2,510,884	1,575,605
Premiums received in advance		1,002,949	31,467
Insurance / reinsurance payables		5,751,199	4,992,011
Other creditors and accruals	18	2,807,690	1,814,367
		25,472,285	23,015,944
Total liabilities		130,570,626	23,015,944
Total equity and liabilities		153,796,599	43,404,401
Total liabilities of window takaful operations - Operator's fund		296,919	238,378
Total equity and liabilities		154,093,518	43,642,779
Contingencies and commitments	19		

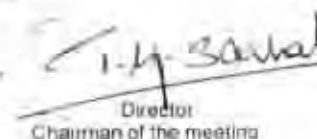
The annexed notes 1 to 34 form an integral part of these consolidated condensed interim financial statements.


Director


Director


ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary


HASANALI ABDULLAH
Managing Director &
Chief Executive


Director
Chairman of the meeting

Consolidated Condensed Interim Profit and Loss Account

For the six months period ended 30 June 2018 (Unaudited)

Rupees '000


	Note	Three months period ended 30 June		Six months period ended 30 June	
		2018	2017 (Restated)	2018	2017 (Restated)
Net insurance premium	21	8,656,976	1,936,917	10,522,762	3,756,708
Net insurance claims	22	(4,060,928)	(735,361)	(4,812,210)	(1,480,979)
Net commission	23	(1,759,596)	(114,815)	(1,950,742)	(278,007)
Insurance claims and acquisition expenses		(5,820,524)	(650,176)	(6,762,952)	(1,738,986)
Management expenses		(1,132,674)	(590,123)	(1,784,481)	(1,166,105)
Investment income - statutory fund		1,636,771	-	1,636,771	-
Net realised fair value losses on financial assets		(496,676)	-	(496,676)	-
Net fair value loss on financial assets at fair value through profit and loss		(3,292,572)	-	(3,292,572)	-
Net change in insurance liabilities (other than outstanding claims)		1,175,109	-	1,175,109	-
Underwriting result		726,410	496,618	997,951	848,617
Investment income	24	180,108	835,105	368,834	1,045,934
Rental income		30,652	31,584	49,995	43,938
Other income	25	33,147	30,707	58,310	54,792
Other expenses		(19,976)	(13,899)	(39,390)	(27,706)
		223,931	883,497	437,749	1,116,958
Results of operating activities		950,341	1,380,115	1,435,700	1,966,575
Finance cost		8,528	194	18,153	200
Profit from window takaful operations - Operator's fund	26	20,144	8,513	53,230	18,611
Profit before tax		979,013	1,388,822	1,505,083	1,985,386
Income tax expense	27	(490,388)	(508,342)	(677,481)	(688,240)
Profit after tax		488,625	880,480	827,602	1,297,146
Profit attributable to:					
Equity holders of the parent		285,538	880,480	624,515	1,297,146
Non controlling interest		203,087	-	203,087	-
		488,625	880,480	827,602	1,297,146
Earning per share	Rupees 28	1.43	4.40	3.12	8.49

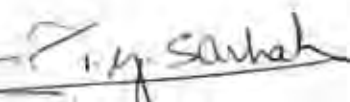
The annexed notes 1 to 34 form an integral part of these consolidated condensed interim financial statements.


 Director


 Director


 ALTAF GOKAL
 Chief Financial Officer &
 Corporate Secretary


 HASANALI ABDULLAH
 Managing Director &
 Chief Executive


 Director
 Chairman of the meeting

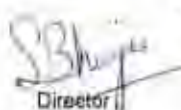
Consolidated Condensed Interim Statement of Comprehensive Income

For the six months period ended 30 June 2018 (Unaudited)

Rupees '000

	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017 (Restated)	2018	2017 (Restated)
Profit after tax	488,625	880,480	827,602	1,297,146
Other comprehensive income				
Unrealized loss on available for sale investments during the period	(751,143)	(747,599)	(169,687)	(649,632)
Reclassification adjustments relating to available for sale investments disposed off in the period	9,379	16,528	9,379	(116,133)
Unrealized gain on available for sale investments during the period of subsidiary / associate company	-	628,282	-	2,565,269
Total items that may be reclassified subsequently to profit and loss	(741,764)	(102,789)	(160,308)	1,799,504
Deferred tax on available for sale investment	260,081	254,135	85,919	293,411
Deferred tax on available for sale investment of subsidiary company	904.00	(188,485)	-	(769,581)
Net unrealized (loss) / gain after deferred tax	(480,799)	(37,139)	(74,389)	1,323,334
Net unrealized gain / (loss) from window takaful operation (net of deferred tax)	(377)	(574)	(377)	(350)
Net other comprehensive income	(481,176)	(37,713)	(74,766)	1,322,984
Total comprehensive income for the period	7,449	842,767	752,836	2,620,130

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



Director



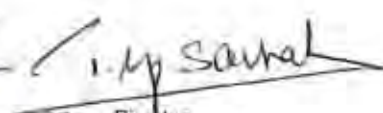
Director



ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary



HASANALI ABDULLAH
Managing Director &
Chief Executive



Director
Chairman of the meeting

Consolidated Condensed Interim Statement of Cash Flows

For the six months period ended 30 June 2018 (Unaudited)

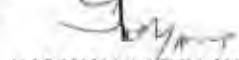
	2018	Rupees '000 2017 (Restated)
Operating activities		
a) Underwriting activities		
Insurance premium / contribution received	15,353,951	9,923,191
Reinsurance premium / retakaful contribution paid	(5,111,122)	(5,076,995)
Claims paid	(5,789,816)	(2,568,417)
Reinsurance and other recoveries received	971,835	1,123,188
Commission paid	(1,787,951)	(823,653)
Commission received	392,226	486,769
Management expenses paid	(2,072,520)	(1,109,873)
Net cash flow from underwriting activities	1,956,603	1,954,210
b) Other operating activities		
Income tax paid	(664,124)	(566,125)
Other operating payments	(112,546)	(94,159)
Other operating receipts	25,083	(138,915)
Loans advanced	(25,123)	(778)
Loans repayments received	26,052	105
Net cash flow from other operating activities	(750,658)	(799,872)
Total cash flow from all operating activities	1,205,945	1,154,338
Investment activities		
Profit / return received	1,831,329	299,293
Dividend received	496,231	719,554
Rental received	23,930	43,664
Payment for investments / investment properties	(106,610,251)	(5,408,040)
Proceeds from investments / investment properties	102,401,982	5,249,788
Fixed capital expenditures	(291,496)	(186,967)
Proceeds from sale of property and equipments	23,069	25,402
Acquisition of subsidiary net of cash acquired	5,520,019	-
Total cash flow from investing activities	3,394,813	742,692
Financing activities		
Dividend paid	(2,116,114)	(1,619,926)
Net cash flow from all activities	2,484,644	277,104
Cash and cash equivalents at beginning of period	1,164,209	1,195,586
Cash and cash equivalents at end of period	3,648,853	1,472,690
Reconciliation to profit and loss account		
Operating cashflows	1,205,945	1,154,338
Depreciation / amortisation expense	(215,076)	(116,943)
Finance cost	16,153	200
Profit on disposal of property and equipment	16,500	22,067
Rental income	49,995	43,938
Dividend Income	487,053	716,229
Other investment income	1,133,425	327,705
Profit on deposits	34,000	32,655
Other income	3,517	70
Appreciation in market value of investments	(3,334,583)	-
Reversal of impairment in the value of available for sale equity investments	(7,871)	-
Increase in assets other than cash	197,444	1,160,763
Increase / (decrease) in liabilities other than running finance	1,185,870	(2,064,487)
Profit after tax from conventional insurance operations	774,372	1,278,535
Profit from window takaful operations - operator's fund	53,230	18,611
Profit after tax at the end of the period	827,602	1,297,146


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


Director


Director


ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary


HASANALI ABDULLAH
Managing Director &
Chief Executive


Director
Chairman of the meeting

Consolidated Condensed Interim Statement of Changes in Equity

For the six months period ended 30 June 2018 (Unaudited)

Rupees '000

	Share capital	General reserve	Reserve for exception al losses	Revaluation reserve	Unappropriated profit	Equity attributable to equity holder of parent	Non-controlling interest	Total (Restated)
Balance as at 01 January 2017 as previously reported	2,000,000	12,500,000	12,902	-	2,388,189	16,901,071	-	16,901,071
Restatement due to change in accounting policy (refer note 5) - net of deferred tax	-	-	-	2,528,788	1,114,395	3,643,183	-	3,643,183
Balance as at 01 January 2017 (restated)	2,000,000	12,500,000	12,902	2,528,788	3,502,584	20,544,254	-	20,544,254
Total comprehensive income for the period ended 30 June 2017								
Profit after tax		-	-	-	1,297,146	1,297,146	-	1,297,146
Other comprehensive income		-	-	1,322,984	-	1,322,984	-	1,322,984
				1,322,984	1,297,146	2,620,130	-	2,620,130
Transactions with owners, recorded directly in equity								
Final dividend for the year 2016 at the rate of Rs. 7.00 (70%) per share	-	-	-	-	(1,400,000)	(1,400,000)	-	(1,400,000)
1st Interim dividend paid for the year 2017 at the rate of Rs. 1.25 (12.5%) per share	-	-	-	-	(250,000)	(250,000)	-	(250,000)
Other transfer within equity								
Transfer to general reserve	-	500,000	-	-	(500,000)	-	-	-
Balance as at 30 June 2017 (restated)	2,000,000	13,000,000	12,902	3,851,772	2,949,710	21,514,384	-	21,514,384
Balance as at 01 January 2018 as previously reported	2,000,000	13,000,000	12,902	-	2,034,319	17,047,221	-	17,047,221
Restatement due to change in accounting policy (refer note 5.1.1) - net of deferred tax	-	-	-	2,018,440	1,322,798	3,341,238	-	3,341,238
Balance as at 01 January 2018 (restated)	2,000,000	13,000,000	12,902	2,018,440	3,357,115	20,388,457	-	20,388,457
Total comprehensive income for the period ended 30 June 2018								
Profit after tax					827,602	624,515	203,087	827,602
Other comprehensive income				(74,766)	-	(74,766)	-	(74,766)
				(74,766)	827,602	549,749	203,087	752,836
Recognition of non controlling interest on business combination	-	-	-	-	-	-	3,440,673	3,440,673
Transactions with owners, recorded directly in equity								
Final dividend for the year 2017 at the rate of Rs. 6.25 (62.5%) per share	-	-	-	-	(1,250,000)	(1,250,000)	-	(1,250,000)
Final dividend for the year 2017 at the rate of Rs. 11.25 (112.5%) per share	-	-	-	-	-	-	(836,840)	(836,840)
1st Interim dividend paid for the year 2018 at the rate of Rs. 1.25 (12.5%) per share	-	-	-	-	(250,000)	(250,000)	-	(250,000)
1st Interim dividend paid for the year 2018 at the rate of Rs. 1.25 (12.5%) per share	-	-	-	-	-	-	(70,759)	(70,759)
Other transfer within equity								
Transfer to general reserve	-	500,000	-	-	(500,000)	-	-	-
Balance as at 30 June 2018	2,000,000	13,500,000	12,902	1,943,674	2,184,717	19,438,205	2,936,181	22,374,587

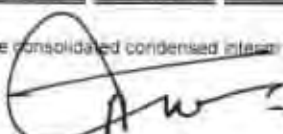
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Director



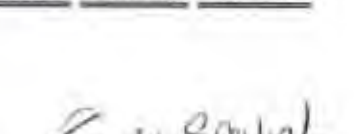
Director



ALTAf GOKAL
Chief Financial Officer &
Corporate Secretary



HASANALI ABDULLAH
Managing Director &
Chief Executive



P. J. Saibal
Director
Chairman of the meeting

Notes to the Consolidated Condensed Interim Financial Statements
For the six months period ended 30 June 2018 (Unaudited)

1. Legal status and nature of business

1.1 EFU General Insurance Limited has assessed its control position in relation to its investments in EFU Life Assurance Limited after its agreement with some shareholders of EFU Life Assurance Limited effective 31 March 2018, accordingly it has been concluded that the Company has the ability to control the composition of the Board of Directors of EFU Life Assurance Limited, therefore EFU Life Assurance Limited has become the subsidiary of the Company from 31 March 2018. The consolidated condensed interim financial statements have been prepared and are presented as per the requirements of Section 228 of the Companies Act 2017.

1.2 Holding Company

EFU General Insurance Limited ("the Holding Company") was incorporated as a public limited company on 02 September 1932. The Holding 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 Holding Company is situated in Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Holding 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 (2017: 52) branches in Pakistan including a branch in Export Processing Zone (EPZ).

1.3 Subsidiary Company

EFU Life Assurance Limited ("the Subsidiary Company") with 43.39 % effective Holding was incorporated in Pakistan on 09 August 1992 as a public limited company and started its operation from 18 November 1992. The Subsidiary Company is listed on Pakistan Stock Exchange and is engaged in life assurance business comprising of ordinary life business, pension fund business and accident and health business. The registered office of the Subsidiary Company is located at Al-Malik Centre, 70W, F-7/G-7 Jinnah Avenue, Islamabad while principal place of business is located at Plot No.112, 8th East Street, Phase 1, DHA, Karachi.

2. Business combination

2.1 Acquisition of EFU Life Assurance Limited

2.1.1 The Holding Company decided to consolidate financial statements of EFU Life Assurance Limited with and into the Holding Company which was approved by the Board of the Director in their meeting held on March 28, 2018.

For the purposes of these consolidated financial statements, the Holding Company has incorporated the balances relating to EFU Life Assurance Limited at their carrying values as appearing in the approved financial statements of EFU Life Assurance Limited for the period ended 31 March 2018. These balances are detailed below:

Rupees '000

	31 March 2018
Assets	
Property and equipment	2,164,714
Intangible assets	8,782
Investments	
Equity securities	30,738,647
Debt securities	61,651,064
Term deposits	12,594,100
Loans and other receivables	1,727,034
Insurance / reinsurance receivables	69,322
Taxation - payment less provisions	393,621
Prepayments	62,636
Cash & bank	5,520,019
Total assets	114,949,939

Rupees '000

Liabilities	
Insurance liability	106,211,210
Deferred taxation	187,416
Premium received in advance	787,063
Insurance / reinsurance payables	160,453
Other creditors and accruals	806,215
Total Liabilities	108,172,357
Book value of net assets as on 31 March 2018	8,777,562
Percentage of net assets acquired	43.39%
Book value of net assets acquired	2,940,931
Goodwill Calculation	
Market Value	11,260,234
Net Assets	2,940,931
Goodwill	8,319,303

- 2.1.2 International Financial Reporting Standard (IFRS) 3 "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognised and carried at fair values. IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalise determination of the fair values of the assets and liabilities and to determine the value of any intangible assets separately identified. The fair valuation exercise of the recorded assets and liabilities will be completed within the period specified under IFRS 3. The carrying values of the above balances may change as a result of the fair value exercise as required under IFRS 3.

3. Basis of Consolidation

The consolidated condensed interim financial statements include the condensed interim financial statements of the Holding Company and its Subsidiary Company. Subsidiary Company is fully consolidated from the date on which the power to control the Company is established.

The consolidated condensed interim financial statements of the Subsidiary Company are prepared for the same reporting period as the Holding Company, using accounting policies that are consistent with those of the Holding Company.

The assets and liabilities of the Subsidiary Company have been consolidated with those of the Holding Company on a line by line basis and the carrying value of the Company's investment in the Subsidiary Company is eliminated against the Subsidiary Company's share capital and pre-acquisition reserves in these consolidated condensed interim financial statements. Non-controlling interest represents that part of the net results of operations and of the net assets of the Subsidiary Company that is not owned by the Group. All material intra-group balances and transactions have been eliminated. Acquisitions of non-controlling interest (NCI) are measured at the proportionate share of the NCI in the fair value of the net assets acquired by the Holding Company.

3.1 Business Combination

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any; acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Holding Company's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired, the difference is recognised directly in the profit and loss account.

3.2 Goodwill

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at its cost less accumulated impairment losses, if any, for the purpose of impairment testing. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

4. Basis of preparation and statement of compliance

- 4.1 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012. Where the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017 Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 have been followed. Total assets, total liabilities and profit of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in these consolidated condensed interim financial statement in accordance with the requirements of Circular 25 of 2015 dated July 9, 2015. A separate set of condensed interim financial statements of the General Window Takaful Operations has been reported which is annexed to these consolidated condensed interim financial statements as per the requirements of the SECP Takaful Rules, 2012.

These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2017.

5. Basis of measurement

- 5.1 The unconsolidated condensed interim financial statements have been prepared under the historical cost basis except for the available for-sale investments, property and equipments and investment property that have been measured at fair value.

5.2 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pakistani Rupees which is also the Holding Company's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupees in thousand, unless otherwise stated.

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

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

- IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' and amendment - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 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. A new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Holding Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.

- IFRS 15 'Revenue from contracts with customers'

IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 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 Holding Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.

- IFRS 16 'Leases'

IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases - Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessor continue to classify leases as finance or operating leases. The Holding Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.

6. Summary of significant accounting policies

The accounting policies and method of computation adopted in the preparation of the consolidated condensed interim financial statement are consistent with those followed in the preparation of the annual financial statements of the Holding Company for the year ended 31 December 2017 except for available for sale investment, property and equipment, investment property and format for preparation of financial statements as disclosed in note 6.1.1, 6.1.2, 6.1.3, 6.1.4 and 6.1.5 respectively.

Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the Holding Company's operation and do not have any impact on the accounting policies of the Holding Company.

6.1 Change in accounting policies

- 6.1.1 During the period, the Holding Company has changed its accounting policy for the valuation of the available-for-sale investments to comply with the requirements of the 'Insurance Rules, 2017' issued by Securities and Exchange Commission of Pakistan vide its S.R.O. 89(1) / 2017 dated 09 February 2017. In line with the requirements provided in the Rules, the quoted available-for-sale investments are to be valued at market value and any unrealised gains or losses arising on revaluation of available-for-sale investments are taken to Other Comprehensive Income and transferred to revaluation reserves, whereas unquoted available-for-sale investments are valued at cost less impairment in value, if any. On derecognition or impairment of available-for-sale investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to Profit and Loss Account for the period. This change in accounting policy has been applied retrospectively in accordance with the requirement of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error' and comparatives have been restated accordingly.

Previously, quoted available-for-sale investments were stated at the lower of cost or market value (market value being taken as lower if the reduction is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002.

Had the accounting policy not been changed, available-for-sale investments, reserves and deferred taxation would have been lower by Rs.3,752 million, Rs.2,664 million and Rs.1,088 million (December 2017: Rs.3,907 million, Rs.2,735 million and Rs.1,172 million) respectively.

- 6.1.2 During the period, the Holding Company has changed its accounting policy for valuation of investment properties from cost model to fair value model as per IAS 40 investment property. This change in accounting policy has been applied retrospectively in accordance with the requirement of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error'. The comparatives have been restated accordingly.

Had the accounting policy not been changed, investment property and deferred taxation would have been lower by Rs. 1,710 million and Rs. 485 million (December 2017: Rs. 1,697 million, and Rs. 502 million) respectively.

- 6.1.3 During the period the Holding Company has changed its accounting policy for its land and building and related assets from cost model to revaluation model. Revaluation was carried out by the independent valuer. Surplus on revaluation is credited to surplus on revaluation account. This change in policy has been applied prospectively.

Had the accounting policy not been changed, property and equipment and deferred taxation would have been lower by Rs. 1,199 million and Rs. 348 million respectively.

- 6.1.4 During the period, the Holding Company has changed format for preparation of its consolidated condensed interim financial statements to comply with the requirements of the 'Insurance Rules, 2017' issued by SECP vide its S.R.O. 89(1) / 2017 dated 09 February 2017. In line with the requirements provided in the Rules, accordingly these are the first set of consolidated condensed interim financial statements of the Holding Company for the six months period ended 30 June 2018.

- 6.1.5 During the period the Company has changed its accounting policy for 'investments in subsidiaries and associates' were being accounted for by using the equity method of accounting are now accounted for at fair value and classified as available for sale investments in accordance with the International Accounting Standards 39 'Financial instruments: Recognition and measurement'. The management of the Company believes that the new policy provides reliable and more relevant information to the users of these unconsolidated condensed interim financial statements. This change in accounting policy has been applied retrospectively in accordance with the requirement of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error'. The comparatives have been restated accordingly.

- 6.1.6 As per 6.1.1, 6.1.2, 6.1.4 and 6.1.5, retrospective adjustments have been made in these unconsolidated condensed interim financial statements and comparatives have been revised as follows:

Rupees '000

	31 December 2017			31 December 2016		
	Balance Previously Reported	Adjustment	Balance Restated	Balance Previously Reported	Adjustment	Balance Restated
Property and equipment	1,222,280	66,733	1,289,023	1,084,911	63,290	1,148,201
Investment property	149,120	1,697,973	1,847,093	174,081	1,374,465	1,548,546
Investments in subsidiary / associate	12,131,105	(1,131,657)	10,999,448	11,949,485	(2,684,443)	9,265,042
Investments						
Equity securities	2,505,215	3,914,209	6,419,424	3,195,534	6,297,885	9,493,419
Debt securities	8,533,957	(6,666)	8,527,268	5,191,510	72,882	5,264,392
Total assets from window testful operations - Operator's fund	433,587	(107)	433,480	267,353	(143)	267,210
Deferred taxation	(376,377)	(1,199,228)	(1,575,605)	(380,082)	(1,946,584)	(2,326,646)
Reserves	(13,012,902)	(2,016,440)	(15,031,342)	(12,512,902)	(4,351,772)	(16,864,674)
Unappropriated profit	(2,034,319)	(1,322,798)	(3,357,115)	(2,388,169)	(1,114,395)	(3,502,564)

Six months
period ended
30 June 2017
(Unaudited)

Impact on profit and loss account

Profit after tax would have been lower by

178,578

Earnings per share would have been higher by

0.90

6.1.7 During the period the Companies Act, 2017 has been implemented, however there is no impact on the consolidated condensed interim financial statement.

7. Accounting estimates and judgements

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

In preparing these consolidated condensed interim financial statements, the significant judgments made by management in applying the Holding Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2017 except for those mentioned in note 6.1.

8. Management of insurance and financial risk

Insurance and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2017.

9. Property and Equipment

The details of additions and disposals during the three months period ended 30 June 2018 are as follows:

	Additions (at cost)		Disposals (at net book value)	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Buildings	54 693	28 138	-	-
Furniture and fixtures	61 235	10 516	-	-
Office equipments	14 930	2 250	430	-
Tracker equipments	38 471	52 397	-	-
Computers	25 168	4 104	540	-
Vehicles	98 189	87 092	15 776	3 334
Capital work-in-progress	3 570	2 470	-	-
	<u>296 236</u>	<u>186 967</u>	<u>16 846</u>	<u>3 334</u>

Rupees '000

Rupees '000

10. Investment property

	30 June 2018 (Unaudited)	31 December 2017 (Audited) (Restated)
Opening net book value	1 847 093	1 548 008
Additions and capital improvements	7 076	317
Unrealized fair value gain	-	298 768
Closing book value	<u>1 854 169</u>	<u>1 847 093</u>

11. Investment in equity securities

Available for sale

	30 June 2018 (Unaudited)			31 December 2017 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Related Party						
Listed shares	751,134	205,936	485,198	12,468,040	28,753	12,439,287
Mutual funds	103	-	270	-	-	-
	<u>751,237</u>	<u>205,936</u>	<u>485,468</u>	<u>12,468,040</u>	<u>28,753</u>	<u>12,439,287</u>
Others						
Listed shares	2,134,344	97,360	2,036,984	2,133,539	54,735	2,078,804
Unlisted shares	31,508	-	31,508	10,500	-	10,500
Mutual funds	52,833	(5,209)	61,459	-	-	-
	<u>2,218,685</u>	<u>92,151</u>	<u>2,129,951</u>	<u>2,144,039</u>	<u>54,735</u>	<u>2,089,304</u>
Surplus on revaluation	3,922,210	-	3,922,210	2,890,283	-	2,890,283
	<u>6,892,132</u>	<u>358,087</u>	<u>6,537,629</u>	<u>17,502,362</u>	<u>83,488</u>	<u>17,418,874</u>

At fair value through profit and loss -
designated upon initial recognition

Related Party						
Listed shares	644,919	-	644,919	-	-	-
Mutual funds	25,845	-	25,845	-	-	-
Others						
Listed shares	32,184,802	-	32,184,802	-	-	-
Mutual funds	63,438	-	63,438	-	-	-
Surplus on revaluation	-	-	-	-	-	-
	<u>32,919,004</u>	<u>-</u>	<u>32,919,004</u>	<u>-</u>	<u>-</u>	<u>-</u>

At fair value through profit and loss -
held for trading

Others						
Listed shares	30,772	-	30,772	-	-	-
Surplus on revaluation	19,294	-	19,294	-	-	-
	<u>50,066</u>	<u>-</u>	<u>50,066</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>39,661,202</u>	<u>358,087</u>	<u>39,298,653</u>	<u>17,502,362</u>	<u>83,488</u>	<u>17,418,874</u>

Rupees '000

12. Investment in debt securities

30 June 2018 (Unaudited)			
	Cost	Impairment / provision	Carrying value
Held to maturity			
Government Securities	4 769 997	-	4 769 997
Available for sale			
Government Securities	61 937 980	-	62 269 858
Others			
Term Finance Certificate	1 324 572	44 118	1 280 454
Sukuk	610 810	-	610 810
Certificate of Investment	210 000	-	210 000
Surplus revaluation	(20 250)	-	(20 250)
	<u>68 833 109</u>	<u>44 118</u>	<u>69 120 889</u>

31 December 2017 (Audited)			
	Cost	Impairment / provision	Carrying value
Government Securities	8 533 957	-	8 533 957
Term Finance Certificate	44 118	44 118	-
Surplus revaluation	(6 689)	-	(6 689)
	<u>8 571 386</u>	<u>44 118</u>	<u>8 527 268</u>

13. Loan and other receivables – considered good

	30 June 2018 (Unaudited)	31 December 2017 (Audited)
Loan to employees	56 239	5 384
Accrual investment income	992 092	86 826
Security deposit	55 582	7 780
Advance to suppliers	46 344	33 115
Advances to employees	5 204	3 665
Advances to agents	69 034	-
Others	<u>488 022</u>	<u>2 048</u>
	<u>1 682 517</u>	<u>118 618</u>

14. Insurance / reinsurance receivables – unsecured and considered good

Due from insurance contract holders	3 854 919	2 829 996
Less provision for impairment of receivables from insurance contract holders	(52 125)	(27 814)
	<u>3 802 794</u>	<u>2 802 182</u>
Due from other insurer / reinsurers	<u>77 933</u>	<u>16 887</u>
	<u>3 880 727</u>	<u>2 819 069</u>

Rupees '000

15. Prepayments

	Note	30 June 2018 (Unaudited)	31 December 2017 (Audited)
Prepaid reinsurance premium ceded	21	4,661,863	5,112,084
Prepaid rent		37,620	12,703
Others		149,746	77,394
		<u>4,849,329</u>	<u>5,202,181</u>

16. Cash and bank

Cash and cash equivalents			
Cash in hand		1,208	2
Policy and revenue stamps, bond papers		21,707	9,802
		22,915	9,804
Cash at bank			
current accounts		681,121	233,422
saving accounts		2,944,817	920,983
		<u>3,625,938</u>	<u>1,154,405</u>
		<u>3,648,853</u>	<u>1,164,209</u>

17. Reserves

General reserve		13 500 000	13 000 000
Reserve for exceptional losses	17.1	12 902	12 902
Revaluation reserve – Available-for-sale investments		1 740 587	2 018 440
		<u>15 253 489</u>	<u>15 031 342</u>

17.1 The reserve for exceptional losses was created prior to 1979 and was charged to income in accordance with the provisions of the repealed Income Tax Act, 1922 and has been so retained to date.

Rupees '000

18. Other creditors and accruals

	30 June 2018 (Unaudited)	31 December 2017 (Audited)
Federal insurance fee payable	12 445	12,510
Federal excise duty and sales tax payable	140 017	170,800
Accrued expenses	507 026	227,879
Agent commission payable	824 393	499,929
Unearned rentals	44 921	70,986
Security deposit bond	659 323	543,677
Unclaimed dividendes	390 604	196,503
Others	228 961	92,103
	<u>2 807 690</u>	<u>1 814 387</u>

19. Contingencies and commitments

The income tax assessment of the Holding Company and its Subsidiary Company has been finalised up to tax year 2017.

19.1 Holding Company

- 19.1.1 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 Holding Company had filed appeals before Commissioner Inland Revenue (Appeals). The appeals have been decided in the favour of the Income Tax Department. The Holding Company had filed appeals before Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Holding 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 Holding Company had filed appeal before Commissioner Income Tax (Appeals). The appeal was decided in the favour of the Holding Company. The Department had filed appeal before Income Tax Appellate Tribunal (ITAT) and the same was been decided in the favour of the Holding 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 Holding Company a tax liability of Rs. 76 million would arise.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Holding Company for tax year 2005 to 2007 by disallowing prorated expense. The Holding Company has filed appeals before Commissioner Income Tax (Appeals). The appeals were decided in the favour of the Holding 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 Holding 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 year 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 Holding 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 Holding 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 Holding Company a tax liability of Rs. 243 million would arise.

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

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

- 19.1.2 In 2014, 2015, 2016 and 2017, the Searle Company Limited issued bonus shares (453,612, 312,993, 664,632 and 472,284 shares respectively) after withholding 5 percent of bonus shares (22,680, 15,650, 34,981 and 24,857 shares respectively). In this regard, a constitutional petition had been filed by the Holding Company in Honourable High Court of Sindh challenging the applicability of withholding tax provision on bonus shares received by the Holding Company. The Honourable High Court of Sindh decided the case against the Holding Company. Subsequently, the Holding 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 Holding Company has not paid / provided an amount of Rs. 37.09 million being withholding tax on bonus shares.

19.2 Subsidiary Company

The Income tax assessment of the Subsidiary Company for tax year 2017 has been finalised. The tax department has reopened the assessment order issued under Sec 122(5A) for the tax year 2009-2016 and has raised a demand of Rs. 58.31 million against dividend income so received by the Subsidiary Company to be taxed at corporate rate instead of reduced rates available in the First schedule of Income Tax Ordinance 2001. The Subsidiary Company filed an appeal for tax year 2009-2013 before CIT appeals where the case was decided against the Subsidiary Company. The Subsidiary Company has filed an appeal before Appellate Tribunal for the same tax years where the case was decided in favour of the Subsidiary Company. For tax year 2014 and tax year 2016, the Subsidiary Company filed an appeal before CIT appeals against the order, where the case was decided in favour of the Subsidiary Company. For the tax year 2015, the Subsidiary Company has filed an appeal before CIT appeal. No provision has been made in respect of aforementioned additional demand.

In 2013, Income Tax Department imposed an additional tax demand under section 151(1)(d) on account of non-deduction of withholding tax on surrender and maturity amounting to Rs.14 million and Rs.15 million for Tax Years 2012 and 2013 respectively. The Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) and the same was dismissed. The Subsidiary Company filed second appeal before the Appellate Tribunal against the order of CIT. The learned Appellate Tribunal Inland revenue has now decided the case in Subsidiary Company's favour. Subsequent to the period, the department has filed review application against the order in Honourable Court of Sindh. The decision is still pending.

- 19.2.1 In 2015 and 2016, the Searle Company Limited issued bonus shares (76,031 shares and 342,480 shares respectively) after withholding 5 percent of bonus shares (3,803 shares and 18,707 shares respectively) and the IBL Healthcare Ltd. issued bonus shares (46,525 shares and 80,311 shares respectively) after withholding 5 percent of bonus shares (2,331 shares and 4,031 shares respectively). In this regard, a constitutional petition had been filed by the Subsidiary Company in Sindh High Court challenging the applicability of withholding tax provision on bonus shares received by the Subsidiary Company. The honorable high court decided the case against the Subsidiary Company. Subsequently, the Subsidiary Company filed an appeal with a larger bench of the Sindh High Court and in response the Sindh High Court has suspended the earlier judgement until the next date of hearing, which has not yet been decided. The Subsidiary Company is of the view that the case will be decided in its favour and no provision has been made for the aforementioned tax.
- 19.2.2 Bank guarantees amounting to Rs.17 million has been given in respect of Group Life coverage. These bank guarantees will expire by 16th January 2020.
- 19.3 No provision has been made in these consolidated condensed interim financial statements for the above contingencies, as the management, based on tax advisor's opinion, is confident that the decision in this respect will be received in favour of the Company.

20. Segmenta Information

Premium Receivable (Inclusive of FEO, Federal insurance fee and Administrative surcharge)
Less: Federal excise duty
Stamp duty
Federal insurance fee

Gross Written Premium (Inclusive of Administrative surcharge)

Gross direct premium

Rebated insured premium

Administrative surcharge

Insurance premium earned

Insurance premium ceded to reinsurers

Net insurance premium

Commission income

Net underwriting income

Insurance claims

Insurance claims recovered from reinsurers

Net claims

Contribution expense

Management expenses

Net insurance claims and expenses

Net investment income - subsidiary funds

Net Change in Insurance Liabilities (Other than outstanding claims)

Underwriting result

Net investment income

Rental income

Other income

Other expenses

Finance costs

Profit before tax from business operations

Profit before tax

Corporate segment assets-conventional

Corporate segment assets-Takaful QPF

Corporate unallocated assets-conventional

Corporate unallocated assets-Takaful QPF

Consolidated total assets

Corporate segment liabilities

Corporate segment liabilities-Takaful QPF

Corporate unallocated liabilities

Corporate unallocated liabilities-Takaful QPF

Consolidated total liabilities

External premium
less reinsurance
by policyholders
segments 2018

Localities

Pakistan

* EPZ

Total

* This represents US Dollar Equivalent in Pak Rupees

General Insurance					Life Assurance					Aggregate Life Insurance	Six months period ended 30 June 2018
Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Investment linked business	Conventional business	Pension business (Unit linked)	Accident & health business	Family takaful investment linked business		
5,953,205	1,621,588	1,815,685	1,020,285	-	5,640,208	594,830	175	255	585,807	38,262	17,360,291
728,510	177,180	232,230	116,528	-	-	-	-	-	-	-	1,254,428
222	58,595	782	788	-	-	-	-	-	-	-	60,348
51,705	13,707	15,680	8,940	-	-	-	-	-	-	-	81,012
5,172,769	1,372,136	1,688,033	894,027	-	5,640,208	594,830	175	255	585,807	38,262	14,864,502
5,155,285	1,345,692	1,482,558	883,147	-	-	-	-	-	-	-	3,686,683
2,225	1,470	-	-	-	-	-	-	-	-	-	3,686
15,248	25,004	183,475	10,880	-	-	-	-	-	-	-	234,607
6,087,900	1,200,740	1,697,506	743,057	-	5,640,208	594,830	175	255	585,807	38,262	16,576,742
5,152,180	447,266	4,813	451,721	-	-	-	-	-	-	-	6,055,980
935,720	753,474	1,892,695	291,336	-	5,640,208	594,830	175	255	585,807	38,262	10,532,762
337,397	14,585	-	115,378	-	-	-	-	-	-	-	467,360
1,273,117	768,059	1,692,695	408,714	-	5,640,208	594,830	175	255	585,807	38,262	10,960,122
612,557	405,697	844,019	104,488	-	2,677,954	413,212	-	(144)	143,567	17,336	5,308,674
243,483	161,993	(70)	91,118	-	-	-	-	-	-	-	498,484
369,084	243,734	844,089	103,368	-	2,677,954	413,212	-	(144)	143,567	17,336	804,432
488,487	140,058	141,675	58,202	-	1,613,288	158,432	15	107	331,278	22,671	3,388,161
342,897	238,522	569,813	100,140	-	1,271,372	-	15	(37)	474,843	41,007	5,014,893
1,178,478	623,324	1,574,577	259,710	-	4,291,242	571,844	52	15	(5,908)	15,818	(2,152,477)
-	-	-	-	-	(2,182,547)	30,084	-	-	-	-	-
-	-	-	-	-	1,221,797	78,998	(130)	8	(143,521)	17,859	1,175,109
64,836	144,735	118,118	147,004	-	378,218	122,278	82	313	(38,483)	31,032	897,801
-	-	-	-	-	-	-	-	-	-	-	368,634
-	-	-	-	-	-	-	-	-	-	-	49,995
-	-	-	-	-	-	-	-	-	-	-	58,310
-	-	-	-	-	-	-	-	-	-	-	(38,380)
-	-	-	-	-	-	-	-	-	-	-	16,153
-	-	-	-	-	-	-	-	-	-	-	53,230
-	-	-	-	-	-	-	-	-	-	-	1,505,083
-	-	-	-	-	-	-	-	-	-	-	494,740
8,698,757	1,489,090	545,888	1,101,218	-	103,505,362	2,401,352	28,370	5,813	3,135,562	203,331	121,674,374
22,381	5,007	187,720	8,510	-	-	-	-	-	-	-	224,618
-	-	-	-	-	-	-	-	-	-	-	31,850,916
-	-	-	-	-	-	-	-	-	-	-	3,481,530
-	-	-	-	-	-	-	-	-	-	-	333,608
-	-	-	-	-	-	-	-	-	-	-	1,131,402,290
-	-	-	-	-	-	-	-	-	-	-	154,089,518
12,824,385	2,298,317	2,358,385	2,719,788	-	102,133,633	2,360,405	25,521	5,714	3,053,078	199,884	127,949,470
15,680	9,373	259,517	10,285	-	-	-	-	-	-	-	294,875
-	-	-	-	-	-	-	-	-	-	-	785,882
-	-	-	-	-	-	-	-	-	-	-	2,621,156
-	-	-	-	-	-	-	-	-	-	-	2,044
-	-	-	-	-	-	-	-	-	-	-	106,594,497
-	-	-	-	-	-	-	-	-	-	-	130,867,545

External premium
less reinsurance
by policyholders
segments 2018

Localities

Pakistan

* EPZ

Total

* This represents US Dollar Equivalent in Pak Rupees

	General Insurance					Six months period ended 30 June 2017
	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	
Premium Receivable (Inclusive of FED, Federal insurance fee and Administrative surcharge)	6,181,031	1,538,773	1,988,048	897,814	-	10,615,766
Less: Federal excise duty	779,219	172,575	240,169	95,283	-	1,287,246
Stamp duty	255	59,836	534	1,054	-	52,979
Federal insurance fee	52,405	12,968	17,481	8,023	-	90,877
Gross Written Premium (inclusive of Administrative surcharge)	5,359,152	1,302,394	1,729,564	793,554	-	8,184,664
Gross direct premium	5,328,710	1,275,740	1,535,266	779,660	-	8,920,396
Facultative inward premium	14,288	1,113	-	-	-	15,401
Administrative surcharge	16,154	25,541	193,278	13,894	-	248,867
Insurance premium earned	4,665,548	1,073,911	1,711,517	791,425	-	8,352,401
Insurance premium ceded to reinsurers	3,876,443	334,487	8,174	376,589	-	4,595,693
Net insurance premium	989,105	739,424	1,703,343	324,836	-	3,756,708
Commission income	318,967	17,272	-	98,158	-	435,397
Net underwriting income	1,308,072	756,696	1,703,343	423,994	-	4,192,105
Insurance claims	1,890,601	227,937	886,353	208,075	-	3,192,966
Insurance claims recovered from reinsurers	1,598,913	13,103	(93)	120,064	-	1,731,967
Net claims	291,688	214,834	886,446	88,011	-	1,400,979
Commission expense	387,395	128,272	142,213	55,524	-	713,404
Management expenses	321,402	214,867	530,939	100,877	-	1,168,105
Net insurance claims and expenses	1,000,485	557,993	1,539,598	244,412	-	3,342,488
Net investment income - statutory funds	-	-	-	-	-	-
Underwriting result	307,587	198,703	163,745	179,582	-	849,617
Net investment income	-	-	-	-	-	1,045,934
Rental income	-	-	-	-	-	43,938
Other income	-	-	-	-	-	54,792
Other expenses	-	-	-	-	-	(27,706)
Finance costs	-	-	-	-	-	200
Profit before tax from takaful operations	-	-	-	-	-	18,811
Profit before tax	-	-	-	-	-	<u>1,985,385</u>
						As at 31 December 2017 (Audited) restated
Corporate segment assets-conventional	9,623,282	1,020,782	579,921	1,003,794	-	12,227,789
Corporate segment assets-Takaful OPF	25,159	4,429	144,487	5,842	-	182,017
Corporate unallocated assets-conventional	-	-	-	-	-	32,229,760
Corporate unallocated assets-Takaful OPF	-	-	-	-	-	251,463
Consolidated total assets	-	-	-	-	-	<u>44,691,009</u>
Corporate segment liabilities	14,035,587	1,855,601	2,450,302	2,256,262	-	20,597,752
Corporate segment liabilities-Takaful OPF	22,534	4,009	194,658	15,300	-	238,891
Corporate unallocated liabilities	-	-	-	-	-	2,743,144
Corporate unallocated liabilities-Takaful OPF	-	-	-	-	-	1,687
Consolidated total liabilities	-	-	-	-	-	<u>23,579,274</u>
						External premium less reinsurance by geographical segments 2017
Location						2017
Pakistan						3,748,176
* EPZ						8,532
Total						<u>3,756,708</u>

* This represents US Dollar Equivalent in Pak Rupees

	General Insurance					Life Assurance					Aggregate Life Insurance	Three months period ended 30 June 2018	
	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treasury	Aggregate General Insurance	Investment linked business	Conventional business	Pension business (Unit linked)	Accident & health business			Family investment linked business
Premium Receivable (inclusive of FED, Federal Insurance Fee and Administrative Surcharge)	2,400,875	953,392	856,275	315,631	-	4,526,163	5,640,208	584,830	175	255	585,807	38,262	11,375,700
Less: Federal Excise Duty	369,275	106,860	100,459	30,323	-	644,914	-	-	-	-	-	-	644,914
Stamp Duty	88	-	358	380	-	29,966	-	-	-	-	-	-	29,966
Federal Insurance Fee	19,802	8,079	7,450	2,783	-	38,094	-	-	-	-	-	-	38,094
Gross Written Premium (inclusive of Administrative Surcharge)	1,982,510	806,308	745,011	276,365	-	3,813,189	5,640,208	584,830	175	255	585,807	38,262	10,662,726
Gross direct premium	1,974,342	795,443	646,349	271,148	-	3,687,282	-	-	-	-	-	-	3,687,282
Facultative reinsurance premium	2,225	1,203	-	-	-	3,428	-	-	-	-	-	-	3,428
Administrative Surcharge	5,943	12,657	98,662	5,217	-	122,479	-	-	-	-	-	-	122,479
Insurance premium earned	2,807,251	822,476	844,825	378,993	-	4,753,545	5,640,208	584,830	175	255	585,807	38,262	11,603,062
Insurance premium ceded to reinsurers	2,439,711	268,105	2,134	235,155	-	2,946,105	-	-	-	-	-	-	2,946,105
Net insurance premium	467,540	554,371	842,691	143,837	-	1,807,439	5,640,208	584,830	175	255	585,807	38,262	8,656,957
Commission income	189,743	12,159	-	48,373	-	250,244	-	-	-	-	-	-	250,244
Net underwriting income	657,283	566,529	842,691	192,210	-	2,057,683	5,640,208	584,830	175	255	585,807	38,262	8,907,220
Insurance claims	523,787	277,987	437,351	45,174	-	1,284,319	2,677,954	413,212	-	(144)	143,587	17,336	4,536,444
Insurance claims recovered from reinsurers	255,658	151,866	(45)	28,037	-	475,518	-	-	-	-	-	-	475,518
Net claims	228,139	126,131	437,396	17,137	-	808,803	2,677,954	413,212	-	(144)	143,567	17,336	4,060,926
Commission expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Management expenses	225,672	70,952	70,774	28,732	-	366,170	-	-	-	-	-	-	366,170
Insurance clients and expenses	170,857	110,538	288,828	49,234	-	819,555	1,813,288	158,432	15	107	331,278	23,671	2,746,344
Net insurance claims and expenses	624,768	307,551	797,196	95,103	-	1,824,728	4,291,242	571,644	15	(37)	474,843	41,007	7,203,442
Net investment income - statutory funds	-	-	-	-	-	-	(2,492,547)	38,094	-	-	(16,009)	(16,009)	(2,152,421)
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	1,221,797	78,996	(130)	6	(143,521)	17,959	1,175,109
Underwriting result	32,485	57,969	45,495	97,107	-	232,965	378,216	122,278	82	313	(98,496)	31,032	726,410
Net investment income	-	-	-	-	-	180,108	-	-	-	-	-	-	180,108
Rental income	-	-	-	-	-	30,862	-	-	-	-	-	-	30,862
Other income	-	-	-	-	-	25,259	-	-	-	-	-	-	25,259
Other expenses	-	-	-	-	-	(19,373)	-	-	-	-	-	-	(19,976)
Finance costs	-	-	-	-	-	8,528	-	-	-	-	-	-	8,528
Profit before tax from life insurance operations	-	-	-	-	-	20,144	-	-	-	-	-	-	20,144
Profit before tax	-	-	-	-	-	484,273	-	-	-	-	-	-	484,273

Difference 2017

	General Insurance					Three months period ended 30 June 2017
	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	
Premium Receivable (inclusive of FED, Federal Insurance Fee and Administrative Surcharge)	2,945,522	914,238	658,594	326,946	-	5,045,300
Less: Federal Excise Duty	375,405	103,442	104,091	34,128	-	617,066
Stamp Duty	99	24,579	376	322	-	25,376
Federal Insurance Fee	24,271	7,729	7,650	2,983	-	42,633
Gross Written Premium (inclusive of Administrative Surcharge)	2,461,799	778,487	675,214	287,088	-	4,222,588
Gross direct premium	2,460,933	764,808	571,853	280,487	-	4,078,081
Facultative inward premium	14,288	1,113	-	-	-	15,401
Administrative Surcharge	6,578	12,568	103,361	6,801	-	129,108
Insurance premium earned	2,555,277	552,084	854,276	354,693	-	4,316,330
Insurance premium ceded to reinsurers	2,026,585	152,863	3,482	196,503	-	2,379,413
Net insurance premium	528,712	399,221	850,794	158,190	-	1,936,917
Commission income	195,579	11,487	-	48,767	-	255,833
Net underwriting income	724,291	410,708	850,794	206,957	-	2,192,750
Insurance claims	1,140,809	105,667	392,861	123,308	-	1,762,443
Insurance claims recovered from reinsurers	950,778	(905)	(10)	77,219	-	1,027,082
Net claims	189,831	106,572	392,871	46,087	-	735,361
Commission expense	206,283	66,139	70,357	27,889	-	370,648
Management expenses	166,320	113,049	262,193	48,561	-	590,123
Net insurance claims and expenses	562,434	285,760	725,421	122,517	-	1,696,132
Underwriting result	161,857	124,948	125,373	84,440	-	496,618
Net investment income						835,105
Rental income						31,584
Other income						30,707
Other expenses						(13,899)
Finance costs						194
Profit before tax from takeful operations						8,513

Rupees '000

21. Net Insurance premium

	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017	2018	2017
Written gross premium	10 832 982	4 222 588	16 124 758	9 184 884
Unearned premium reserve - opening	8 812 802	8 314 685	8 496 686	7 388 880
Unearned premium reserve - closing	(7 872 446)	(8 220 943)	(7 872 446)	(8 220 943)
Premium earned	11 773 338	4 316 330	16 748 998	8 352 401
Less:				
Reinsurance premium ceded	2 571 137	2 832 742	5 776 115	5 521 128
Prepaid reinsurance premium - opening	5 207 187	4 623 778	5 112 083	4 151 674
Prepaid reinsurance premium - closing	(4 661 982)	(5 077 107)	(4 661 982)	(5 077 107)
Reinsurance expense	3 116 362	2 379 413	6 226 236	4 595 693
	8 656 976	1 936 917	10 522 762	3 756 708

22. Net Insurance claim expense

Claim Paid	4,577,882	1,179,383	5,999,407	2,551,481
Outstanding claims including IBNR - closing	5,097,810	6,056,515	5,097,810	6,056,515
Outstanding claims including IBNR - opening	(5,023,052)	(5,473,455)	(5,572,347)	(5,415,030)
Claims expense	4,652,640	1,762,443	5,424,870	3,192,966
Less:				
Reinsurance and other recoveries received	528,907	478,448	1,048,260	1,126,652
Reinsurance and other recoveries in respect of outstanding claims - opening	(3,040,167)	(3,481,318)	(3,538,572)	(3,424,617)
Reinsurance and other recoveries in respect of outstanding claims - closing	3,102,972	4,029,952	3,102,872	4,029,952
Reinsurance and other recoveries revenue	591,712	1,027,082	612,660	1,731,987
	4,080,828	735,361	4,812,210	1,480,979

Rupees '000

23. Net commission expense

	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017	2018	2017
Commission paid or payable	1 904 775	423 359	2 266 722	833 681
Deferred commission expense - opening	642 272	632 211	689 587	584 645
Deferred commission expense - closing	(537 207)	(684 922)	(537 207)	(684 922)
Net commission	2 009 840	370 648	2 418 102	713 404
Less:				
Commission received or recoverable	110 717	255 833	392 227	475 859
Unearned reinsurance commission - opening	526 010	384 439	481 616	343 977
Unearned reinsurance commission - closing	(386 483)	(384 439)	(386 483)	(384 439)
Commission from reinsurers	250 244	255 833	467 360	435 397
	1 759 596	114 815	1 950 742	278 007

24. Investment Income

Income from equity securities - available for sale				
Dividend income	74,970	653,684	137,732	718,228
Income from debt securities - available for sale				
Return on debt securities	127,182	119,693	260,787	228,774
Income from term deposits				
Return on term deposits	2,601	3,000	5,986	6,619
	204,753	776,377	394,505	953,621
Net realised gains / (losses) on investments				
Available for sale financial assets				
Realised gains on:				
Equity securities	7,555	104,209	7,828	120,863
Debt securities	-	-	-	6,229
Realised losses on:				
Equity securities	(16,875)	(4,603)	(17,972)	(4,730)
	(9,320)	99,606	(10,144)	122,362
	195,433	875,983	384,361	1,075,983
Impairment in value of available for sale equity securities	(14,924)	(40,463)	(14,924)	(29,234)
Investment related expenses	(401)	(415)	(603)	(815)
Total Investment Income	180,108	835,105	368,834	1,045,934

Rupees '000

25. Other Income

Three months period ended 30 June		Six months period ended 30 June	
2018	2017	2018	2017
Gain on sale of fixed assets - net	10,213	18,500	22,067
Interest on loans to employees	3,425	3,517	70
Profit on bank deposits	17,216	34,000	32,655
Others	2,293	2,293	-
	<u>33,147</u>	<u>58,310</u>	<u>54,792</u>

26. Window takaful operations - Operator' fund

Wakala fee	116 993	67 858	224 928	128 520
Management expenses	(63 980)	(42 416)	(109 234)	(75 271)
Commission expenses	(39 355)	(22 305)	(74 122)	(41 997)
Investment income	5 295	4 898	9 131	6 039
Other income	1 438	888	2 976	1 740
Other expenses	(247)	(410)	(447)	(420)
Profit for the period	<u>20 144</u>	<u>8 513</u>	<u>53 230</u>	<u>18 611</u>

27. Taxation

For the period

- Current
- Prior year

496 888	427 061	666 678	603,842
155 072	98 766	155 072	98,766
651 960	525 827	821 750	702,608
(161 572)	(17 465)	(144 269)	(14,366)
<u>490 388</u>	<u>508 342</u>	<u>677 481</u>	<u>686,240</u>

Deferred tax

28. Earnings per share

Profit after tax	(Rupees '000)	<u>285 538</u>	<u>860 480</u>	<u>624 515</u>	<u>1 297 146</u>
Weighted average number of ordinary shares	(Numbers '000)	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>
Earnings per share	(Rupees)	<u>1.43</u>	<u>4.40</u>	<u>3.12</u>	<u>6.49</u>

Rupees '000

29. Movement in Investment

Name of investment	Held to maturity	Available for sale	Fair value through P & L	Deposit maturing within 12 months	Total
At beginning of previous year	-	14,757,812	-	671,880	15,429,692
Additions	-	15,206,978	-	1,623,634	16,832,862
Disposals (sale and redemptions)	-	(12,519,296)	-	(1,885,214)	(14,384,510)
Fair value net gains (excluding net realised gains)	-	(2,447,966)	-	-	(2,447,966)
Impairment losses	-	(52,836)	-	-	(52,836)
At beginning of period	-	14,946,692	-	430,550	15,377,242
Additions	11,346,197	17,636,173	182,678,304	52,587,843	264,248,517
Disposals (sale and redemptions)	(6,002,000)	(17,852,586)	(91,966,329)	(40,899,975)	(156,722,891)
Fair value net gains (excluding net realised gains)	-	(124,855)	(221,676)	-	(346,531)
Impairment losses	-	(16,599)	-	-	(16,599)
At end of period	3,344,197	14,588,823	90,486,300	12,118,418	120,537,738

30. Related party transactions

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

Transactions	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017	2018	2017
Associated companies				
Premiums written	81 616	44 350	226 732	141 163
Premiums paid	3 599	-	31 518	30 449
Claims paid	31 962	23 610	142 416	40 971
Claims received	654	-	654	-
Commission paid	49 460	-	49 460	-
Travelling expenses	1 352	-	1 352	-
Dividend received	-	570 970	-	570 970
Dividend paid	950 903	529 825	950 903	529 825
Interest on bank deposit	11 532	-	11 532	-
Investment sold	455 357	-	455 357	-
Key management personnel				
Premiums written	1 837	434	2 027	555
Claims paid	-	127	-	202
Dividend paid	6 309	6 916	6 309	6 916
Loan recovered	900	-	900	-
Compensation	78 691	46 361	119 447	65 123
Others				
Premiums written	8 475	3 756	17 937	14 734
Claims paid	1 103	1 213	2 469	1 702
Investments made	-	150 000	-	200 000
Investments sold	-	103 179	-	225 000
Dividend paid	458 220	489 344	458 220	489 344
Bank deposits made	75 000	-	50 000	-
Brokerage paid	236	92	236	98

	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017	2018	2017
Employees' funds				
Contributions to provident fund	13 620	6 244	19 992	11 634
Contributions to gratuity fund	4 885	3 874	9 771	7 897
Contributions to pension fund	7 163	302	8 136	603
Dividend paid	7 731	8 505	7 731	8 505
			30 June 2018 (Unaudited)	31 December 2017 (Audited)
Balances				
Others				
Balances receivable			22 627	15 131
Balances payable			14	(73 891)
Deposits maturing within 12 months			204 000	154 000
Investment in related party			317 212	-
Bank balances			716 392	106 039
Employees' funds payable				
EFU gratuity fund			(9 770)	(40 510)
EFU pension fund			(33 054)	(31 295)

31 Fair value

31.1 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.

31.2 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:

As at 30 June 2018 (Unaudited)									
	Available for sale	Held for maturity	Loan & Receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
							Level 1	Level 2	Level 3
Financial assets measured at fair value									
Investments									
Equity securities - quoted	30,110,717					30,110,717	30,110,717		
Equity securities - unquoted	31,508					31,508			31,508
Government securities	67,018,405					67,018,405		67,018,405	
Mutual funds	172,434					172,434		172,434	
Securitized bonds	427,476					427,476		427,476	
Debt securities	1,463,788					1,463,788	1,463,788		
Financial assets not measured at fair value									
Term deposits*				528,218		528,218			
Government securities		443,879				443,879		443,879	
Loans and other receivables*			91,403			91,403			
Insurance / reinsurance receivables*			3,004,462			3,004,462			
Reinsurance recoveries against outstanding claims*			3,161,386			3,161,386			
Advances*			68,506	989,723		1,058,229			
Other assets*				1,366,249		1,366,249			
Certificates of encumbrance*	210,000					210,000			
Cash and bank*	14,241,969			681,721		15,223,590			
Total assets of Window Takafu Operations - Operator's Fund*	29,839		147,098	294,956		463,453		28,896	
	123,706,836	443,879	3,067,465	4,153,987	-	134,402,347	41,574,605	66,087,009	31,508
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*					(8,217,811)	(8,217,811)			
Premium received in advance*					(104,731)	(104,731)			
Insurance / reinsurance payables*					(5,523,797)	(5,523,797)			
Other creditors and accounts*					(5,665,322)	(5,665,322)			
Total liabilities of Window Takafu Operations - Operator's Fund*					(19,511,661)	(19,511,661)			
					(19,511,661)	(19,511,661)			

		As at 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
Financial assets measured at fair value								
Investments								
Equity securities - quoted	17,408,374				17,408,374	17,408,374		
Equity securities - unquoted	10,500				10,500			10,500
Government securities	8,527,268				8,527,268		8,527,268	
Financial assets not measured at fair value								
Term deposits*			430,550		430,550			
Loans and other receivables*		118,618			118,618			
Insurance / reinsurance receivables*		2,818,089			2,818,089			
Reinsurance recoveries against outstanding claims*		3,538,572			3,538,572			
Cash and bank*			1,164,209		1,164,209			
Total assets of Window Takafu Operations - Operator's Fund*	30,482	125,196	210,264		365,944		30,482	
	25,876,624	8,601,457	1,655,023	-	34,383,104	17,408,374	8,557,750	10,500
Financial liabilities not measured at fair value								
Outstanding claims including IBNR*				(5,572,347)	(5,572,347)			
Premium received in advance*				(31,487)	(31,487)			
Insurance / reinsurance payables*				(4,992,011)	(4,992,011)			
Other creditors and accounts*				(1,814,387)	(1,814,387)			
Total liabilities of Window Takafu Operations - Operator's Fund*				(12,411,814)	(12,411,814)			
	-	-	-	(12,441,814)	(12,441,814)	-	-	-

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

32. Corresponding Figures

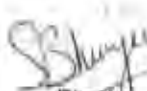

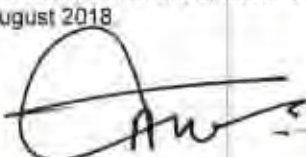

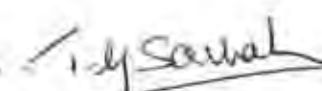
During last year the SECP vide SRO 89(I)/2017 dated 09 February 2017 has issued Insurance Rules, 2017 (the Rules), which requires every Company to prepare their consolidated condensed interim financial statements as per the presentation and disclosure requirement prescribed in the format, in view of the applicability of the Rules, the Holding Company has changed the presentation and disclosures of the consolidated condensed interim financial statements and recorded its investments as per IAS 39, which was further explained in note 6.1.1.

33. General

- 33.1 The effects of changes stated in note 6.1 have been accounted for retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', resulting in restatement of financial statements of prior periods. Resultantly, the cumulative effect of adjustments that arose as at 01 January 2017 and 01 January 2018 have been presented and disclosed as part of the statement of changes in equity, while the corresponding period adjustment through other comprehensive income and profit or loss is restated and disclosed as part of the Statement of Comprehensive Income and Profit and Loss Account respectively. The Balance Sheet also presents the prior year numbers as restated, due to the said change.

34. Date of authorisation for issue of consolidated condensed interim financial statements

These consolidated condensed interim financial statements were authorised for issue by the Board of Directors in its meeting held on 18 August 2018.

 Director	 Director	 ALTAF GOKAL Chief Financial Officer & Corporate Secretary	 HASANALI ABDULLAH Managing Director & Chief Executive	 Director Chairman of the meeting
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**Condensed Interim
Financial Statements
Window Takaful Operations**
For the six months period ended 30 June 2018 (Unaudited)



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of EFU General Insurance Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of EFU General Insurance Limited – Window Takaful Operations ("the Company") as at 30 June 2018 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in funds, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



KPMG Taseer Hadi & Co.

Other matter

The figures for the quarters ended 30 June 2018 and 30 June 2017 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Taufiq.

Date: 18 August 2018


Karachi

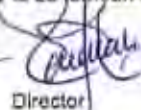
KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Statement of Financial Position
As at 30 June 2018

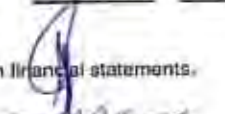
				Rupees '000
Note	30 June 2018 (Unaudited)			31 December 2017 (Audited)
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
(Restated)				
Assets				
Property and equipment	9	3,214	-	3,214
Investments				
Debt securities	10	29,939	562,198	592,137
Term deposits	23	213,000	195,000	408,000
Loans and other receivables	11	2,501	14,783	17,284
Takaful / retakaful receivables	12	5,182	202,353	207,535
Retakaful recoveries against outstanding claims	16	-	82,925	82,925
Salvage recoveries accrued		-	59,678	59,678
Deferred commission expense	20	86,403	-	86,403
Wakala fee receivable		133,033	-	133,033
Modarib fees receivable		6,324	-	6,324
Deferred wakala fee	17	-	241,309	241,309
Taxation - payments less provision		3,561	7,097	10,658
Prepayments	13	1,113	136,337	137,450
Cash and bank	14	73,956	160,236	234,192
Total assets		558,226	1,681,916	2,220,142
Equity and liabilities				
Operator's Fund				
Statutory fund		100,000	-	100,000
Revaluation reserve		(636)	-	(636)
Accumulated profit		102,875	-	102,875
		202,239	-	202,239
Waqf / Participants' Takaful Fund				
Code money		-	500	500
Revaluation reserve - available for sale investment		-	(8,816)	(8,816)
Accumulated surplus		-	191,756	191,756
		-	183,440	183,440
Liabilities				
Underwriting provisions				
Outstanding claims including IBNR	18	-	385,814	385,814
Unearned contribution reserves	16	-	844,891	844,891
Unearned retakaful rebate		-	11,143	11,143
Retirement benefit obligations	47	-	-	47
Contribution received in advance		-	12,243	12,243
Takaful / retakaful payables		166	65,139	65,305
Unearned wakala fee		241,309	-	241,309
Wakala fee payable		-	133,033	133,033
Modarib fee payable		-	6,324	6,324
Other creditors and accruals	15	55,398	19,889	75,287
Payable to EFU General Insurance Limited	7	59,067	-	59,067
Total liabilities		355,987	1,478,476	1,634,463
Total equity and liabilities		558,226	1,681,916	2,220,142
Contingencies and commitments				
	8			

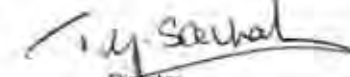
The annexed notes 7 to 28 form an integral part of these condensed interim financial statements.


 Director


 Director


 ALTAF GOKAL
 Chief Financial Officer &
 Corporate Secretary


 HASANALI ABDULLAH
 Managing Director &
 Chief Executive


 Chairman of the meeting

Karachi 18 August 2018

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Profit and Loss Account
For the six months period ended 30 June 2018 (Unaudited)

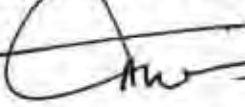
Rupees '000

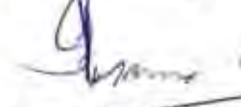
Note	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017	2018	2017
Participants' Takaful Fund - (PTF) Revenue Account				
Net takaful contribution	16	378 225	248 748	736 955
Wakala expense	17	(116 993)	(67 858)	(224 926)
Net takaful claims	18	(211 879)	(101 716)	(406 368)
Direct expenses		(41 184)	(50 476)	(87 341)
Retakaful rebate	19	6 354	6 687	16 604
Underwriting results		14 523	35 385	34 924
Investment income - net of modarib	21	7 690	10 879	13 185
Other income - net of modarib		1 655	1 156	3 239
		9 345	12 035	16 424
Results of operating activities		23 868	47 420	51 348
Finance cost		(7)	(5)	(7)
Surplus for the period		23 861	47 415	51 341
Operator's Fund - (OPF) Revenue Account				
Wakala fee	17	116 993	67 858	224 926
Management expenses		(63 980)	(42 416)	(109 234)
Commission expense	20	(39 355)	(22 305)	(74 122)
		13 658	3 137	41 570
Investment income - net of modarib	21	5 295	4 898	9 131
Other income		1 438	888	2 976
Other expenses		(247)	(410)	(447)
		6 486	5 376	11 660
Results of operating activities		20 144	8 513	53 230
Profit for the period		20 144	8 513	53 230

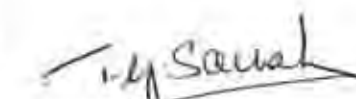
The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


SBhagya
Director


Altaf Gokal
Director


ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary


HASANALI ABDULLAH
Managing Director &
Chief Executive


Chairman of the meeting

Karachi 18 August 2018

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Statement of Comprehensive Income
For the six months period ended 30 June 2018 (Unaudited)

Rupees '000

	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017	2018	2017
		(Restated)		(Restated)
Participant's Fund				
Surplus for the period	23 861	47 415	51 341	75 174
Other comprehensive income				
Unrealized (loss) / gain on available for sale investments during the period - net	-	(2,224)	(514)	(97)
Reclassification adjustments relating to available for sale investments disposed off in the period - net	1,316	(556)	(7,023)	(1,700)
Total items that may be reclassified subsequently to profit and loss	1,316	(2,780)	(7,537)	(1,797)
Total comprehensive income for the period	<u>25 177</u>	<u>44 635</u>	<u>43 804</u>	<u>73 377</u>
Operator's Fund				
Wakala fee receivable	20 144	8 513	53 230	18 611
Reclassification adjustments relating to available for sale investments disposed off in the period - net	56	(965)	(529)	(643)
Total items that may be reclassified subsequently to profit and loss	56	(965)	(529)	(643)
Total comprehensive income for the period	<u>20 200</u>	<u>7 548</u>	<u>52 701</u>	<u>17 968</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

SBhugya
Director

SBhugya
Director

ALTAF GOKAL
ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary

HASANALI ABDULLAH
HASANALI ABDULLAH
Managing Director &
Chief Executive

Chairman of the meeting
Director
Chairman of the meeting

Karachi 18 August 2018

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Cash Flow Statement
For the six months period ended 30 June 2018 (Unaudited)

	Rupees '000			
			(Restated)	
	Operator's Fund	Participants' Takaful Fund	2018 Aggregate	2017 Aggregate
Operating activities				
a) Takaful activities				
Takaful contributions received	-	929,229	929,229	557,568
Retakaful contributions paid	-	(169,803)	(169,803)	(68,529)
Claims paid	-	(452,848)	(452,848)	(253,521)
Retakaful and other recoveries received	-	69,418	69,418	23,052
Commissions paid	(75,730)	-	(75,730)	(42,002)
Retakaful rebate received	-	11,665	11,665	12,214
Wakala fee received / (paid)	241,801	(241,801)	-	-
Management expenses paid	(106,865)	(87,341)	(196,206)	(163,563)
Net cash inflow from takaful activities	57,206	68,539	115,745	65,279
b) Other operating activities				
Income tax paid	(723)	(2,334)	(3,057)	(4,166)
Other operating payments	(906)	(10,482)	(11,388)	(50,832)
Other operating receipts	13,796	76	13,872	7,707
Net cashflow from other operating activities	12,167	(12,740)	(573)	(47,291)
Total cash flow from all operating activities	69,373	45,799	115,172	17,988
Investment activities				
Profit / return received	6,295	20,699	26,994	9,095
Dividend received	-	-	-	13,155
Modarib fee received / (paid)	1,124	(1,124)	-	-
Payment for investments	(423,000)	(285,000)	(708,000)	(130,838)
Proceeds from disposal of investments	332,514	226,290	558,804	120,132
Fixed capital expenditures	(114)	-	(114)	(21)
Total cash flow from investing activities	(83,181)	(39,135)	(122,316)	11,523
Net cash (outflow) / inflow from all activities	(13,808)	6,664	(7,144)	29,511
Cash and cash equivalents at the beginning of the period	87,764	153,572	241,336	280,621
Cash and cash equivalents at the end of the period	73,956	160,236	234,192	290,132
Reconciliation to profit and loss account				
Operating cash flows	69,373	45,799	115,172	17,988
Depreciation expense	(503)	-	(503)	(513)
Financial charges expense	-	(7)	(7)	-
Loss on disposal of investments	-	(386)	(386)	-
Other investment income	13,959	16,182	30,141	17,684
Profit on deposits	-	-	-	6,238
Other income	(1,853)	635	(1,218)	-
Increase in assets other than cash	44,299	1,734	46,033	296,397
Increase in liabilities other than running finance	(72,045)	(12,616)	(84,661)	(244,209)
Profit / surplus for the period	53,230	51,341	104,571	93,765
Unearned wakala fee				
Operator's Fund	53,230	-	53,230	18,611
Participants' Takaful Fund	-	51,341	51,341	75,174
	53,230	51,341	104,571	93,765

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary


HASANALI ABDULLAH
Managing Director &
Chief Executive


I. Y. Saad
Director
Chairman of the meeting
Karachi 16 August 2018

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Statement of Changes in Funds
For the six months period ended 30 June 2018 (Unaudited)

Rupees '000

Balance as at 01 January 2017 as previously reported
Restatement due to change in accounting policy (refer note 4.1.1)
Balance as at 01 January 2017 (restated)
Total comprehensive income for the period ended 30 June 2017

Profit for the period
Other comprehensive income
Balance as at 30 June 2017 (restated)

Balance as at 01 January 2018 as previously reported
Restatement due to change in accounting policy (refer note 4.1.1)
Balance as at 01 January 2018 (restated)
Total comprehensive income for the period ended 30 June 2018

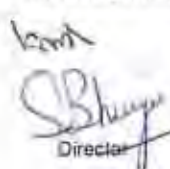
Profit for the period
Unearned wakala fee
Wakala fee payable
Modarib fee payable
Balance as at 30 June 2018

Operator's Fund			
Statutory fund	Revaluation reserve	Accumulated profit	Total
100,000	-	2,790	102,790
-	(143)	-	(143)
100,000	(143)	2,790	102,647
-	-	18,611	18,611
-	(643)	-	(643)
100,000	(786)	21,401	120,615
100,000	-	49,645	149,645
-	(107)	-	(107)
100,000	(107)	49,645	149,538
-	-	53,230	53,230
-	(529)	-	(529)
100,000	(638)	102,875	202,239

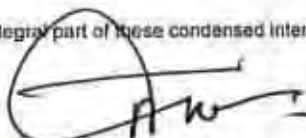
Balance as at 01 January 2017 as previously reported
Restatement due to change in accounting policy (refer note 4.1.1)
Balance as at 01 January 2017 (restated)
Surplus for the period
Other comprehensive income
Balance as at 30 June 2017
Balance as at 01 January 2018 as previously reported
Restatement due to change in accounting policy (refer note 4.1.1)
Balance as at 01 January 2018 (restated)
Surplus for the period
Other comprehensive loss
Balance as at 30 June 2018

Participants' Takaful Fund			
Cede money	Revaluation reserve	Accumulated surplus	Total
500	-	28,309	28,809
-	5,643	-	5,643
500	5,643	28,309	34,452
-	-	75,174	75,174
-	(1,797)	-	(1,797)
500	3,846	103,483	107,829
500	-	140,415	140,915
-	(1,279)	-	(1,279)
500	(1,279)	140,415	139,636
-	-	51,341	51,341
-	(7,537)	-	(7,537)
500	(8,816)	191,756	183,440


The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


SB Hussain
Director


Altaf Gokal
Director


ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary


HASANALI ABDULLAH
Managing Director &
Chief Executive


Director
Chairman of the meeting
Karachi 18 August 2018

EFU General Insurance Limited – Window Takaful Operations
Notes to the Condensed Interim Financial Statements
For the six months period ended 30 June 2018 (Unaudited)

1. Legal status and nature of business

EFU General Insurance Limited (the Operator) has been 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 and statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012. Where the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017 Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 have been followed. Total assets, total liabilities and profit of the Window Takaful Operations of the Operator's referred to as the Operator's Fund has been presented in these condensed interim financial information in accordance with the requirements of Circular 25 of 2015 dated July 9, 2015. A separate set of condensed interim financial information of the General Window Takaful Operations has been reported which is annexed to these condensed interim financial information as per the requirements of the SECP Takaful Rules, 2012.

These condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Operator's annual financial statements for the year ended 31 December 31 2017.

3. Basis of measurement

3.1 The condensed interim financial statements have been prepared under the historical cost basis except for the available-for-sale investments, property and equipments and investment property that have been measured at fair value.

3.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is also the Operator's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupees, unless otherwise stated.

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

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

- IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' and amendment - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 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. A new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Operator is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.

Kmsh

- IFRS 15 'Revenue from contracts with customers'

IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 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 Operator is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.

- IFRS 16 'Leases'

IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases - Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessor continue to classify leases as finance or operating leases. The Operator is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.

4. Summary of significant accounting policies

The accounting policies and method of computation adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the annual financial statements of the Operator for the year ended 31 December 2017 except for available-for-sale investment and format for preparation of financial statements as disclosed in note 4.1.1, 4.1.2 and 4.1.3 respectively.

Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the Operator's operation and do not have any impact on the accounting policies of the Operator.

4.1. Change in accounting policies

- 4.1.1 During the period, the Operator has changed its accounting policy for the valuation of the available-for-sale investments to comply with the requirements of the 'Insurance Rules, 2017' issued by Securities and Exchange Commission of Pakistan vide its S.R.O. 89(1)/2017 dated 09 February 2017. In line with the requirements provided in the Rules, the quoted available-for-sale investments are to be valued at market value and any unrealised gains or losses arising on revaluation of available-for-sale investments are taken to Other Comprehensive Income and transferred to revaluation reserves, whereas unquoted available for sale investments are valued at cost less impairment in value, if any. On derecognition or impairment of available-for-sale investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to Profit and Loss Account for the period. This change in accounting policy has been applied retrospectively in accordance with the requirement of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error' and comparatives have been restated to conform to the changed policy.

Accordingly, retrospective adjustments have been made in these condensed interim financial statements and comparatives have been revised as follows.

		Rupees '000		
Operator's Fund		31 December 2017 (Audited)		
		Balance previously reported	Adjustment	Balance restated
Investments				
Debt securities		30,589	(107)	30,482
Participants' Takaful Fund				
Investments				
Debt securities		607,819	(1,279)	606,540

Previously, quoted available-for-sale investments were stated at the lower of cost or market value (market value being taken as lower if the reduction is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002.



Had the accounting policy not been changed, available-for-sale investments of PTF would have been higher by Rs. 6.82 million, (December 2017: Rs. 1.28 million) and available-for-sale investments of OPF would have been higher by Rs. 0.84 million, (December 2017: Rs. 0.11 million).

4.1.2. During the period, the Operator has changed format for preparation of its condensed interim financial statements to comply with the requirements of the 'Insurance Rules, 2017' issued by SECP vide its S.R.O. 89(1)/2017 dated 09 February 2017. In line with the requirements provided in the Rules, accordingly these are the first set of condensed interim financial statements of the Operator for the six months period ended 30 June 2018.

4.1.3. During the period, the Companies Act, 2017 has been implemented, however there is no impact on the condensed interim financial statements.

5. Accounting estimates and judgements

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

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Operator's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2017.

6. Management of takaful and financial risk

Takaful and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2017.

7. Payable to EFU General Insurance Limited

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

8. Contingencies and commitments

There are no contingencies and commitments as at 30 June 2018 (31 December 2017: Nil).

9. Property and equipment

The details of additions and disposals during the six months period ended 30 June 2018 are as follows:

	Rupees '000			
	Additions (at cost)		Disposals (at net book value)	
	30 June 2018 (Unaudited)	30 June 2017 (Unaudited)	30 June 2018 (Unaudited)	30 June 2017 (Unaudited)
Furniture and fixtures	-	21	-	-
Computers	114	-	-	-
	<u>114</u>	<u>21</u>	<u>-</u>	<u>-</u>

10. Investment in Debt Securities

10.1 Operator's Fund

	30 June 2018 (Unaudited)			31 December 2017 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Fixed Income Securities						
Ijara Sukuk	30,575	-	30,575	30,589	-	30,589
Deficit on revaluation	(636)	-	(636)	(107)	-	(107)
	<u>29,939</u>	<u>-</u>	<u>29,939</u>	<u>30,482</u>	<u>-</u>	<u>30,482</u>

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Rupees '000

10.2 Participants' Takaful Fund

	30 June 2018 (Unaudited)			31 December 2017 (Audited)		
	Cost	Impairment/ provision	Carrying value	Cost	Impairment/ provision	Carrying value
Fixed Income Securities						
Ijara Sukuk - PTF	521,014	-	521,014	607,819	-	607,819
Dawood Hercules Corporation Limited (Sukuk - II)	50,000	-	50,000	-	-	-
	571,014	-	571,014	607,819	-	607,819
Deficit on revaluation	(8,816)	-	(8,816)	(1,279)	-	(1,279)
	<u>562,198</u>	<u>-</u>	<u>562,198</u>	<u>606,540</u>	<u>-</u>	<u>606,540</u>

11. Loans and other receivables

	30 June 2018 (Unaudited)		31 December 2017 (Audited)	
11.1 Operator's Fund				
Accrued investment income	1,403		154	
Security deposits	301		301	
Sundry receivables	797		977	
	<u>2,501</u>		<u>1,432</u>	
11.2 Participants' Takaful Funds				
Accrued investment income	3,809		2,964	
Sundry receivables	10,974		13,294	
	<u>14,783</u>		<u>16,258</u>	
12. Takaful / Retakaful Receivables				
12.1 Operator's Fund				
Due from other takaful / retakaful	5,182		5,497	
	<u>5,182</u>		<u>5,497</u>	
12.2 Participants' Takaful Funds				
Due from takaful contract holders	202,353		249,981	
	<u>202,353</u>		<u>249,981</u>	
13. Prepayments				
13.1 Operator's Fund				
Annual supervision fees	1,095		-	
Others	18		-	
	<u>1,113</u>		<u>-</u>	
13.2 Participants' Takaful Funds				
Prepaid retakaful contribution ceded	75,761		96,474	
Prepaid charges for vehicle tracking devices	60,576		47,775	
	<u>136,337</u>		<u>144,249</u>	



Rupees '000

14. Cash and bank

	30 June 2018 (Unaudited)			31 December 2017 (Audited)		
	OPF	PTF	Aggregate	OPF	PTF	Aggregate
Current accounts	30	1,738	1,768	21	1,218	1,239
Saving accounts	73,926	158,498	232,424	87,743	152,354	240,097
	<u>73,956</u>	<u>160,236</u>	<u>234,192</u>	<u>87,764</u>	<u>153,572</u>	<u>241,336</u>

15. Other creditors and accruals

	30 June 2018 (Unaudited)	31 December 2017 (Audited)
15.1 Operator's Fund		
Accrued expenses	1,557	1,492
Agent balance	53,401	29,885
Others	440	24
	<u>55,398</u>	<u>31,381</u>
15.2 Participants' Takaful Funds		
Federal insurance fee payable	1,494	1,444
Federal excise duty payable	20,033	19,273
GST receivable	(4,315)	(2,547)
Sundry creditors	2,677	1,638
	<u>19,889</u>	<u>19,808</u>

16. Net takaful contributions

	Three months period ended 30 June (Unaudited)		Six months period ended 30 June (Unaudited)	
	2018	2017	2018	2017
Written gross contribution	435,220	380,015	870,818	888,398
Unearned contribution reserve opening	845,875	567,027	823,806	537,429
Unearned contribution reserve closing	(844,891)	(651,618)	(844,891)	(651,618)
Contribution earned	<u>436,204</u>	<u>295,424</u>	<u>849,833</u>	<u>574,209</u>
Less:				
Retakaful contribution ceded	35,553	43,975	92,164	79,500
Prepaid retakaful contribution opening	98,188	65,483	96,475	72,797
Prepaid retakaful contribution closing	(75,761)	(62,782)	(75,761)	(62,782)
Retakaful expense	<u>57,980</u>	<u>46,676</u>	<u>112,878</u>	<u>89,515</u>
Net contribution	<u>378,224</u>	<u>248,748</u>	<u>736,955</u>	<u>484,694</u>

17. Net wakala fee

Gross wakala fee	130,018	95,837	259,408	173,764
Deferred wakala expense opening	228,284	129,982	206,827	112,677
Deferred wakala expense closing	(241,309)	(157,941)	(241,309)	(157,941)
Net wakala fee	<u>116,993</u>	<u>67,858</u>	<u>224,926</u>	<u>128,520</u>

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18. Net takaful claims expense

	Three months period ended 30 June (Unaudited)		Six months period ended 30 June (Unaudited)	
	2018	2017	2018	2017
Claims paid	247,972	143,398	424,071	246,879
Outstanding claims including IBNR opening	(365,265)	(235,450)	(340,118)	(210,412)
Outstanding claims including IBNR closing	385,814	215,724	385,814	215,724
Claims expense	268,521	123,672	469,767	252,191
Less:				
Retakaful and other recoveries received	61,232	20,199	69,418	23,630
Retakaful and other recoveries in respect of outstanding claims opening	(87,515)	(43,443)	(88,944)	(38,760)
Retakaful and other recoveries in respect of outstanding claims closing	82,925	45,200	82,925	45,200
Retakaful and other recoveries revenue	56,642	21,956	63,399	30,050
Net takaful claims expense	211,879	101,716	406,366	222,141

19. Rebate from retakaful operators

Rebate received or recoverable	619	6,033	11,665	12,214
Unearned retakaful rebate opening	16,878	11,912	16,062	12,360
Unearned retakaful rebate closing	(11,143)	(11,258)	(11,143)	(11,258)
Rebate from retakaful operator	6,354	6,687	16,604	13,316

20. Commission expense

Commission paid or payable	48,297	27,603	99,431	51,768
Deferred commission expense opening	79,481	42,950	61,094	38,477
Deferred commission expense closing	(86,403)	(48,248)	(88,403)	(48,248)
Net commission	39,355	22,305	74,122	41,997

21. Investment Income**21.1 Operator's Fund**

Income from debt securities - available for sale				
- Return on debt securities (Ijara Sukuk)	391	-	778	-
Income from term deposits				
- Return on term deposits	2,341	198	3,858	309
	2,732	198	4,736	309
Net realised gain on investments				
Available for sale financial assets				
Realised gains on:				
- Equity securities	-	1,076	-	1,076
Modarib share on PTF Investment Income	2,583	3,628	4,395	4,854
Investment Income	5,295	4,898	9,131	6,039



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21.2 Participants' Takeful Funds

	Three months period ended 30 June (Unaudited)		Six months period ended 30 June (Unaudited)	
	2018	2017	2018	2017
Income from equity securities - available for sale				
- Dividend Income	-	12,079	-	12,079
Income from debt securities - available for sale				
- Return on debt securities (Ijara Sukuk)	7,972	1,381	14,612	2,699
Income from term deposits				
- Return on term deposits	2,281	1,162	3,482	1,811
	<u>10,253</u>	<u>14,602</u>	<u>18,094</u>	<u>16,589</u>
Net realised gain/(loss) on investments				
Available for sale financial assets				
Realised gains on:				
- Equity securities	-	-	-	2,127
- Debt securities	-	-	73	-
Realised losses on:				
- Equity securities	-	(97)	-	(97)
- Debt securities	-	-	(587)	-
	<u>10,253</u>	<u>14,505</u>	<u>17,580</u>	<u>18,619</u>
Less: Modarib share on PTF Investment Income	(2,683)	(3,626)	(4,395)	(4,654)
Investment Income	<u>7,570</u>	<u>10,879</u>	<u>13,185</u>	<u>13,965</u>

22. Segments Information

22.1 Operator's Fund

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Six months period ended 30 June 2018 (Unaudited)
Waikata fee	17,708	8,979	187,204	11,035	-	224,926
Management expenses	8,994	2,494	96,547	3,199	-	109,234
Commission expense	10,178	4,372	58,416	1,158	-	74,122
Net commission and expenses	<u>17,172</u>	<u>6,866</u>	<u>154,063</u>	<u>4,355</u>	<u>-</u>	<u>183,356</u>
	<u>536</u>	<u>2,113</u>	<u>32,241</u>	<u>6,680</u>	<u>-</u>	<u>41,670</u>
Net Investment Income						9,131
Other income						2,978
Other expenses						(447)
Profit for the period						<u>63,230</u>
						30 June 2018 (Unaudited)
Corporate segment assets	22,361	8,007	187,720	8,510	-	224,618
Corporate unallocated assets						333,608
Total assets						<u>558,226</u>
Corporate segment liabilities	16,691	8,372	259,517	10,298	-	294,878
Corporate unallocated liabilities						61,111
Total liabilities						<u>355,989</u>

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	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Six months period ended 30 June 2017 (Unaudited)
Wakala fee	12,431	3,964	100,105	12,020	-	128,520
Management expenses	10,425	3,355	64,205	7,268	-	75,271
Commission expense	6,610	1,866	31,195	2,326	-	41,997
Net commission and expenses	17,035	5,221	85,480	9,612	-	117,268
	(4,604)	(1,257)	14,705	2,408	-	11,252
Net investment income						8,039
Other income						1,740
Other expenses						(420)
Profit for the period						18,911
						31 December 2017 (Audited)
Corporate segment assets	26,159	4,429	144,487	6,942	-	182,017
Corporate unallocated assets						251,463
Total assets						433,480
Corporate segment liabilities	22,634	4,009	194,666	16,380	-	238,991
Corporate unallocated liabilities						47,251
Total liabilities						286,242

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Three months period ended 30 June 2018 (Unaudited)
Wakala fee	9,047	4,304	98,142	5,500	-	118,993
Management expenses	4,127	1,478	56,458	1,917	-	63,980
Commission expense	5,205	2,633	31,039	578	-	39,355
Net commission and expenses	9,332	4,011	87,497	2,495	-	103,335
	(285)	293	10,645	3,005	-	13,658
Net investment income						5,295
Other income						1,436
Other expenses						(247)
Profit for the period						20,144

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Three months period ended 30 June 2017 (Unaudited)
Wakala fee	6,516	2,186	63,603	5,653	-	67,858
Management expenses	7,221	2,392	28,965	3,838	-	42,416
Commission expense	3,441	1,043	18,737	1,084	-	22,305
Net commission and expenses	10,662	3,435	45,702	4,922	-	64,721
	(4,146)	(1,249)	7,801	731	-	3,137
Net investment income						4,898
Other income						868
Other expenses						(410)
Profit for the period						8,513

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22.2 Participants' Takaful Funds

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Trusty	Six months period ended 30 June 2018 (Unaudited)
Contribution Receivable (Inclusive of FED, Federal Insurance Fee and Administrative Surcharge)	71,585	33,783	867,269	25,103	-	897,750
Less: Federal Excise Duty	8,581	3,603	101,268	2,873	-	115,328
Stamp Duty	11	1,799	64	1	-	1,895
Federal Insurance Fee	624	281	7,586	220	-	8,711
Gross Written Contribution (inclusive of Administrative Surcharge)	62,349	28,110	758,350	22,009	-	870,818
Gross direct contribution	61,431	28,668	816,725	21,970	-	728,794
Administrative Surcharge	918	1,442	141,625	39	-	144,024
Takaful contribution earned	71,830	24,904	708,954	44,145	-	849,833
Takaful contribution ceded to retakaful	63,277	19,586	-	30,035	-	112,878
Net contribution revenue	8,553	5,338	708,954	14,110	-	736,955
Rebate from retakaful operator	7,620	4,402	-	4,382	-	16,604
Net underwriting income	16,373	9,740	708,954	18,492	-	753,559
Insurance claims	42,888	7,836	382,817	26,426	-	459,767
Insurance claims recovered from retakaful	36,804	6,028	(252)	21,819	-	63,399
Net claims	7,084	1,808	382,869	4,607	-	408,368
Waikafa fee	17,708	8,979	187,204	11,035	-	224,926
PTF direct expense	4	3	87,327	7	-	87,341
Net insurance claims and expenses	24,796	10,790	667,400	15,649	-	718,635
Underwriting result	(8,423)	(1,050)	41,554	2,843	-	34,924
Net investment income						13,185
Other income						3,239
Finance costs						(7)
Surplus for the period						51,341
						30 June 2018 (Unaudited)
Corporate segment assets	128,495	17,601	485,848	80,658	-	722,602
Corporate unallocated assets						939,314
Total assets						1,661,916
Corporate segment liabilities	155,584	41,624	1,179,269	75,688	-	1,452,293
Corporate unallocated liabilities						26,213
Total liabilities						1,478,476

Rupees '000

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Six months period ended 30 June 2017 (Unaudited)
Contribution Receivable (inclusive of FED, Federal Insurance Fee and Administrative surcharge)	55,316	13,203	666,011	33,607	-	768,137
Less: Federal Excise Duty	8,707	1,371	60,233	3,834	-	82,145
Stamp Duty	11	631	64	1	-	707
Federal Insurance Fee	481	111	6,000	295	-	6,587
Gross Written Contribution (inclusive of Administrative surcharge)	48,117	11,090	599,714	29,477	-	688,398
Gross direct contribution	47,434	10,458	486,112	29,438	-	583,443
Administrative Surcharge	683	632	133,602	38	-	134,855
Takaful contribution earned	49,725	11,328	485,080	48,078	-	574,209
Takaful contribution ceded to retakaful	44,185	8,635	3,845	26,850	-	88,515
Net contribution revenue	5,540	1,691	458,235	21,228	-	484,694
Rebates from retakaful operator	8,146	2,168	-	3,002	-	13,316
Net underwriting income	13,686	3,859	458,235	24,230	-	498,010
Insurance claims	27,273	(105)	217,319	7,704	-	252,191
Insurance claims recovered from retakaful	24,500	(94)	-	5,644	-	30,950
Net claims	2,773	(11)	217,319	2,060	-	222,141
Wakala fee	12,431	3,984	100,105	12,020	-	128,520
PTF direct expense	3	1	88,498	11	-	88,513
Net insurance claims and expenses	15,207	3,954	405,822	14,091	-	439,174
Underwriting result	(1,521)	(85)	50,313	10,139	-	58,608
Net investment income						13,985
Other income						2,378
Finance costs						(5)
Surplus for the period						<u>75,174</u>
						31 December 2017 (Audited)
Corporate segment assets	144,120	15,208	410,924	102,854	-	673,106
Corporate unallocated assets						<u>929,907</u>
Total assets						<u>1,603,013</u>
Corporate segment liabilities	202,482	27,378	1,060,658	149,200	-	1,439,728
Corporate unallocated liabilities						<u>22,849</u>
Total liabilities						<u>1,462,577</u>

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	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Three months period ended 30 June 2016 (Unaudited)
Contribution Receivable (Inclusive of FED, Federal Insurance Fee and Administrative Surcharge)	21,750	18,259	446,170	12,645	-	499,024
Less: Federal Excise Duty	2,694	2,036	52,241	1,467	-	58,438
Stamp Duty	4	965	41	-	-	1,010
Federal Insurance Fee	169	151	3,901	113	-	4,354
Gross Written Contribution (Inclusive of Administrative Surcharge)	18,883	15,107	389,987	11,265	-	435,222
Gross direct contribution	18,509	14,274	324,210	11,262	-	368,245
Administrative Surcharge	354	833	65,777	13	-	66,977
Takaful contribution earned	35,146	14,537	363,520	22,003	-	438,206
Takaful contribution ceded to retakaful	31,958	11,375	-	14,647	-	57,981
Net contribution revenue	4,188	3,161	363,520	7,356	-	378,225
Rabate from retakaful operator	1,605	2,559	-	2,290	-	6,354
Net underwriting income	5,693	5,720	363,520	9,646	-	384,579
Insurance claims	34,196	6,279	203,759	22,265	-	266,521
Insurance claims recovered from retakaful	29,857	4,940	(252)	22,097	-	56,642
Net claims	6,341	1,339	204,011	188	-	211,679
Wakala fee	9,047	4,304	98,142	5,500	-	116,993
PTF direct expense	3	3	41,172	6	-	41,184
Net insurance claims and expenses	15,391	5,646	343,326	5,694	-	370,056
Underwriting result	(9,698)	74	20,196	3,952	-	14,523
Net investment income						7,690
Other income						1,655
Finance costs						(7)
Surplus for the period						23,861

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Three months period ended 30 June 2017 (Unaudited)
Contribution Receivable (Inclusive of FED, Federal Insurance Fee and Administrative Surcharge)	28,430	7,065	377,666	21,587	-	434,970
Less: Federal Excise Duty	3,432	733	44,181	2,462	-	50,608
Stamp Duty	5	310	31	1	-	347
Federal Insurance Fee	248	60	3,305	189	-	3,602
Gross Written Contribution (Inclusive of Administrative Surcharge)	24,745	5,962	330,341	18,935	-	380,013
Gross direct contribution	24,427	5,674	262,666	18,920	-	311,687
Administrative Surcharge	318	318	67,375	15	-	68,028
Takaful contribution earned	28,063	6,247	240,499	22,815	-	298,424
Takaful contribution ceded to retakaful	23,465	5,312	6,005	12,904	-	46,675
Net contribution revenue	2,608	935	238,494	9,711	-	248,748
Rabate from retakaful operator	3,733	1,195	-	1,759	-	6,687
Net underwriting income	6,341	2,130	236,494	11,470	-	255,435
Insurance claims	26,704	187	95,099	1,562	-	123,672
Insurance claims recovered from retakaful	24,019	169	(3,446)	1,216	-	21,956
Net claims	2,685	18	98,547	466	-	101,716
Wakala fee	6,516	2,186	53,503	5,653	-	67,858
PTF direct expense	2	1	50,465	8	-	50,476
Net insurance claims and expenses	9,203	2,205	202,515	6,127	-	220,050
Underwriting result	(2,862)	(75)	32,979	5,343	-	35,365
Net investment income						10,879
Other income						1,150
Finance costs						(5)
Surplus for the period						47,415



Rupees '000

23. Movement in Investment**23.1 Operator's Fund**

Name of investment	Held to maturity	Available for sale	Fair value through P & L	Deposit maturing within 12 months	Total
At beginning of previous year	-	20,447	-	15,000	35,447
Additions	-	31,408	-	307,500	338,908
Disposals (sale and redemptions)	-	(21,408)	-	(200,000)	(221,408)
Fair value net gains (excluding net realised gains / losses)	-	38	-	-	38
At beginning of current year	-	30,482	-	122,500	152,982
Additions	-	-	-	423,000	423,000
Disposals (sale and redemptions)	-	(14)	-	(332,500)	(332,514)
Fair value net losses (excluding net realised gains / losses)	-	(529)	-	-	(529)
At end of current year	-	<u>29,939</u>	-	<u>213,000</u>	<u>242,939</u>

23.2 Participants Takaful Fund

At beginning of previous year	-	385,873	-	84,000	479,873
Additions	-	837,777	-	777,500	1,415,277
Disposals (sale and redemptions)	-	(408,887)	-	(771,500)	(1,180,387)
Fair value net losses (excluding net realised gains / losses)	-	(8,922)	-	-	(8,922)
Impairment losses	-	-	-	-	-
At beginning of current year	-	608,541	-	100,000	708,541
Additions	-	50,000	-	235,000	285,000
Disposals (sale and redemptions)	-	(68,805)	-	(140,000)	(208,805)
Fair value net losses (excluding net realised gains / losses)	-	(7,538)	-	-	(7,538)
At end of current year	-	<u>562,198</u>	-	<u>195,000</u>	<u>757,198</u>



24. Related party transactions

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

		Rupees '000			
		Three months period ended 30 June (Unaudited)		Six months period ended 30 June (Unaudited)	
		2018	2017	2018	2017
24.1	Operators' Fund				
	Transactions				
	Others				
	Expenses paid	-	2	-	2
24.2	Participants' Takaful Funds				
	Transactions				
	Key management personnel				
	Contribution written	3	32	3	70
	Claim paid	-	3	-	3
	Others				
	Investments made	-	29,944	-	29,944
	Investments sold	-	30,000	-	30,000

25. Fair value

25.1 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.

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

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

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

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

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

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Rupees '000

25.2.1 Operator's Fund

As at 30 June 2016 (Unaudited)

	Available for sale	Loan & Receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Debt Securities	29,939				29,939		29,939	
Financial assets not measured at fair value								
Investments								
Term deposits			213,000		213,000			
Loans and other receivables		2,501			2,501			
Takaful / retakaful receivables		5,182			5,182			
Wakala fees receivable		133,033			133,033			
Moderat fees receivable		6,342			6,342			
Cash and bank balances			73,956		73,956			
	<u>29,939</u>	<u>147,058</u>	<u>286,956</u>	<u>-</u>	<u>463,953</u>	<u>-</u>	<u>29,939</u>	<u>-</u>
Financial liabilities not measured at fair value								
Other creditors and accruals				(55,398)	(55,398)			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,398)</u>	<u>(55,398)</u>	<u>-</u>	<u>-</u>	<u>-</u>

31 December 2017 (Audited)

	Available for sale	Loans & Receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Debt Securities	30,482				30,482		30,482	
Financial assets not measured at fair value								
Investments								
Term deposits			122,500		122,500			
Loans and other receivables		1,432			1,432			
Takaful / retakaful receivables		5,497			5,497			
Wakala fees receivable		115,426			115,426			
Moderat fees receivable		2,843			2,843			
Cash and bank balances			87,764		87,764			
	<u>30,482</u>	<u>125,198</u>	<u>210,264</u>	<u>-</u>	<u>365,944</u>	<u>-</u>	<u>30,482</u>	<u>-</u>
Financial liabilities not measured at fair value								
Other creditors and accruals				(31,382)	(31,382)			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,382)</u>	<u>(31,382)</u>	<u>-</u>	<u>-</u>	<u>-</u>

b.m.

Rupees '000

25.2.2 Participants Takaful Fund

As at 30 June 2018 (Unaudited)

	Available for sale	Loans & Receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Debt Securities	562,198				562,198		562,198	
Financial assets not measured at fair value								
Investments								
Term deposits			193,000		193,000			
Loans and other receivables		14,783			14,783			
Takaful / retakaful receivables		202,353			202,353			
Retakaful recoveries against outstanding claims		62,925			62,925			
Cash and bank balances			160,236		160,236			
	<u>562,198</u>	<u>300,061</u>	<u>353,236</u>	<u>-</u>	<u>1,217,495</u>	<u>-</u>	<u>562,198</u>	<u>-</u>
Financial liabilities not measured at fair value								
Outstanding claims including IBNR				(385,814)	(385,814)			
Contribution received in advance				(12,243)	(12,243)			
Takaful / retakaful payables				(65,139)	(65,139)			
Wakala fees payable				(133,033)	(133,033)			
Modarib fees payable				(6,342)	(6,342)			
Other provisions and accruals				(19,889)	(19,889)			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(822,460)</u>	<u>(822,460)</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Rupees '000

31 December 2017 (Audited)

	Available for sale	Loans & Receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Debt Securities	606,540				606,540		606,540	
Financial assets not measured at fair value								
Investments								
Term deposits			100,000		100,000			
Loans and other receivables		16,258			16,258			
Takaful / retakaful receivables		249,861			249,861			
Retakaful recoveries against outstanding claims		88,944			88,944			
Cash and bank balances			153,572		153,572			
	<u>606,540</u>	<u>355,163</u>	<u>253,572</u>	<u>-</u>	<u>1,215,275</u>	<u>-</u>	<u>606,540</u>	<u>-</u>
Financial liabilities not measured at fair value								
Outstanding claims including IBNR				(340,116)	(340,116)			
Contribution received in advance				(1,439)	(1,439)			
Takaful / retakaful payables				(142,778)	(142,778)			
Wakafa fees payable				(115,426)	(115,426)			
Medanib fees payable				(2,843)	(2,843)			
Other creditors and accruals				(19,805)	(19,805)			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(622,409)</u>	<u>(622,409)</u>	<u>-</u>	<u>-</u>	<u>-</u>

26. Corresponding Figures

During last year the SECP vide S.R.O. 89(1)/2017 dated 09 February, 2017 has issued Insurance Rules, 2017 (the Rules), which requires every Operator's to prepare their financial statements as per the presentation and disclosure requirement prescribed in the format, in view of the applicability of the Rules, the Operator has changed the presentation and disclosures of the financial statements and recorded its investments as per IAS 39, which was further explained in note 4.1.1.

27. General

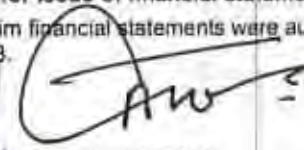
27.1 Figures in these condensed interim financial statements for the quarter ended 30 June 2018 and 30 June 2017 have been subjected to limited scope review of the auditors.

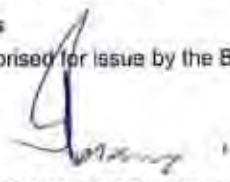
27.2 The effects of changes stated in note 4.1 have been accounted for retrospectively in accordance with IAS-8 'Accounting Policies, Changes in Accounting Estimates and Errors', resulting in restatement of financial statements of prior periods. Resultantly, the cumulative effect of adjustments that arose as at 01 January 2017 and 01 January 2018 have been presented and disclosed as part of the statement of changes in equity, while the corresponding period adjustment through other comprehensive income and profit or loss is restated and disclosed as part of the Statement of Comprehensive Income and Profit and Loss Account respectively. The Balance Sheet also presents the prior year numbers as restated, due to the said change.

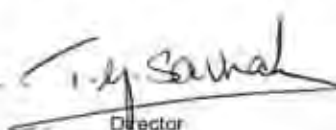
28. Date of authorisation for issue of financial statements

These condensed interim financial statements were authorised for issue by the Board of Directors in its meeting held on 18 August 2018.


Director



ALTAf GOKAL
Chief Financial Officer
& Corporate Secretary


HASANALI ABDULLAH
Managing Director &
Chief Executive


Director
Chairman of the meeting



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