

Defined by Values



Contents

03	Company Information
04	Directors' Review
05	Directors' Review Urdu
06	Unconsolidated Condensed Interim Statement of Financial Position
07	Unconsolidated Condensed Interim Profit and Loss Account
08	Unconsolidated Condensed Interim Statement of Comprehensive Income
09	Unconsolidated Condensed Interim Cash Flow Statement
10	Unconsolidated Condensed Interim Statement of Changes in Equity
11	Notes to the Unconsolidated Condensed Interim Financial Statements

Consolidated Condensed Interim Financial Statements

30	Directors' Review
31	Directors' Review Urdu
32	Consolidated Condensed Interim Statement of Financial Position
33	Consolidated Condensed Interim Profit and Loss Account
34	Consolidated Condensed Interim Statement of Comprehensive Income
35	Consolidated Condensed Interim Cash Flow Statement
36	Consolidated Condensed Interim Statement of Changes in Equity
37	Notes to the Consolidated Condensed Interim Financial Statements

Window Takaful Operations

- 60** Condensed Interim Statement of Financial Position
- 61** Condensed Interim Profit and Loss Account
- 62** Condensed Interim Statement of Comprehensive Income
- 63** Condensed Interim Cash Flow Statement
- 64** Condensed Interim Statement of Changes in Funds
- 65** Notes to the Condensed Interim Financial Statements

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 to the Members on Unconsolidated Condensed Interim Financial Information For the period ended 30 September 2018

We are pleased to present the unaudited financial statements for the nine months' period ended 30 September 2018.

The Written Premium (including Takaful) for the nine months period was Rs. 15,921 million (Takaful Contribution Rs. 1,494 million) as against Rs. 16,459 million (Takaful Contribution Rs. 1,183 million) for corresponding period of last year. The Net Premium Revenue for the nine months period (including Takaful Net Contribution Revenue) was Rs. 7,074 million as against Rs. 6,745 million for the corresponding period of last year. The overall Claims ratio to Net Premium Revenue was 40 % as compared to 38 % for the corresponding period of last year.

The after tax profit for the nine months period was Rs. 1,650 million compared to Rs. 1,959 million (restated) in the corresponding period last year.

The earning per share for the period were Rs. 8.25 against Rs. 9.80 (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.

Your Company achieved the highest credit rating in the insurance industry of Pakistan by A.M.Best. A.M.Best is the world's specialized insurance rating agency and has assigned Financial Strength Rating of "B+" and a Long-Term Issuer Credit Rating of "bbb-" with Positive Outlook for both.

Your Directors have pleasure in declaring third 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



SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi, 27 October 2018

ڈائریکٹرز ریویو ممبران کیلئے غیر مجموعی کنڈینسڈ عبوری مالیاتی حسابات

۳۰ ستمبر ۲۰۱۸ء کو ختم ہونے والی مدت کیلئے

(یہ انگریزی ڈائریکٹرز ریویو کا ترجمہ ہے)

ہم بمسرت آپ کی خدمت میں ۳۰ ستمبر ۲۰۱۸ء کو ختم ہونے والی ۹ ماہ کی مدت کیلئے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں۔

اس ۹ ماہ کی مدت کے دوران زیر تحریر پریمیم ۱۵،۹۲۱ ملین روپے رہا (تکافل کنٹریوشن ۱،۴۹۴ ملین روپے) جبکہ گزشتہ سال اسی مدت میں ۱۶،۴۵۹ ملین روپے (تکافل کنٹریوشن ۱،۱۸۳ ملین روپے) تھا۔ نو ماہ کی مدت کے دوران خالص پریمیم آمدن (بشمول خالص تکافل کنٹریوشن آمدن) ۷،۰۷۴ ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں ۶،۷۴۵ ملین روپے تھا۔ خالص پریمیم آمدن کیلئے مجموعی کلیمز کا تناسب ۴۰ فیصد رہا جبکہ گزشتہ سال اسی مدت میں ۳۸ فیصد تھا۔

۹ ماہ کی مدت کیلئے منافع بعد از ٹیکس ۱،۶۵۰ ملین روپے تھا جو گزشتہ سال اسی مدت میں ۱،۹۵۹ ملین روپے (دوبارہ بیان کردہ) رہا تھا۔

اس مدت کیلئے آمدنی فی شیئر ۸۷۲۵ روپے تھی جو گزشتہ سال اسی مدت میں اس کے برخلاف ۹۷۸۰ روپے (دوبارہ بیان کردہ) رہی تھی۔

جیسا کہ انشورنس رولز ۲۰۱۷ کے تحت ضروری ہے، آپ کی کمپنی نے ایکویٹیز اور فکسڈ انکم سیکیورٹیز میں جنوری ۲۰۱۸ء سے موثر العمل شفاف ویلیو پر سرمایہ کاری کا آغاز کیا تھا۔

آپ کی کمپنی نے اے۔ ایم بیسٹ کی جانب سے پاکستان کی انشورنس انڈسٹری میں بلند ترین کریڈٹ ریٹنگ حاصل کی۔ انشورنس کمپنیز کی ریٹنگ میں خصوصی مہارت رکھنے والی مسلمہ عالمی ایجنسی اے۔ ایم۔ بیسٹ نے ہمیں فنانشل اسٹریٹج ریٹنگ "B+" اور لوگ ٹرم ایشر کریڈٹ ریٹنگ "bbb-" تفویض کی ہے۔ دونوں کے رجحانات مثبت ہیں۔

آپ کے ڈائریکٹرز سال ۲۰۱۸ء کیلئے بمسرت تیسرے عبوری نقد منافع منقسمہ روپے ۱،۲۵ (۱۲۵ 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 ڈائریکٹرز 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 افران، فیلڈ فورس اور اسٹاف کی جانب سے کی گئی کاوشوں پر انہیں خراج تحسین پیش کرتے ہیں۔

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

سیف الدین ایس۔ آر۔ ونگٹا
چیرمین

حسین علی عبداللہ
چیئرمین ڈائریکٹرز اینڈ چیف ایگزیکٹو

ڈائریکٹر

ڈائریکٹر

کراچی، ۱۲ اکتوبر ۲۰۱۸ء

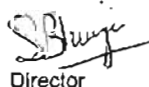
Unconsolidated Condensed Interim Statement of Financial Position

As at 30 September 2018

		Rupees '000	
		30 September 2018 (Unaudited)	31 December 2017 (Audited) (Restated)
	Note		
Assets			
Property and equipment	7	2 556 454	1 289 023
Investment property	8	1 857 262	1 847 093
Investments			
Equity securities	9	14 863 968	17 418 873
Debt securities	10	8 443 900	8 527 268
Term deposits	28	334 672	430 550
Loans and other receivables	11	167 952	118 618
Insurance / reinsurance receivables	12	3 217 912	2 819 069
Reinsurance recoveries against outstanding claims	19	3 243 787	3 538 572
Salvage recoveries accrued		84 458	68 458
Deferred commission expense	20	698 991	689 587
Taxation - payments less provision		-	95 797
Prepayments	13	5 282 681	5 202 181
Cash and bank	14	1 112 666	1 164 209
Total assets		41 864 703	43 209 298
Total assets of window takaful operations - Operator's fund		619 347	433 480
Total assets		42 484 050	43 642 778
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		2 000 000	2 000 000
Reserves	15	13 150 063	14 450 835
Unappropriated profit		3 790 812	4 390 450
Total equity		18 940 875	20 841 285
Surplus on revaluation of property and equipment		851 132	-
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	19	5 310 033	5 572 347
Unearned premium reserves	18	8 622 976	8 496 686
Unearned reinsurance commission	20	426 345	461 616
Retirement benefit obligations		48 587	71 805
Deferred taxation		892 942	1 122 776
Premium received in advance		29 864	31 487
Insurance / reinsurance payables		4 787 253	4 992 011
Other creditors and accruals	16	1 999 770	1 814 387
Taxation - provision less payments		211 270	-
Total liabilities		22 329 040	22 563 115
Total equity and liabilities		42 121 047	43 404 400
Total liabilities of window takaful operations - Operator's fund		363 003	238 378
Total equity and liabilities		42 484 050	43 642 778
Contingencies and commitments	17		

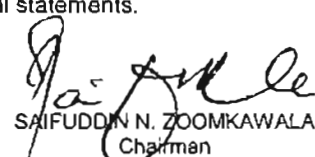
The annexed notes 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.


Director


Director


ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary


HASAINI ABDULLAH
Managing Director &
Chief Executive


SAIFUDDIN N. ZOOMKAWALA
Chairman

Unconsolidated Condensed Interim Profit and Loss Account

For the nine months period ended 30 September 2018 (Unaudited)

		Rupees '000			
		Three months period ended 30 September		Nine months period ended 30 September	
	Note	2018	2017 (Restated)	2018	2017 (Restated)
Net insurance premium	18	2 266 393	2 227 521	5 939 618	5 984 229
Net insurance claims	19	(809 425)	(835 718)	(2 369 710)	(2 296 697)
Net commission	20	(74 718)	(152 626)	(411 790)	(430 633)
Insurance claims and acquisition expenses		(884 143)	(988 344)	(2 781 500)	(2 727 330)
Management expenses		(641 061)	(581 495)	(1 912 433)	(1 749 600)
Underwriting results		741 189	657 682	1 245 685	1 507 299
Investment income	21	232 714	180 274	1 143 949	1 226 208
Rental income		27 292	27 705	77 287	71 643
Other income	22	25 209	28 521	75 631	83 313
Other expenses		(9 982)	(7 364)	(42 769)	(35 070)
		275 233	229 136	1 254 098	1 346 094
Results of operating activities		1 016 422	886 818	2 499 783	2 853 393
Finance cost		5 133	323	21 286	523
Profit from window takaful operations - Operator's fund	23	31 989	8 450	85 219	27 061
Profit before tax		1 053 544	895 591	2 606 288	2 880 977
Income tax expense	24	(414 424)	(233 702)	(955 926)	(921 942)
Profit after tax		639 120	661 889	1 650 362	1 959 035
Earnings (after tax) per share - Rupees	25	3.20	3.31	8.25	9.80

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


HASANALLABDULLAH
Managing Director &
Chief Executive


SAIFUDDIN M. ZOOMKAWALA
Chairman

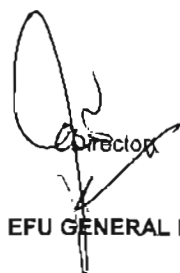
Unconsolidated Condensed Interim Statement of Comprehensive Income

For the nine months period ended 30 September 2018 (Unaudited)

Rupees '000

	Three months period ended 30 September		Nine months period ended 30 September	
	2018	2017 (Restated)	2018	2017 (Restated)
Profit after tax	639 120	661 889	1 650 362	1 959 035
Other comprehensive income				
Unrealized loss on available-for-sale investments during the period	(313 960)	(1 116 699)	(477 683)	(1 766 331)
Reclassification adjustments relating to available-for-sale investments disposed off during the period	-	216 488	9 379	100 355
Unrealized (loss) / gain on available for sale investments during the period of subsidiary / associate company	(4 400 386)	(775 657)	(1 884 082)	1 789 612
Total items that may be reclassified subsequently to profit and loss	(4 714 346)	(1 675 868)	(2 352 386)	123 636
Deferred tax on available-for-sale investments	91 048	270 063	174 883	563 474
Deferred tax on available-for-sale investments of subsidiary / associate company	1 058 631	197 760	378 359	(571 821)
Net unrealized (loss) / gain after deferred tax	(3 564 667)	(1 208 045)	(1 799 144)	115 289
Net unrealized (loss) / gain from window takaful operations - Operator's fund (net of deferred tax)	(1 251)	378	(1 628)	28
Net other comprehensive income	(3 565 918)	(1 207 667)	(1 800 772)	115 317
Total comprehensive income for the period	(2 926 798)	(545 778)	(150 410)	2 074 352

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



Director



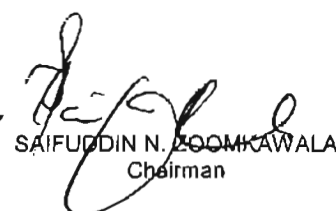
Director



ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary



HASANALI ABDULLAH
Managing Director &
Chief Executive



SAIFUDDIN N. ZOMKAWALA
Chairman

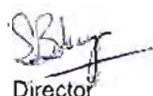
Unconsolidated Condensed Interim Cash Flow Statement

For the nine months period ended 30 September 2018 (Unaudited)

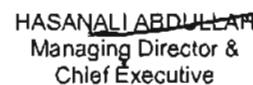
	Rupees '000	
	2018	2017 (Restated)
Operating activities		
a) Underwriting activities		
Insurance premium received	14 024 723	15 674 342
Reinsurance premium paid	(8 602 708)	(7 479 317)
Claims paid	(3 549 570)	(3 740 903)
Reinsurance and other recoveries received	1 197 616	1 530 000
Commission paid	(1 068 280)	(1 277 904)
Commission received	715 402	842 514
Management expenses paid	(1 731 416)	(1 615 553)
Net cash flow from underwriting activities	985 767	3 933 179
b) Other operating activities		
Income tax paid	(672 430)	(954 361)
Other operating payments	(105 669)	(125 959)
Other operating receipts	36 133	(76 214)
Loans advanced	(4 082)	(4 635)
Loans repayments received	1 822	3 305
Net cash flow from other operating activities	(744 226)	(1 157 864)
Total cash flow from all operating activities	241 541	2 775 315
Investment activities		
Profit / return received	509 261	539 888
Dividend received	746 043	781 694
Rental received	51 824	47 083
Payment for investments / investment properties	(27 560 602)	(11 119 055)
Proceeds from investments / investment properties	27 893 804	9 199 026
Fixed capital expenditures	(274 750)	(262 938)
Proceeds from sale of property and equipment	21 192	32 530
Total cash flow from Investing activities	1 386 772	(781 772)
Financing activities		
Dividends paid	(1 679 856)	(1 879 623)
Net cash flow from all activities	(51 543)	113 920
Cash and cash equivalents at the beginning of period	1 164 209	1 195 586
Cash and cash equivalents at the end of period	1 112 666	1 309 506
Reconciliation to profit and loss account		
Operating cash flow	241 541	2 775 315
Depreciation / amortisation expense	(202 626)	(176 098)
Finance cost	21 286	523
Profit on disposal of property and equipment	17 721	29 177
Rental Income	77 287	71 643
Dividend Income	780 115	793 908
Other investment income	363 834	432 301
Profit on deposit	57 632	53 979
Other income	278	157
Increase in assets other than cash	135 580	2 530 643
Decrease / (Increase) in liabilities other than borrowings	72 495	(4 579 774)
Profit after tax from conventional insurance operations	1 565 143	1 931 974
Profit from window takaful operations - Operator's fund	85 219	27 061
Profit after tax at the end of the period	1 650 362	1 959 035

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


SAIFUDDIN N. ZOOMKAWALA
Chairman

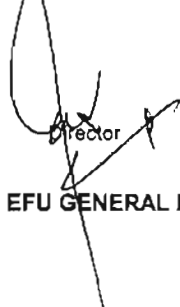
Unconsolidated Condensed Interim Statement of Changes in Equity

For the nine months period ended 30 September 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				1 983 218	2 199 620	4 182 838
Balance as at 01 January 2017 (restated)	2 000 000	12 500 000	12 902	1 983 218	4 587 789	21 083 909
Total comprehensive income for the period ended 30 September 2017						
Profit after tax					1 959 035	1 959 035
Other comprehensive income				115 317	-	115 317
				115 317	1 959 035	2 074 352
Transactions with owners recorded directly in equity						
Final dividend for the year 2016 at the rate of Rs. 7.00 (70%) per share					(1 400 000)	(1 400 000)
1st Interim dividend paid for the year 2017 at the rate of Rs. 1.25 (12.5%) per share					(250 000)	(250 000)
2nd Interim dividend paid for the year 2017 at the rate of Rs. 1.25 (12.5%) per share					(250 000)	(250 000)
Other transfer within equity						
Transfer to general reserve		500 000			(500 000)	-
Balance as at 30 September 2017 (restated)	2 000 000	13 000 000	12 902	2 098 535	4 146 824	21 258 261
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				1 437 933	2 356 131	3 794 064
Balance as at 01 January 2018 (restated)	2 000 000	13 000 000	12 902	1 437 933	4 390 450	20 841 285
Total comprehensive income for the period ended 30 September 2018						
Profit after tax					1 650 362	1 650 362
Other comprehensive income				(1 800 772)	-	(1 800 772)
				(1 800 772)	1 650 362	(150 410)
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)
2nd 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 September 2018	2 000 000	13 500 000	12 902	(362 839)	3 790 812	18 940 875

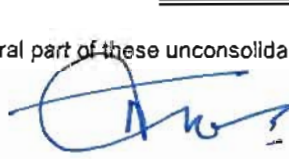
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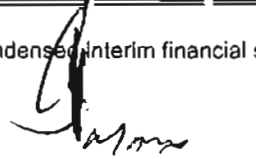
Director



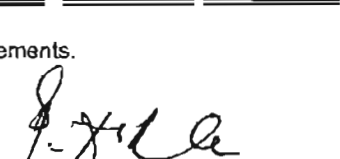
Director



ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary



HASANALI ABDULLAH
Managing Director &
Chief Executive



SAIFUDDIN N. ZOOMKAWALA
Chairman

Notes to the Unconsolidated Condensed Interim Financial Statements
For the nine months period ended 30 September 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.

- 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 higher by Rs.298 million, Rs.361 million and Rs.63 million (December 2017: lower by Rs.2,054 million, Rs.1,438 million and Rs.616 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.1,764 million and Rs. 512 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.

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 nine months period ended 30 September 2018.

4.1.5 During the period the Company has changed its accounting policy for 'Investments in subsidiaries 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 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.3,737 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	63 290	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	(1 131 656)	10 999 449	11 949 485	(2 664 443)	9 285 042
Investments						
Equity securities	2 505 215	3 914 209	6 419 424	3 195 534	6 297 885	9 493 419
Debt securities	8 533 957	(6 689)	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)	(746 399)	(1 122 776)	(380 062)	(957 123)	(1 337 185)
Reserves	(13 012 902)	(1 437 933)	(14 450 835)	(12 512 902)	(1 983 218)	(14 496 120)
Unappropriated profit	(2 034 319)	(2 356 131)	(4 390 450)	(2 388 169)	(2 199 620)	(4 587 789)

Nine months
period ended
30 September
2017
(Unaudited)

Impact on profit and loss account

Profit after tax would have been higher by

96 136

Earnings per share would have been higher by

0.49

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.

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 nine months period ended 30 September 2018 are as follows:

Rupees '000

	Additions (at cost)		Disposals (at net book value)	
	30 September 2018 (Unaudited)	30 September 2017 (Unaudited)	30 September 2018 (Unaudited)	30 September 2017 (Unaudited)
Buildings	60 780	55 207	-	-
Furniture and fixtures	32 278	15 036	-	-
Office equipments	14 088	5 467	257	-
Tracker equipments	69 001	74 921	-	-
Computers	18 196	7 006	-	-
Vehicles	76 837	108 052	3 214	3 353
Capital work-in-progress	3 570	-	-	-
	<u>274 750</u>	<u>265 689</u>	<u>3 471</u>	<u>3 353</u>

8. Investment property

	30 September 2018 (Unaudited)	31 December 2017 (Audited) (Restated)
Opening net book value	1 847 093	1 548 008
Additions and capital improvements	10 169	317
Unrealized fair value gain	-	298 768
Closing book value	<u>1 857 262</u>	<u>1 847 093</u>

Rupees '000

9. Investment in equity securities – available-for-sale

	30 September 2018 (Unaudited)			31 December 2017 (Audited) (Restated)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Subsidiary						
Listed shares	12 852 671	-	12 852 671	-	-	-
(Deficit)/Surplus on revaluation (refer note 1.1 and 4.1.5)	(3 737 305)	-	(3 737 305)	-	-	-
Associate						
Listed shares	-	-	-	12 852 671	-	12 852 671
(Deficit)/Surplus on revaluation (refer note 1.1 and 4.1.5)	-	-	-	(1 853 223)	-	(1 853 223)
	9 115 366	-	9 115 366	10 999 448	-	10 999 448
Related Party*						
Listed shares	444 664	15 828	428 836	444 664	28 753	415 911
	9 560 030	15 828	9 544 202	11 444 112	28 753	11 415 359
Others						
Listed shares	1 929 097	91 710	1 837 387	2 133 539	54 735	2 078 804
Unlisted shares	15 500	-	15 500	10 500	-	10 500
	1 944 597	91 710	1 852 887	2 144 039	54 735	2 089 304
Surplus on revaluation	3 466 879	-	3 466 879	3 914 210	-	3 914 210
	14 971 506	107 538	14 863 968	17 502 361	83 488	17 418 873

* 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.

Rupees '000

10. Investment in debt securities – available for sale

	30 September 2018 (Unaudited)			31 December 2017 (Audited) (Restated)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Government securities	8 475 763	-	8 475 763	8 533 957	-	8 533 957
Term finance certificates	44 118	44 118	-	44 118	44 118	-
Deficit on revaluation	(31 863)	-	(31 863)	(6 689)	-	(6 689)
	8 488 018	44 118	8 443 900	8 571 386	44 118	8 527 268

11. Loans and other receivables – considered good

	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Loans to employees	5 326	5 393
Accrued investment income	72 850	66 616
Security deposits	8 500	7 780
Advances to suppliers	57 183	33 115
Advances to employees	5 271	3 665
Other receivables	18 822.00	2 049
	167 952	118 618

		Rupees '000	
		30 September 2018 (Unaudited)	31 December 2017 (Audited)
	Note		
12. Insurance / reinsurance receivables – unsecured and considered good			
Due from insurance contract holders		3 250 419	2 829 996
Provision for impairment of receivables from insurance contract holders		(48 109)	(27 814)
		<u>3 202 310</u>	<u>2 802 182</u>
Due from other insurer / reinsurers		15 602	16 887
		<u>3 217 912</u>	<u>2 819 069</u>
13. Prepayments			
Prepaid reinsurance premium ceded	18	5 149 467	5 112 083
Prepaid rent		21 098	12 703
Others		112 116	77 395
		<u>5 282 681</u>	<u>5 202 181</u>
14. Cash and bank			
Cash and cash equivalents			
Cash in hand		1 019	2
Policy and revenue stamps, bond papers		12 068	9 802
		<u>13 087</u>	<u>9 804</u>
Cash at bank			
Current accounts		194 313	233 422
Saving accounts		905 266	920 983
		<u>1 099 579</u>	<u>1 154 405</u>
		<u>1 112 666</u>	<u>1 164 209</u>
15. Reserves			
General reserve		13 500 000	13 000 000
Reserve for exceptional losses	15.1	12 902	12 902
Revaluation reserve – available for sale investments		(362 839)	1 437 933
		<u>13 150 063</u>	<u>14 450 835</u>
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 September 2018 (Unaudited)	31 December 2017 (Audited)
Federal insurance fee payable		7 896	12 510
Federal excise duty and sales tax payable		95 946	170 800
Accrued expenses		205 643	227 879
Agent commission payable		603 515	499 929
Unearned rentals		45 523	70 986
Other deposits		724 828	543 677
Unclaimed dividends		266 647	196 503
Others		49 772	92 103
		<u>1 999 770</u>	<u>1 814 387</u>

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 expense. 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. 76 million would arise.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Company for tax year 2005 to 2007 by disallowing prorated expense. The Company has filed appeals before Commissioner Income Tax (Appeals). The appeals were decided in the favour of the Company. The Department then filed appeals before Income Tax Appellate Tribunal (ITAT). The Income Tax Appellate Tribunal (ITAT) had passed order in favour of the Company. The Department then filed reference before Honourable High Court of Sindh. The Honourable High Court of Sindh maintained the decision of Income Tax Appellate Tribunal (ITAT). The Department has filed appeals for the tax 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.

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, 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 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 September 2018 (31 December 2017: Nil).

Rupees in '000

18. Net Insurance premium

	Three months period ended 30 September (Unaudited)		Nine months period ended 30 September (Unaudited)	
	2018	2017	2018	2017
Written gross premium	5 321 509	6 091 957	14 426 474	15 276 621
Unearned premium reserve - opening	7 872 446	8 220 943	8 496 686	7 388 680
Unearned premium reserve - closing	(8 622 976)	(9 672 303)	(8 622 976)	(9 672 303)
Premium earned	4 570 979	4 640 597	14 300 184	12 992 998
Less:				
Reinsurance premium ceded	2 792 091	3 189 936	8 397 950	8 711 062
Prepaid reinsurance premium - opening	4 661 962	5 077 107	5 112 083	4 151 674
Prepaid reinsurance premium - closing	(5 149 467)	(5 853 967)	(5 149 467)	(5 853 967)
Reinsurance expense	2 304 586	2 413 076	8 360 566	7 008 769
	<u>2 266 393</u>	<u>2 227 521</u>	<u>5 939 618</u>	<u>5 984 229</u>

19. Net Insurance claim expense

Claim Paid	1 002 284	1 154 691	3 533 570	3 706 172
Outstanding claims including IBNR - closing	5 310 033	6 299 152	5 310 033	6 299 152
Outstanding claims including IBNR - opening	(5 097 810)	(6 056 515)	(5 572 347)	(5 415 030)
Claims expense	1 214 507	1 397 328	3 271 256	4 590 294
Less:				
Reinsurance and other recoveries received	264 267	404 987	1 196 331	1 531 639
Reinsurance and other recoveries in respect of outstanding claims - opening	(3 102 972)	(4 029 952)	(3 538 572)	(3 424 617)
Reinsurance and other recoveries in respect of outstanding claims - closing	3 243 787	4 186 575	3 243 787	4 186 575
Reinsurance and other recoveries revenue	405 082	561 610	901 546	2 293 597
	<u>809 425</u>	<u>835 718</u>	<u>2 369 710</u>	<u>2 296 697</u>

Rupees in '000

20. Net commission expense

	Three months period ended 30 September (Unaudited)		Nine months period ended 30 September (Unaudited)	
	2018	2017	2018	2017
Commission paid or payable	519 815	604 609	1 171 867	1 438 290
Deferred commission expense - opening	537 207	684 922	689 587	564 645
Deferred commission expense - closing	(698 991)	(883 224)	(698 991)	(883 224)
Net commission	358 031	406 307	1 162 463	1 119 711
Less:				
Commission received or recoverable	323 175	355 745	715 402	842 513
Unearned reinsurance commission - opening	386 483	395 348	461 616	343 977
Unearned reinsurance commission - closing	(426 345)	(497 412)	(426 345)	(497 412)
Commission from reinsurers	283 313	253 681	750 673	689 078
	<u>74 718</u>	<u>152 626</u>	<u>411 790</u>	<u>430 633</u>

21. Investment Income

Income from equity securities - available-for-sale				
Dividend income	99 983	75 679	780 115	793 908
Income from debt securities - available-for-sale				
Return on debt securities	143 495	109 246	394 283	338 020
Income from term deposits				
Return on term deposits	2 765	2 882	8 751	9 501
	<u>246 243</u>	<u>187 807</u>	<u>1 183 150</u>	<u>1 141 429</u>
Net realised gains / (losses) on investments				
Available for sale financial assets				
Realised gains on:				
Equity securities	-	649	7 828	98 211
Debt securities	-	-	-	26 951
Realised losses on:				
Equity securities	-	(16 427)	(17 972)	(18 099)
Debt securities	-	-	-	(480)
	<u>-</u>	<u>(15 778)</u>	<u>(10 144)</u>	<u>106 583</u>
	<u>246 243</u>	<u>172 029</u>	<u>1 173 005</u>	<u>1 248 012</u>
(Impairment) / reversal in value of available for sale equity securities	(13 325)	8 465	(28 249)	(20 769)
Investment related expenses	(204)	(220)	(807)	(1 035)
Total Investment income	<u>232 714</u>	<u>180 274</u>	<u>1 143 949</u>	<u>1 226 208</u>

22. Other income

Gain on sale of fixed assets	1 472	7 111	17 721	29 177
Interest on loans to employees	105	86	278	156
Profit on bank deposits	23 632	21 324	57 632	53 980
	<u>25 209</u>	<u>28 521</u>	<u>75 631</u>	<u>83 313</u>

Rupees in '000

23. Window takaful operations – Operator's fund

	Three months period ended 30 September (Unaudited)		Nine months period ended 30 September (Unaudited)	
	2018	2017	2018	2017
Wakala fee	129 821	78 971	354 747	207 491
Management expenses	(59 667)	(46 746)	(168 901)	(122 017)
Commission expense	(45 874)	(25 244)	(119 996)	(67 241)
Investment income / (loss)	6 307	(1 010)	15 438	5 029
Other income	1 536	2 592	4 512	4 332
Other expenses	(134)	(113)	(581)	(533)
Profit for the period	<u>31 989</u>	<u>8 450</u>	<u>85 219</u>	<u>27 061</u>

24. Taxation

For the period

- Current

- Prior year

Deferred tax

255 538	264 863	830 866	868 705
46 340	(33 820)	148 632	64 946
301 878	231 043	979 498	933 651
112 546	2 659	(23 572)	(11 709)
<u>414 424</u>	<u>233 702</u>	<u>955 926</u>	<u>921 942</u>

25. Earnings per share – basic and diluted

Profit after tax	(Rupees '000)	<u>639 120</u>	<u>661 889</u>	<u>1 650 362</u>	<u>1 959 035</u>
Weighted average number of ordinary shares	(Numbers '000)	200 000	200 000	200 000	200 000
Earnings per share	(Rupees)	<u>3.20</u>	<u>3.31</u>	<u>8.25</u>	<u>9.80</u>

26. 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

Transactions	Three months period ended 30 September (Unaudited)		Nine months period ended 30 September (Unaudited)	
	2018	2017	2018	2017
Subsidiary company				
Premium written	3 806	-	5 787	-
Premium paid	15 554	-	15 849	-
Claims paid	3 086	-	5 399	-
Dividend received	54 241	-	596 641	-
Dividend paid	5 851	-	40 958	-

	Rupees '000			
	Three months period ended 30 September (Unaudited)		Nine months period ended 30 September (Unaudited)	
	2018	2017	2018	2017
Associated companies				
Premium written	63 145	53 811	266 575	195 484
Premium paid	-	3 860	28 145	34 310
Claims paid	21 888	25 711	159 262	66 682
Dividend received	-	53 865	-	624 835
Dividend paid	74 127	87 588	510 394	617 413
Bank deposit withdrawn	-	-	(75 000)	-
Key management personnel				
Premium written	-	(149)	250	405
Claims paid	-	-	-	202
Dividend paid	1 054	1 048	7 364	7 964
Compensation	48 082	51 454	139 456	136 578
Others				
Premium written	4 631	4 460	22 568	19 290
Claims paid	211	203	2 680	1 905
Investments made	-	-	-	200 000
Investments sold	-	-	-	225 000
Dividend paid	92 278	86 507	550 498	563 064
Brokerage paid	-	13	236	112
Employees' funds				
Contribution to provident fund	7 086	6 422	19 229	18 051
Contribution to gratuity fund	4 885	6 474	14 656	14 172
Contribution to pension fund	926	54	2 779	657
Dividend paid	1 289	1 288	9 020	9 793
Balances			30 September 2018 (Unaudited)	31 December 2017 (Audited)
Others				
Balances receivable			14 105	15 131
Balances payable			(73)	(73 891)
Deposits maturing within 12 months			79 000	154 000
Bank balances			146 322	106 039
Employees' funds payable				
EFU gratuity fund			(14 656)	(40 509)
EFU pension fund			(33 931)	(31 295)

Rupees '000

27. Segment Information

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Nine months period ended 30 September 2018 (Unaudited)
Premium receivable (inclusive of FED, Federal Insurance fee and Administrative surcharge)	9 619 313	2 378 524	3 198 915	1 429 984	-	16 626 736
Less: Federal excise duty	1 155 500	260 215	384 362	161 004	-	1 961 081
Stamp duty	461	92 222	1 157	1 134	-	94 974
Federal insurance fee	83 751	20 044	27 857	12 555	-	144 207
Gross written premium (inclusive of Administrative surcharge)	8 379 601	2 006 043	2 785 539	1 255 291	-	14 426 474
Gross direct premium	8 343 765	1 965 946	2 505 598	1 236 529	-	14 051 838
Facultative inward premium	4 571	1 470	-	-	-	6 041
Administrative surcharge	31 265	38 627	279 941	18 762	-	368 595
Insurance premium earned	8 803 973	1 823 468	2 549 963	1 122 780	-	14 300 184
Insurance premium ceded to reinsurers	7 031 654	654 059	8 062	666 791	-	8 360 566
Net insurance premium	1 772 319	1 169 409	2 541 901	455 989	-	5 939 618
Commission income	563 289	18 876	-	168 508	-	750 673
Net underwriting income	2 335 608	1 188 285	2 541 901	624 497	-	6 690 291
Insurance claims	1 015 140	643 810	1 274 801	337 505	-	3 271 256
Insurance claims recovered from reinsurers	535 374	192 897	(67)	173 342	-	901 548
Net claims	479 766	450 913	1 274 868	164 163	-	2 369 710
Commission expense	655 974	209 174	211 838	85 477	-	1 162 463
Management expenses	581 328	346 575	837 611	146 921	-	1 912 433
Net insurance claims and expenses	1 717 066	1 006 662	2 324 317	396 561	-	5 444 606
Underwriting result	618 542	181 623	217 584	227 936	-	1 245 685
Net investment income						1 143 949
Rental income						77 287
Other income						75 631
Other expenses						(42 769)
Finance cost						21 286
Profit from window takaful operations - Operator's fund						85 219
Profit before tax						2 606 288
						As at 30 September 2018 (Unaudited)
Corporate segment assets	9 187 212	1 306 367	754 612	1 146 424	-	12 394 615
Corporate segment assets - Takaful OPF	51 033	7 811	259 768	18 209	-	336 821
Corporate unallocated assets						29 470 088
Corporate unallocated assets - Takaful OPF						282 526
Total assets						42 484 050
Corporate segment liabilities	12 953 031	2 164 464	2 672 020	2 715 299	-	20 504 814
Corporate segment liabilities - Takaful OPF	46 583	6 371	293 550	14 705	-	361 209
Corporate unallocated liabilities						1 824 226
Corporate unallocated liabilities - Takaful OPF						1 794
Total liabilities						22 692 043
						External premium less reinsurance by geographical segments 2018 (Unaudited)
Location						
Pakistan	5 928 221					
* EPZ	11 397					
Total	5 939 618					

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Nine months period ended 30 September 2017 (Unaudited)
Premium receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	10 942 540	2 212 519	3 196 645	1 307 803	-	17 659 507
Less: Federal excise duty	1 379 732	248 749	385 258	140 185	-	2 153 924
Stamp duty	504	72 837	1 265	1 399	-	76 005
Federal insurance fee	94 705	18 749	27 895	11 608	-	152 957
Gross written premium (inclusive of Administrative surcharge)	9 467 599	1 872 184	2 782 227	1 154 611	-	15 276 621
Gross direct premium	9 422 366	1 834 026	2 499 334	1 132 336	-	14 888 062
Facultative inward premium	14 288	1 113	-	-	-	15 401
Administrative surcharge	30 945	37 045	282 893	22 275	-	373 158
Insurance premium earned	7 740 878	1 626 332	2 577 779	1 048 009	-	12 992 998
Insurance premium ceded to reinsurers	5 904 345	522 856	13 151	568 417	-	7 008 769
Net insurance premium	1 836 533	1 103 476	2 564 628	479 592	-	5 984 229
Commission income	520 074	22 883	-	146 121	-	689 078
Net underwriting income	2 356 607	1 126 359	2 564 628	625 713	-	6 673 307
Insurance claims	2 531 815	454 300	1 271 621	332 558	-	4 590 294
Insurance claims recovered from reinsurers	2 061 286	52 226	(82)	180 167	-	2 293 597
Net claims	470 529	402 074	1 271 703	152 391	-	2 296 697
Commission expense	630 139	192 859	213 959	82 754	-	1 119 711
Management expenses	545 266	301 282	761 521	141 531	-	1 749 600
Net insurance claims and expenses	1 645 934	896 215	2 247 183	376 676	-	5 166 008
Underwriting result	710 673	230 144	317 445	249 037	-	1 507 299
Net investment income						1 226 208
Rental income						71 643
Other income						83 313
Other expenses						(35 070)
Finance cost						523
Profit from window takaful operations - Operator's fund						27 061
Profit before tax						2 880 977
						As at 31 December 2017 (Audited) (restated)
Corporate segment assets	9 623 292	1 020 762	579 921	1 003 794	-	12 227 769
Corporate segment assets - Takaful OPF	26 159	4 429	144 487	6 942	-	182 017
Corporate unallocated assets						30 981 529
Corporate unallocated assets - Takaful OPF						251 463
Total assets						43 642 778
Corporate segment liabilities	14 035 587	1 855 601	2 450 302	2 256 262	-	20 597 752
Corporate segment liabilities - Takaful OPF	22 634	4 009	194 668	15 380	-	236 691
Corporate unallocated liabilities						1 965 363
Corporate unallocated liabilities - Takaful OPF						1 687
Total liabilities						22 801 493

	External premium less reinsurance by geographical segments 2017 (Unaudited)
Location	
Pakistan	5 971 684
* EPZ	12 645
Total	5 984 229

* 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 September 2018 (Unaudited)
Premium receivable (Inclusive of FED, Federal insurance fee and Administrative surcharge)	3 666 107	756 926	1 283 230	409 719	-	6 115 982
Less: Federal excise duty	426 990	83 055	152 132	44 475	-	706 652
Stamp duty	239	33 827	395	365	-	34 626
Federal insurance fee	32 046	6 337	11 197	3 615	-	53 195
Gross written premium (inclusive of Administrative surcharge)	3 206 832	633 907	1 119 506	361 264	-	5 321 509
Gross direct premium	3 188 469	620 284	1 023 040	353 382	-	5 185 175
Facultative inward premium	2 346	-	-	-	-	2 346
Administrative surcharge	16 017	13 623	96 466	7 882	-	133 988
Insurance premium earned	2 716 073	622 728	852 455	379 723	-	4 570 979
Insurance premium ceded to reinsurers	1 879 474	206 793	3 249	215 070	-	2 304 586
Net insurance premium	836 599	415 935	849 206	164 653	-	2 266 393
Commission income	225 892	4 291	-	53 130	-	283 313
Net underwriting income	1 062 491	420 226	849 206	217 783	-	2 549 706
Insurance claims	402 583	238 123	430 782	143 019	-	1 214 507
Insurance claims recovered from reinsurers	291 911	30 944	3	82 224	-	405 082
Net claims	110 672	207 179	430 779	60 795	-	809 425
Commission expense	189 487	69 106	70 163	29 275	-	358 031
Management expenses	238 429	107 053	248 798	46 781	-	641 061
Net insurance claims and expenses	538 588	383 338	749 740	136 851	-	1 808 517
Underwriting result	523 903	36 888	99 466	80 932	-	741 189
Net investment income						232 714
Rental income						27 292
Other income						25 209
Other expenses						(9 982)
Finance cost						5 133
Profit from window takaful operations - Operator's fund						31 989
Profit before tax						1 053 544

Rupees '000

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Three months period ended 30 September 2017 (Unaudited)
Premium receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	4 751 509	673 746	1 208 597	409 889	-	7 043 741
Less: Federal excise duty	600 513	76 174	145 089	44 902	-	866 678
Stamp duty	249	22 001	431	345	-	23 026
Federal insurance fee	42 300	5 781	10 414	3 585	-	62 080
Gross written premium (inclusive of Administrative surcharge)	4 108 447	569 790	1 052 683	361 057	-	6 091 957
Gross direct premium	4 093 656	558 286	963 048	352 676	-	5 967 666
Facultative inward premium	-	-	-	-	-	-
Administrative surcharge	14 791	11 504	89 615	8 381	-	124 291
Insurance premium earned	2 875 330	552 421	866 262	346 584	-	4 640 597
Insurance premium ceded to reinsurers	2 027 902	188 369	4 977	191 828	-	2 413 076
Net Insurance premium	847 428	364 052	861 285	154 756	-	2 227 521
Commission income	201 107	5 611	-	46 963	-	253 681
Net underwriting income	1 048 535	369 663	861 285	201 719	-	2 481 202
Insurance claims	641 214	228 363	405 268	124 483	-	1 397 328
Insurance claims recovered from reinsurers	462 373	39 123	11	60 103	-	561 610
Net claims	178 841	187 240	405 257	64 380	-	835 718
Commission expense	242 744	64 587	71 746	27 230	-	406 307
Management expenses	223 864	86 395	230 582	40 654	-	581 495
Net insurance claims and expenses	645 449	338 222	707 585	132 264	-	1 823 520
Underwriting result	403 086	31 441	153 700	69 455	-	657 682
Net investment income						180 274
Rental income						27 705
Other income						28 521
Other expenses						(7 364)
Finance cost						323
Profit from window takaful operations - Operator's fund						8 450
Profit before tax						895 591

28. 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	-	24 040 198	-	671 880	24 712 078
Additions	-	15 282 869	-	1 623 884	16 906 753
Disposals (sale and redemptions)	-	(12 519 295)	-	(1 865 214)	(14 384 509)
Fair value net gains (excluding net realised gains)	-	(804 795)	-	-	(804 795)
Impairment losses	-	(52 836)	-	-	(52 836)
At beginning of period	-	25 946 141	-	430 550	26 376 691
Additions	-	26 293 118	-	1 257 315	27 550 433
Disposals (sale and redemptions)	-	(26 550 755)	-	(1 353 193)	(27 903 948)
Fair value net gains (excluding net realised gains)	-	(2 352 387)	-	-	(2 352 387)
Impairment losses	-	(28 249)	-	-	(28 249)
At end of period	-	23 307 868	-	334 672	23 642 540

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

	Nine months period ended 30 September 2018 (Unaudited)					Fair value measurement using		
	Available-for-sale	Loan & Receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments					-			
Equity securities - quoted	14 848 468				14 848 468	14 848 468		
Equity securities - unquoted	15 500				15 500			15 500
Debt securities	8 443 900				8 443 900		8 443 900	
Financial assets not measured at fair value								
Term deposits*			334 672		334 672			
Loans and other receivables*		167 952			167 952			
Insurance / reinsurance receivables*		3 217 912			3 217 912			
Reinsurance recoveries against outstanding claims*		3 243 787			3 243 787			
Cash and bank*			1 112 666		1 112 666			
Total assets of window takaful operations - Operator's fund*	156 299	272 768	106 932		535 999		156 299	
	<u>23 464 187</u>	<u>6 902 419</u>	<u>1 554 270</u>	<u>-</u>	<u>31 920 858</u>	<u>14 848 468</u>	<u>8 600 199</u>	<u>15 500</u>
Financial liabilities not measured at fair value								
Outstanding claims including IBNR*				(5 310 033)	(5 310 033)			
Premium received in advance*				(29 864)	(29 864)			
Insurance / reinsurance payables*				(4 787 253)	(4 787 253)			
Other creditors and accruals*				(1 999 770)	(1 999 770)			
Total liabilities of window takaful operations - Operator's fund*				(70 967)	(70 967)			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12 197 887)</u>	<u>(12 197 887)</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.

Rupees '000

For the year ended 31 December 2017 (Audited)								
	Available-for-sale	Loan & Receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Equity securities - quoted	17 408 373				17 408 373	17 408 373		
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*		1 18 618			1 18 618			
Insurance / reinsurance receivables*		2 819 069			2 819 069			
Reinsurance recoveries against outstanding claims*		3 538 572			3 538 572			
Cash and bank*			1 164 209		1 164 209			
Total assets of window takahul operations - Operator's fund*	30 482	125 198	210 264		365 944		30 482	
	<u>25 976 823</u>	<u>8 801 457</u>	<u>1 805 023</u>	<u>-</u>	<u>34 383 103</u>	<u>17 408 373</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 accruals*				(1 814 387)	(1 814 387)			
Total liabilities of window takahul operations - Operator's fund*				(31 382)	(31 382)			
	<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 27 October 2018.


Director


Director


ALTAF GOKAL
Chief Financial Officer
& Corporate Secretary


HASAN ALI ABDULLAH
Managing Director &
Chief Executive


SAIFUDDIN N. ZOOMKAWALA
Chairman

Consolidated Condensed Interim Financial Statements (Unaudited)

For the nine months period ended 30 September 2018

Directors' Review to the Members on Consolidated Condensed Interim Financial Information For the period ended 30 September 2018

We are pleased to present the consolidated condensed interim financial information of EFU General Insurance Limited and our subsidiary, EFU Life Assurance Company Limited. The Consolidation has been effective from 31 March 2018, therefore, the consolidation of subsidiary's results in Consolidated Profit and Loss Account is for six months period from 1 April 2018 to 30 September 2018.

Consolidated gross premium was Rs. 28 billion, net premium was Rs. 19 billion and profit after tax was Rs. 1,760 million. The consolidated total assets were Rs. 156 billion.

The following appropriation of profit has been recommended by the Board of Directors:

	30 September 2018 (Unaudited)
Profit before tax	2,876,519
Taxation	(1,116,565)
Profit after tax	1,759,954
Profit attributable to non-controlling interest	(399,783)
Profit attributable to ordinary shares	1,360,171
Unappropriated profit brought forward	4,390,450
Profit available for appropriation	5,750,621
Appropriation	
Cash dividend - Final 2017	(1,250,000)
Cash dividend - 1st Interim 2018	(250,000)
Cash dividend - 2nd Interim 2018	(250,000)
Transfer to general reserve	(500,000)
Total appropriation	(2,250,000)
Profit after appropriation	3,500,621
Earning per share (Rupees)	6.80


Director


Director


HASAN ALI ABDULLAH
Managing Director & Chief Executive


SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi, 27 October 2018

ڈائریکٹر زریو یو ممبران کیلئے مجموعی کنڈیسنڈ عبوری مالیاتی حسابات

۳۰ ستمبر ۲۰۱۸ء کو ختم ہونے والی مدت کیلئے

ہم بسمرت ای ایف یو جنرل انشورنس لمیٹڈ اور ہمارے ذیلی ادارے ای ایف یو لائف انشورنس کمپنی لمیٹڈ کے مجموعی کنڈیسنڈ عبوری مالیاتی حسابات پیش کر رہے ہیں۔ کنسالیڈیشن ۳۱ مارچ ۲۰۱۸ء سے موثر العمل ہے لہذا مجموعی نفع و نقصان کے کھاتے میں ذیلی ادارے کے نتائج کا مجموعہ یکم اپریل ۲۰۱۸ء سے ۳۰ ستمبر ۲۰۱۸ء تک چھ ماہ کی مدت کیلئے ہے۔

کنسالیڈیٹڈ مجموعی پریئم ۲۸ بلین روپے، خالص پریئم ۱۹ بلین روپے اور منافع بعد از ٹیکس ۱،۷۶۰ ملین روپے تھا۔ مجموعی طور پر کل اثاثہ جات ۱۵۶ بلین روپے تھے۔

بورڈ آف ڈائریکٹرز کی جانب سے منافع جات کے درج ذیل تناسب کی سفارش کی گئی ہے۔

۳۰ ستمبر ۲۰۱۸ء
روپے ہزاروں میں
(غیر آڈٹ شدہ)

2,876,519
(1,116,565)
1,759,954
(399,783)
1,360,171
4,390,450
5,750,621

منافع قبل از ٹیکس
ٹیکسیشن
منافع بعد از ٹیکس
نان کنٹرولنگ منافع سے منسوب منافع جات
عمومی شیئرز سے منسوب منافع جات
آگے منتقل کیا جانے والا غیر مختص شدہ منافع
اختصاص کے لئے دستیاب منافع جات

(1,250,000)
(250,000)
(250,000)
(500,000)
(2,250,000)
3,500,621
6.80

اختصاص
نقد منافع منقسمہ - حتمی ۲۰۱۷ء
نقد منافع منقسمہ - پہلا عبوری ۲۰۱۸ء
نقد منافع منقسمہ - دوسرا عبوری ۲۰۱۸ء
منتقل برائے عمومی ریزرو
کل اختصاص
منافع بعد از اختصاص
آمدنی فی شیئر (روپے)

سیف الدین امین - زومکا والا
چیرمین

کراچی، ۲۷ اکتوبر ۲۰۱۸ء

حسن علی عبداللہ
منیجر ڈائریکٹرز اینڈ چیف ایگزیکٹو

ڈائریکٹر

ڈائریکٹر

2018 Third Quarter

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

		Rupees '000	
		30 September 2018 (Unaudited)	31 December 2017 (Audited) (Restated)
	Note		
Assets			
Property and equipment	9	4 727 734	1 289 023
Intangible assets		8 338 285	-
Investment property	10	1 857 262	1 847 093
Investments			
Equity securities	11	40 710 870	17 418 873
Debt securities	12	45 465 899	8 527 268
Term deposits	30	34 558 772	430 550
Loans and other receivables	13	1 845 351	118 618
Insurance / reinsurance receivables	14	3 471 529	2 819 069
Reinsurance recoveries against outstanding claims	21	3 243 787	3 538 572
Salvage recoveries accrued		84 458	68 458
Deferred commission expense	22	698 991	689 587
Taxation - payments less provision		335 616	95 797
Prepayments	15	5 360 916	5 202 181
Cash and bank	16	4 814 160	1 164 209
Total assets		155 513 630	43 209 298
Total assets of window takaful operations - Operator's fund		619 347	433 480
Total assets		156 132 977	43 642 778
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		2 000 000	2 000 000
Reserves	17	14 642 751	14 450 835
Unappropriated profit		3 500 621	4 390 450
Capital and reserve attributable to Company's equity holders		20 143 372	20 841 285
Non controlling interest		3 062 098	-
Total equity		23 205 470	20 841 285
Surplus on revaluation of property and equipment		851 606	-
Liabilities			
Insurance liabilities		106 068 605	-
Underwriting provisions			
Outstanding claims including IBNR	21	5 310 033	5 572 347
Unearned premium reserves	20	8 622 976	8 496 686
Unearned reinsurance commission	22	426 345	461 616
Retirement benefit obligations		48 587	71 805
Deferred taxation		2 008 879	1 122 776
Premium received in advance		1 041 813	31 487
Insurance / reinsurance payables		5 045 525	4 992 011
Other creditors and accruals	18	3 140 135	1 814 387
		25 644 293	22 563 115
Total liabilities		131 712 898	22 563 115
Total equity and liabilities		155 769 974	43 404 400
Total liabilities of window takaful operations - Operator's fund		363 003	238 378
Total equity and liabilities		156 132 977	43 642 778
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

SAIFUDDIN N. ZOOMKAWALA
Chairman

EFU GENERAL INSURANCE LIMITED

Karachi 27 October 2018

Consolidated Condensed Interim Profit and Loss Account

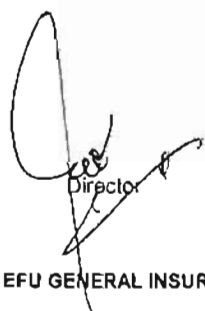
For the nine months period ended 30 September 2018 (Unaudited)

Rupees '000

	Note	Three months period ended 30 September		Nine months period ended 30 September	
		2018	2017 (Restated)	2018	2017 (Restated)
Net insurance premium	20	8 875 801	2 227 521	19 398 563	5 984 229
Net insurance claims	21	(3 657 504)	(835 718)	(8 469 714)	(2 296 697)
Net commission	22	(1 592 818)	(152 626)	(3 543 560)	(430 633)
Insurance claims and acquisition expenses		(5 250 322)	(988 344)	(12 013 274)	(2 727 330)
Management expenses		(1 091 553)	(581 495)	(2 876 044)	(1 749 600)
Investment income - statutory fund		1 613 372	-	3 250 143	-
Net realised fair value losses on financial assets		(315 072)	-	(811 748)	-
Net fair value loss on financial assets at fair value through profit and loss		(1 785 158)	-	(5 077 730)	-
Net change in insurance liabilities (other than outstanding claims)		(940 721)	-	234 388	-
Underwriting result		1 106 347	657 682	2 104 298	1 507 299
Investment income	23	178 475	180 274	547 309	1 226 208
Rental income		27 292	27 705	77 287	71 643
Other income	24	33 833	28 521	92 143	83 313
Other expenses		(11 633)	(7 364)	(51 023)	(35 070)
		227 967	229 136	665 716	1 346 094
Results of operating activities		1 334 314	886 818	2 770 014	2 853 393
Finance cost		5 133	323	21 286	523
Profit from window takaful operations - Operator's fund	25	31 989	8 450	85 219	27 061
Profit before tax		1 371 436	895 591	2 876 519	2 880 977
Income tax expense	26	(439 084)	(233 702)	(1 116 565)	(921 942)
Profit after tax		932 352	661 889	1 759 954	1 959 035
Profit attributable to:					
Equity holders of the parent		735 656	661 889	1 360 171	1 959 035
Non controlling interest		196 696	-	399 783	-
		932 352	661 889	1 759 954	1 959 035
Earnings (after tax) per share - Rupees	27	3.68	3.31	6.80	9.60

The consolidation has been effective from 31 March 2018, therefore, the consolidation of Subsidiary's results in Consolidated Condensed Interim Profit and Loss Account is for six months period from 01 April 2018 to 30 September 2018

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




Director



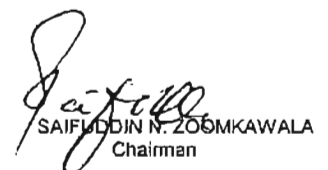
Director



ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary



HASANALI ABDULLAH
Managing Director &
Chief Executive



SAIFUDDIN N. ZOMKAWALA
Chairman

Consolidated Condensed Interim Statement of Comprehensive Income

For the nine months period ended 30 September 2018 (Unaudited)

	Rupees '000			
	Three months period ended 30 September		Nine months period ended 30 September	
	2018	2017 (Restated)	2018	2017 (Restated)
Profit after tax	932 352	661 889	1 759 954	1 959 035
Other comprehensive income				
Unrealized loss on available-for-sale investments during the period	(326 855)	(1 116 699)	(496 542)	(1 766 331)
Reclassification adjustments relating to available-for-sale investments disposed off during the period	-	216 488	9 379	100 355
Unrealized (loss) / gain on available-for-sale investments during the period of associate company	-	(775 657)	-	1 789 612
Total items that may be reclassified subsequently to profit and loss	(326 855)	(1 675 868)	(487 163)	123 636
Deferred tax on available-for-sale investments	94 788	270 063	180 707	563 474
Deferred tax on available-for-sale investment of associate company	-	197 760	-	(571 821)
Net unrealized (loss) / gain after deferred tax	(232 067)	(1 208 045)	(306 456)	115 289
Net unrealized (loss) / gain from window takaful operations - Operator's fund (net of deferred tax)	(1 251)	378	(1 628)	28
Net other comprehensive income	(233 318)	(1 207 667)	(308 084)	115 317
Total comprehensive income for the period	699 034	(545 778)	1 451 870	2 074 352

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



Director



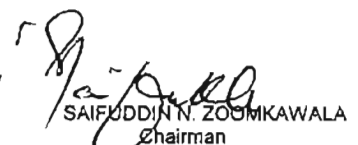
Director



ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary



HASANALI ABDULLAH
Managing Director &
Chief Executive



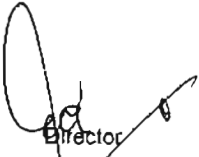
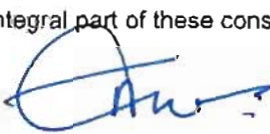
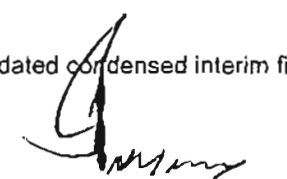
SAIFUDDIN N. ZOMKAWALA
Chairman

Consolidated Condensed Interim Cash Flow Statement

For the nine months period ended 30 September 2018 (Unaudited)

	2018	Rupees '000 2017 (Restated)
Operating activities		
a) Underwriting activities		
Insurance premium / contribution received	27 912 215	15 674 342
Reinsurance premium / retakaful contribution paid	(8 742 271)	(7 479 317)
Claims paid	(9 749 106)	(3 740 903)
Reinsurance and other recoveries received	1 333 013	1 530 000
Commission paid	(3 069 598)	(1 277 904)
Commission received	715 402	842 514
Management expenses paid	(3 409 180)	(1 615 553)
Net cash flow from underwriting activities	4 990 475	3 933 179
b) Other operating activities		
Income tax paid	(1 087 306)	(954 361)
Other operating payments	(89 834)	(125 959)
Other operating receipts	36 133	(76 214)
Loans advanced	(49 009)	(4 635)
Loans repayments received	44 997	3 305
Net cash flow from other operating activities	(1 145 019)	(1 157 864)
Total cash flow from all operating activities	3 845 456	2 775 315
Investment activities		
Profit / return received	3 256 554	539 888
Dividend received	820 080	781 694
Rental received	51 824	47 083
Payment for investments / investment properties	(118 451 792)	(11 119 055)
Proceeds from investments / investment properties	111 555 101	9 199 026
Fixed capital expenditures	(520 903)	(262 938)
Proceeds from sale of property and equipment	31 828	32 530
Acquisition of subsidiary net of cash acquired	5 520 019	-
Total cash flow from investing activities	2 262 711	(781 772)
Financing activities		
Dividend paid	(2 458 216)	(1 879 623)
Net cash flow from all activities	3 649 951	113 920
Cash and cash equivalents at beginning of period	1 164 209	1 195 586
Cash and cash equivalents at end of period	4 814 160	1 309 506
Reconciliation to profit and loss account		
Operating cash flow	3 845 456	2 775 315
Depreciation / amortisation expense	(427 758)	(176 098)
Finance cost	21 286	523
Profit on disposal of property and equipment	23 434	29 177
Rental income	77 287	71 643
Dividend income	846 233	793 908
Other investment income	2 369 080	432 301
Profit on deposit	57 632	53 979
Other income	6 631	157
Depreciation in market value of investments	(5 157 506)	-
Reversal of impairment in the value of available-for-sale equity investments	(17 224)	-
Increase in assets other than cash	106 233	2 530 843
Increase in liabilities other than running finance	(76 049)	(4 579 774)
Profit after tax from conventional insurance operations	1 674 735	1 931 974
Profit from window takaful operations - Operator's fund	85 219	27 061
Profit after tax at the end of the period	1 759 954	1 959 035

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
 **SAIFUDDIN N. ZOONKAWALA**
Chairman

Consolidated Condensed Interim Statement of Changes in Equity

For the nine months period ended 30 September 2018 (Unaudited)

Rupees '000

	Share capital	General reserve	Reserve for exceptional 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		2 388 169	18 901 071		16 901 071
Restatement due to change in accounting policies (refer note 6) - net of deferred tax				1 983 218	2 199 620	4 182 838		4 182 838
Balance as at 01 January 2017 (restated)	2 000 000	12 500 000	12 902	1 983 218	4 587 789	21 083 909		21 083 909
Total comprehensive income for the period ended 30 September 2017								
Profit after tax				115 317	1 959 035	1 959 035		1 959 035
Other comprehensive income				115 317		115 317		115 317
				115 317	1 959 035	2 074 352		2 074 352
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)
2nd 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 September 2017 (restated)	2 000 000	13 000 000	12 902	2 098 535	4 146 824	21 258 261		21 258 261
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 policies (refer note 6) - net of deferred tax				1 437 933	2 356 131	3 794 064		3 794 064
Balance as at 01 January 2018 (restated)	2 000 000	13 000 000	12 902	1 437 933	4 390 450	20 841 285		20 841 285
Total comprehensive income for the period ended 30 September 2018								
Profit after tax				(308 084)	1 360 171	1 360 171	399 783	1 759 954
Other comprehensive income				(308 084)		(308 084)		(308 084)
				(308 084)	1 360 171	1 052 087	399 783	1 451 870
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							(636 840)	(636 840)
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)
2nd Interim dividend paid for the year 2018 at the rate of Rs. 1.25 (12.5%) per share					(250 000)	(250 000)		(250 000)
2nd 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 September 2018	2 000 000	13 500 000	12 902	1 129 849	3 500 621	20 143 372	3 062 098	23 205 470

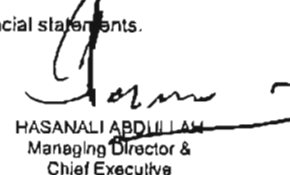
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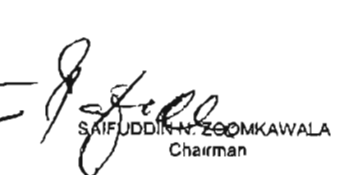

Director


Director

FU GENERAL INSURANCE LIMITED


ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary


HASANALI ABDULLAH
Managing Director &
Chief Executive


SAIFUDDIN N. ZOMKAWALA
Chairman

Karachi 27 October 2018

Notes to the Consolidated Condensed Interim Financial Statements
For the nine months period ended 30 September 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	82 636
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

180 453

Other creditors and accruals

806 215

Total Liabilities**108 172 357****Book value of net assets as on 31 March 2018****6 777 582**

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 higher by Rs.298 million, Rs.361 million and Rs.63 million (December 2017: lower by Rs.2,054 million, Rs.1,438 million and Rs.616 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.1,764 million and Rs. 512 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 nine months period ended 30 September 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 consolidated 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	63 290	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	(1 131 656)	10 999 449	11 949 485	(2 664 443)	9 285 042
Investments						
Equity securities	2 505 215	3 914 209	6 419 424	3 195 534	6 297 885	9 493 419
Debt securities	8 533 957	(6 689)	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)	(746 399)	(1 122 776)	(380 062)	(957 123)	(1 337 185)
Reserves	(13 012 902)	(1 437 933)	(14 450 835)	(12 512 902)	(1 983 218)	(14 496 120)
Unappropriated profit	(2 034 319)	(2 356 131)	(4 390 450)	(2 388 169)	(2 199 620)	(4 587 789)

Nine months
period ended
30 September
2017
(Unaudited)

Impact on profit and loss account

Profit after tax would have been higher by

96 136

Earnings per share would have been higher by

0.49

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 nine months period ended 30 September 2018 are as follows:

Rupees '000

	Additions (at cost)		Disposals (at net book value)	
	30 September 2018 (Unaudited)	30 September 2017 (Unaudited)	30 September 2018 (Unaudited)	30 September 2017 (Unaudited)
Buildings	75 780	55 207	-	-
Furniture and fixtures	66 992	15 036	-	-
Office equipments	20 630	5 467	860	-
Tracker equipments	69 001	74 921	-	-
Computers	27 451	7 006	640	-
Vehicles	239 967	108 052	25 557	3 353
Intangibles	17 512	-	-	-
Capital work-in-progress	3 570	-	-	-
	<u>520 903</u>	<u>265 689</u>	<u>27 057</u>	<u>3 353</u>

		Rupees '000	
10.	Investment property	30 September 2018 (Unaudited)	31 December 2017 (Audited) (Restated)
	Opening net book value	1 847 093	1 548 008
	Additions and capital improvements	10 169	317
	Unrealized fair value gain	-	298 768
	Closing book value	<u>1 857 262</u>	<u>1 847 093</u>

11. Investment in equity securities

	30 September 2018 (Unaudited)			31 December 2017 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Associate						
Listed shares	-	-	-	12 852 671	-	12 852 671
Surplus on revaluation	-	-	-	(1 853 223)	-	(1 853 223)
	-	-	-	10 999 448	-	10 999 448
Related Party						
Listed shares	751 134	275 358	475 776	444 664	28 753	415 911
Mutual funds	523	-	523	-	-	-
	751 657	275 358	476 299	444 664	28 753	415 911
Others						
Listed shares	2 110 844	118 308	1 992 536	2 133 539	54 735	2 078 804
Unlisted shares	31 508	-	31 508	10 500	-	10 500
Mutual funds	78 409	9 490	68 919	-	-	-
	2 220 761	127 798	2 092 963	2 144 039	54 735	2 089 304
Surplus on revaluation	3 620 671	-	3 620 671	3 914 210	-	3 914 210
	6 593 089	403 156	6 189 933	17 502 361	83 488	17 418 873
At fair value through profit and loss - designated upon initial recognition						
Related Party						
Listed shares	621 595	-	657 729	-	-	-
Mutual funds	25 444	-	25 866	-	-	-
Others						
Listed shares	35 466 209	-	33 711 662	-	-	-
Mutual funds	59 301	-	69 808	-	-	-
Surplus on revaluation	10 348	-	10 348	-	-	-
	36 182 897	-	34 475 413	-	-	-
At fair value through profit and loss - held for trading						
Others						
Listed shares	30 772	-	45 524	-	-	-
Surplus on revaluation	-	-	-	-	-	-
	30 772	-	45 524	-	-	-
	<u>42 806 758</u>	<u>403 156</u>	<u>40 710 870</u>	<u>17 502 361</u>	<u>83 488</u>	<u>17 418 873</u>

Rupees '000

12. Investment in debt securities

30 September 2018 (Unaudited)			
	Cost	Impairment / provision	Carrying value
Held to maturity			
Government Securities	3 173 920	-	3 173 920
Available for sale			
Government Securities	38 680 067	-	38 680 067
Others			
Term Finance Certificate	1 280 805	-	1 280 805
Sukuk	2 152 970	-	2 152 970
Certificate of Investment	210 000	-	210 000
Surplus revaluation	(31 863)	-	(31 863)
	<u>45 465 899</u>	<u>-</u>	<u>45 465 899</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 September 2018 (Unaudited)	31 December 2017 (Audited)
Loan to employees	46 160	5 393
Accrued investment income	1 198 128	66 616
Security deposit	43 619	7 780
Advance to suppliers	57 183	33 115
Advances to employees	5 271	3 665
Advances to agents	49 403	-
Other Receivable	445 587	2 049
	<u>1 845 351</u>	<u>118 618</u>

14. Insurance / reinsurance receivables – unsecured and considered good

Due from insurance contract holders	3 439 401	2 829 996
Less provision for impairment of receivables from insurance contract holders	(48 109)	(27 814)
	<u>3 391 292</u>	<u>2 802 182</u>
Due from other insurer / reinsurers	80 237	16 887
	<u>3 471 529</u>	<u>2 819 069</u>

		Rupees '000	
		30 September 2018 (Unaudited)	31 December 2017 (Audited)
15. Prepayments	Note		
Prepaid reinsurance premium ceded	20	5 149 467	5 112 083
Prepaid rent		53 419	12 703
Others		158 030	77 395
		<u>5 360 916</u>	<u>5 202 181</u>
16. Cash and bank			
Cash and cash equivalents			
Cash in hand		2 537	2
Policy and revenue stamps, bond papers		24 501	9 802
		27 038	9 804
Cash at bank			
current accounts		837 886	233 422
saving accounts		3 949 236	920 983
		<u>4 787 122</u>	<u>1 154 405</u>
		<u>4 814 160</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		1 129 849	1 437 933
		<u>14 642 751</u>	<u>14 450 835</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	
		30 September 2018 (Unaudited)	31 December 2017 (Audited)
18. Other creditors and accruals			
Federal insurance fee payable		7 896	12 510
Federal excise duty and sales tax payable		95 946	170 800
Accrued expenses		634 549	227 879
Agent commission payable		1 081 463	499 929
Unearned rentals		45 523	70 986
Security deposit bond		724 828	543 677
Unclaimed dividendes		294 132	196 503
Others		255 798	92 103
		<u>3 140 135</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.

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 finalized. 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. 56.31 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.13.833 million and Rs.15.014 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 Subsidiary Company Limited issued bonus shares (76,031 shares and 342,480 shares respectively) after withholding 5 percent of bonus shares (3,801.55 shares and 18,707.44 shares respectively) and the IBL Healthcare Ltd. issued bonus shares (46,625 shares and 80,311 shares respectively) after withholding 5 percent of bonus shares (2,331.26 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.17.27 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.

Rupees '000

20. Net Insurance premium

	Three months period ended 30 September		Nine months period ended 30 September	
	2018	2017	2018	2017
Written gross premium	12 044 274	6 091 957	28 169 032	15 276 621
Unearned premium reserve - opening	7 872 446	8 220 943	8 496 686	7 388 680
Unearned premium reserve - closing	(8 622 976)	(9 672 303)	(8 622 976)	(9 672 303)
Premium earned	11 293 744	4 640 597	28 042 742	12 992 998
Less:				
Reinsurance premium ceded	2 905 448	3 189 936	8 681 563	8 711 062
Prepaid reinsurance premium - opening	4 661 962	5 077 107	5 112 083	4 151 674
Prepaid reinsurance premium - closing	(5 149 467)	(5 853 967)	(5 149 467)	(5 853 967)
Reinsurance expense	2 417 943	2 413 076	8 644 179	7 008 769
	<u>8 875 801</u>	<u>2 227 521</u>	<u>19 398 563</u>	<u>5 984 229</u>

21. Net Insurance claim expense

Claim Paid	3 925 480	1 154 691	9 824 887	3 706 172
Outstanding claims including IBNR - closing	5 310 033	6 299 152	5 310 033	6 299 152
Outstanding claims including IBNR - opening	(5 097 810)	(6 056 515)	(5 572 347)	(5 415 030)
Claims expense	4 137 703	1 397 328	9 562 573	4 590 294
Less:				
Reinsurance and other recoveries received	339 384	404 987	1 387 644	1 531 639
Reinsurance and other recoveries in respect of outstanding claims - opening	(3 102 972)	(4 029 952)	(3 538 572)	(3 424 617)
Reinsurance and other recoveries in respect of outstanding claims - closing	3 243 787	4 186 575	3 243 787	4 186 575
Reinsurance and other recoveries revenue	480 199	561 610	1 092 859	2 293 597
	<u>3 657 504</u>	<u>835 718</u>	<u>8 469 714</u>	<u>2 296 697</u>

		Rupees '000			
22.	Net commission expense	Three months period ended 30 September		Nine months period ended 30 September	
		2018	2017	2018	2017
	Commission paid or payable	2 037 915	604 609	4 303 637	1 438 290
	Deferred commission expense - opening	537 207	684 922	689 587	564 645
	Deferred commission expense - closing	(698 991)	(883 224)	(698 991)	(883 224)
	Net commission	1 876 131	406 307	4 294 233	1 119 711
	Less:				
	Commission received or recoverable	323 175	355 745	715 402	842 513
	Unearned reinsurance commission - opening	386 483	395 348	461 616	343 977
	Unearned reinsurance commission - closing	(426 345)	(497 412)	(426 345)	(497 412)
	Commission from reinsurers	283 313	253 681	750 673	689 078
		<u>1 592 818</u>	<u>152 626</u>	<u>3 543 560</u>	<u>430 633</u>
23.	Investment Income				
	Income from equity securities - available-for-sale				
	Dividend income	45 742	75 679	183 475	793 908
	Income from debt securities - available-for-sale				
	Return on debt securities	143 496	109 246	394 283	338 020
	Income from term deposits				
	Return on term deposits	2 765	2 882	8 751	9 501
		<u>192 003</u>	<u>187 807</u>	<u>586 509</u>	<u>1 141 429</u>
	Net realised gains / (losses) on investments				
	Available for sale financial assets				
	Realised gains on:				
	Equity securities	-	649	7 828	98 211
	Debt securities	-	-	-	26 951
	Realised losses on:				
	Equity securities	-	(16 427)	(17 972)	(18 099)
	Debt securities	-	-	-	(480)
		<u>-</u>	<u>(15 778)</u>	<u>(10 144)</u>	<u>106 583</u>
		<u>192 003</u>	<u>172 029</u>	<u>576 365</u>	<u>1 248 012</u>
	(Impairment) / reversal in value of				
	available-for-sale equity securities	(13 325)	8 465	(28 249)	(20 769)
	Investment related expenses	(203)	(220)	(807)	(1 035)
	Total Investment Income	<u>178 475</u>	<u>180 274</u>	<u>547 309</u>	<u>1 226 208</u>
24.	Other Income				
	Gain on sale of fixed assets - net	4 934	7 111	23 434	29 177
	Interest on loans to employees	3 114	86	6 631	156
	Profit on bank deposits	23 632	21 324	57 632	53 980
	Others	2 153	-	4 446	-
		<u>33 833</u>	<u>28 521</u>	<u>92 143</u>	<u>83 313</u>

Rupees '000

25. Window takaful operations – Operator' fund

	Three months period ended 30 September		Nine months period ended 30 September	
	2018	2017	2018	2017
Wakala fee	129 821	78 971	354 747	207 491
Management expenses	(59 667)	(46 746)	(168 901)	(122 017)
Commission expenses	(45 874)	(25 244)	(119 996)	(67 241)
Investment income / (loss)	6 307	(1 010)	15 438	5 029
Other income	1 536	2 592	4 512	4 332
Other expenses	(134)	(113)	(581)	(533)
Profit for the period	<u>31 989</u>	<u>8 450</u>	<u>85 219</u>	<u>27 061</u>

26. Taxation

For the period

- Current

- Prior year

Deferred tax

270 848	264 863	1013 307	868 705
46 330	(33 820)	227 802	64 946
317 178	231 043	1241 109	933 651
121 906	2 659	(124 544)	(11 709)
<u>439 084</u>	<u>233 702</u>	<u>1116 565</u>	<u>921 942</u>

27. Earnings per share

Profit after tax	(Rupees '000)	<u>735 656</u>	<u>661 889</u>	<u>1 360 171</u>	<u>1 959 035</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>3.68</u>	<u>3.31</u>	<u>6.80</u>	<u>9.80</u>

28. 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:

Rupees '000

Transactions
Associated companies

	Three months period ended 30 September		Nine months period ended 30 September	
	2018	2017	2018	2017
Premium written	60 872	53 811	279 167	195 484
Premiums paid	-	3 860	11 506	34 310
Claims paid	27 667	25 711	167 099	66 682
Commission paid	56 547	-	106 007	-
Travelling expenses	73	-	1 425	-
Dividend received	-	53 865	-	624 835
Dividend paid	120 465	87 588	1 084 528	617 413
Interest on bank deposit	96 078	-	107 610	-
Investment sold	(245 971)	-	209 386	-
Bank deposit withdrawn	-	-	(75 000)	-

	Rupees '000			
	Three months period ended 30 September		Nine months period ended 30 September	
	2018	2017	2018	2017
Key management personnel				
Premium written	158	(149)	2 185	405
Claims paid	-	-	-	202
Dividend paid	8 336	1 048	15 163	7 964
Loan recovered	890	-	1 790	-
Compensation	84 514	51 454	203 961	136 578
Others				
Premiums written	4 631	4 460	22 568	19 290
Claims paid	211	203	2 680	1 905
Investments made	-	-	-	200 000
Investments sold	-	-	-	225 000
Dividend paid	92 278	86 507	550 498	563 064
Brokerage paid	-	13	236	112
Employees' funds				
Contributions to provident fund	14 928	6 422	34 919	18 051
Contributions to gratuity fund	4 885	6 474	14 656	14 172
Contributions to pension fund	7 357	54	15 494	657
Dividend paid	1 289	1 288	9 020	9 793
Balances			30 September 2018 (Unaudited)	31 December 2017 (Audited)
Others				
Balances receivable			44 817	15 131
Balances payable			2 845	(73 891)
Deposits maturing within 12 months			13 229 000	154 000
Investment in related party			196 104	-
Bank balances			749 179	106 039
Employees' funds payable				
EFU gratuity fund			(14 696)	(40 509)
EFU pension fund			(33 931)	(31 295)

29. Segments Information

	General Insurance					Aggregate General Insurance	Life Assurance		Aggregate Life Assurance	Nine months period ended 30 September 2018 (Unaudited)
	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty		Shareholders' Fund	Statutory Funds		
Premium Receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	9 619 313	2 378 524	3 198 915	1 429 984	-	16 626 736	-	13 458 945	13 458 945	30 085 681
Less: Federal excise duty	1 155 500	260 215	384 362	161 004	-	1 981 081	-	-	-	1 961 081
Stamp duty	461	92 222	1 157	1 134	-	94 974	-	-	-	94 974
Federal insurance fee	83 751	20 044	27 857	12 555	-	144 207	-	-	-	144 207
Gross Written Premium (inclusive of Administrative surcharge)	8 379 601	2 006 043	2 785 539	1 255 291	-	14 426 474	-	13 458 945	13 458 945	27 885 419
Gross direct premium	8 343 765	1 965 946	2 505 598	1 236 529	-	14 051 838	-	13 458 945	13 458 945	27 510 783
Facultative inward premium	4 571	1 470	-	-	-	6 041	-	-	-	6 041
Administrative surcharge	31 285	38 627	279 941	18 762	-	368 595	-	-	-	368 595
Insurance premium earned	8 803 973	1 823 468	2 549 963	1 122 780	-	14 300 184	-	13 458 945	13 458 945	27 759 129
Insurance premium ceded to reinsurers	7 031 654	654 059	8 062	686 791	-	8 360 566	-	-	-	8 360 566
Net insurance premium	1 772 319	1 169 409	2 541 901	455 989	-	5 939 618	-	13 458 945	13 458 945	19 398 563
Commission income	563 289	18 876	-	188 508	-	760 673	-	-	-	750 673
Net underwriting income	2 335 608	1 188 285	2 541 901	624 497	-	6 690 291	-	13 458 945	13 458 945	20 149 236
Insurance claims	1 015 140	643 810	1 274 801	337 505	-	3 271 258	-	6 100 004	6 100 004	9 371 260
Insurance claims recovered from reinsurers	535 374	192 897	(67)	173 342	-	901 546	-	-	-	901 546
Net claims	479 766	450 913	1 274 868	164 163	-	2 369 710	-	6 100 004	6 100 004	8 469 714
Commission expense	655 974	209 174	211 838	85 477	-	1 162 463	-	-	-	1 162 463
Management expenses	581 326	346 575	837 611	146 921	-	1 912 433	-	4 095 381	4 095 381	6 007 814
Net insurance claims and expenses	1 717 066	1 006 662	2 324 317	396 561	-	5 444 606	-	10 195 385	10 195 385	15 639 991
Net investment income - statutory funds	-	-	-	-	-	-	-	(2 622 823)	(2 622 823)	(2 622 823)
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	234 388	234 388	234 388
Underwriting result	618 542	181 623	217 584	227 936	-	1 245 685	-	875 125	875 125	2 120 810
Net Investment income	-	-	-	-	-	547 309	-	-	-	547 309
Rental income	-	-	-	-	-	77 287	-	-	-	77 287
Other income	-	-	-	-	-	75 631	-	-	-	75 631
Other expenses	-	-	-	-	-	(42 769)	-	(8 254)	(8 254)	(51 023)
Finance costs	-	-	-	-	-	21 286	-	-	-	21 286
Profit before tax from takaful operations	-	-	-	-	-	85 219	-	-	-	85 219
Profit before tax	-	-	-	-	-	2 009 648	-	-	866 871	2 876 519
						As at 30 September 2018 (Unaudited)			As at 30 September 2018 (Unaudited)	
Corporate segment assets-conventional	9 187 212	1 306 367	754 612	1 146 424	-	12 394 615	-	110 795 622	123 190 237	
Corporate segment assets-Takaful OPF	51 033	7 811	259 768	18 209	-	336 821	-	-	336 821	
Corporate unallocated assets-conventional	-	-	-	-	-	28 463 424	-	3 859 969	32 323 393	
Corporate unallocated assets-Takaful OPF	-	-	-	-	-	282 526	-	-	282 526	
Consolidated total assets	-	-	-	-	-	41 477 386	-	114 655 591	156 132 977	
Corporate segment liabilities	12 953 031	2 164 464	2 672 020	2 715 299	-	20 504 814	-	106 068 605	126 573 419	
Corporate segment liabilities-Takaful OPF	46 583	6 371	293 550	14 705	-	361 209	-	-	361 209	
Corporate unallocated liabilities	-	-	-	-	-	1 674 355	-	3 102 121	4 776 476	
Corporate unallocated liabilities-Takaful OPF	-	-	-	-	-	1 794	-	-	1 794	
Consolidated total liabilities	-	-	-	-	-	22 542 172	-	109 170 726	131 712 898	
External premium less reinsurance by geographical segments 2018 (Unaudited)	19 387 166									
Pakistan	11 397									
* EPZ										
Total	19 398 563									

* This represents US Dollar Equivalent in Pak Rupees

	General Insurance					Nine months period ended 30 September 2017
	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	
Premium Receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	10 942 540	2 212 519	3 196 645	1 307 803	-	17 659 507
Less: Federal excise duty	1 379 732	248 749	385 258	140 185	-	2 153 924
Stamp duty	504	72 837	1 265	1 399	-	76 005
Federal insurance fee	94 705	18 749	27 895	11 608	-	152 957
Gross Written Premium (inclusive of Administrative surcharge)	9 467 599	1 872 184	2 782 227	1 154 611	-	15 276 621
Gross direct premium	9 422 366	1 834 026	2 499 334	1 132 336	-	14 888 062
Facultative inward premium	14 288	1 113	-	-	-	15 401
Administrative surcharge	30 945	37 045	282 893	22 275	-	373 158
Insurance premium earned	7 740 878	1 628 332	2 577 779	1 048 009	-	12 992 998
Insurance premium ceded to reinsurers	5 904 345	522 856	13 151	568 417	-	7 008 769
Net insurance premium	1 836 533	1 103 476	2 564 628	479 592	-	5 984 229
Commission income	520 074	22 883	-	146 121	-	689 078
Net underwriting income	2 356 607	1 126 359	2 564 628	625 713	-	6 673 307
Insurance claims	2 531 815	454 300	1 271 621	332 558	-	4 590 294
Insurance claims recovered from reinsurers	2 061 286	52 226	(82)	180 167	-	2 293 597
Net claims	470 529	402 074	1 271 703	152 391	-	2 296 697
Commission expense	630 139	192 859	213 959	82 754	-	1 119 711
Management expenses	545 266	301 282	761 521	141 531	-	1 749 600
Net insurance claims and expenses	1 645 934	896 215	2 247 183	376 676	-	5 166 008
Net investment income - statutory funds	-	-	-	-	-	-
Underwriting result	710 673	230 144	317 445	249 037	-	1 507 299
Net Investment income						1 226 208
Rental income						71 643
Other income						83 313
Other expenses						(35 070)
Finance costs						523
Profit before tax from takaful operations						27 061
Profit before tax						2 880 977
						As at 31 December 2017 (Audited) restated
Corporate segment assets-conventional	9 623 292	1 020 762	579 921	1 003 794	-	12 227 769
Corporate segment assets-Takaful OPF	26 159	4 429	144 487	6 942	-	182 017
Corporate unallocated assets-conventional						30 981 529
Corporate unallocated assets-Takaful OPF						251 463
Consolidated total assets						43 642 778
Corporate segment liabilities	14 035 587	1 855 601	2 450 302	2 256 262	-	20 597 752
Corporate segment liabilities-Takaful OPF	22 634	4 009	194 668	15 380	-	236 691
Corporate unallocated liabilities						1 965 363
Corporate unallocated liabilities-Takaful OPF						1 687
Consolidated total liabilities						22 801 493

External premium less reinsurance by geographical segments 2017 (Unaudited)

Location

Pakistan

* EPZ

Total

5 971 684

12 545

5 984 229

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

	General Insurance					Aggregate General Insurance	Life Insurance		Aggregate Life Insurance	Three months period ended 30 September 2018
	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty		Shareholders' Fund	Statutory Funds		
Premium Receivable (inclusive of FED, Federal Insurance Fee and Administrative Surcharge)	3 666 107	756 926	1 283 230	409 719	-	6 115 982	-	6 650 172	6 650 172	12 766 154
Less: Federal Excise Duty	426 990	83 055	152 132	44 475	-	706 652	-	-	-	706 652
Stamp Duty	239	33 627	395	365	-	34 626	-	-	-	34 626
Federal Insurance Fee	32 046	6 337	11 197	3 615	-	53 195	-	-	-	53 195
Gross Written Premium (inclusive of Administrative Surcharge)	3 206 832	633 907	1 119 506	361 264	-	5 321 509	-	6 650 172	6 650 172	11 971 681
Gross direct premium	3 188 469	620 284	1 023 040	353 382	-	5 185 175	-	6 650 172	6 650 172	11 835 347
Facultative inward premium	2 346	-	-	-	-	2 346	-	-	-	2 346
Administrative Surcharge	16 017	13 623	96 466	7 882	-	133 988	-	-	-	133 988
Insurance premium earned	2 716 073	622 728	852 455	379 723	-	4 570 979	-	6 650 172	6 650 172	11 221 151
Insurance premium ceded to reinsurers	1 879 474	206 793	3 249	215 070	-	2 304 586	-	-	-	2 304 586
Net insurance premium	836 599	415 935	849 206	164 653	-	2 266 393	-	6 650 172	6 650 172	8 916 565
Commission income	225 892	4 291	-	53 130	-	283 313	-	-	-	283 313
Net underwriting income	1 062 491	420 226	849 206	217 783	-	2 549 706	-	6 650 172	6 650 172	9 199 878
Insurance claims	402 583	238 123	430 782	143 019	-	1 214 507	-	2 887 218	2 887 218	4 101 725
Insurance claims recovered from reinsurers	291 911	30 944	3	82 224	-	405 082	-	-	-	405 082
Net claims	110 672	207 179	430 779	60 795	-	809 425	-	2 887 218	2 887 218	3 696 643
Commission expense	189 487	69 106	70 163	29 275	-	358 031	-	-	-	358 031
Management expenses	238 429	107 053	248 798	46 781	-	641 061	-	1 970 216	1 970 216	2 611 277
Net insurance claims and expenses	538 588	383 338	749 740	136 851	-	1 808 517	-	4 857 434	4 857 434	6 665 951
Net investment income - statutory funds	-	-	-	-	-	-	-	(478 234)	(478 234)	(478 234)
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	(940 721)	(940 721)	(940 721)
Underwriting result	523 903	36 888	99 466	80 932	-	741 189	-	373 783	373 783	1 114 972
Net Investment income						178 474		-	-	178 474
Rental income						27 292		-	-	27 292
Other income						25 209		-	-	25 209
Other expenses						(9 982)		(1 651)	(1 651)	(11 633)
Finance costs						5 133		-	-	5 133
Profit before tax from takaful operations						31 989		-	-	31 989
Profit before tax						999 304			372 132	1 371 436

Rupees '000

	General Insurance					Three months period ended 30 September 2017
	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	
Premium Receivable (inclusive of FED, Federal Insurance Fee and Administrative Surcharge)	4 751 509	673 746	1 208 597	409 889	-	7 043 741
Less: Federal Excise Duty	600 513	76 174	145 089	44 902	-	866 678
Stamp Duty	249	22 001	431	345	-	23 026
Federal Insurance Fee	42 300	5 781	10 414	3 585	-	62 080
Gross Written Premium (inclusive of Administrative Surcharge)	4 108 447	569 790	1 052 663	361 057	-	6 091 957
Gross direct premium	4 093 656	558 286	963 048	352 676	-	5 967 666
Facultative Inward premium	-	-	-	-	-	-
Administrative Surcharge	14 791	11 504	89 615	8 381	-	124 291
Insurance premium earned	2 875 330	552 421	866 262	346 584	-	4 640 597
Insurance premium ceded to reinsurers	2 027 902	188 369	4 977	191 828	-	2 413 076
Net insurance premium	847 428	364 052	861 285	154 756	-	2 227 521
Commission income	201 107	5 611	-	46 963	-	253 681
Net underwriting income	1 048 535	369 663	861 285	201 719	-	2 481 202
Insurance claims	641 214	226 363	405 268	124 483	-	1 397 328
Insurance claims recovered from reinsurers	462 373	39 123	11	60 103	-	561 610
Net claims	178 841	187 240	405 257	64 380	-	835 718
Commission expense	242 744	64 587	71 746	27 230	-	406 307
Management expenses	223 864	86 395	230 582	40 654	-	581 495
Net Insurance claims and expenses	645 449	338 222	707 585	132 264	-	1 823 520
Underwriting result	403 086	31 441	153 700	69 455	-	657 682
Net Investment income						180 274
Rental income						27 705
Other income						28 521
Other expenses						(7 364)
Finance costs						323
Profit before tax from takaful operations						8 450
Profit before tax						895 591

Rupees '000

30. 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	-	24 040 198	-	671 880	24 712 078
Additions	-	15 282 869	-	1 623 884	16 906 753
Disposals (sale and redemptions)	-	(12 519 295)	-	(1 865 214)	(14 384 509)
Fair value net gains (excluding net realised gains)	-	(804 795)	-	-	(804 795)
Impairment losses	-	(52 836)	-	-	(52 836)
At beginning of period	-	25 946 141	-	430 550	26 376 691
Additions	16 226 258	26 794 210	194 941 716	89 016 843	326 979 025
Disposals (sale and redemptions)	(13 461 000)	(26 573 338)	(124 208 300)	(54 693 975)	(218 936 613)
Fair value net gains (excluding net realised gains)	-	(2 335 793)	(1 996 480)	-	(4 332 273)
Impairment losses	-	(41 278)	-	-	(41 278)
At end of period	2 765 256	23 789 942	68 736 936	34 753 418	130 045 552

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 September 2018 (Unaudited)					Fair value measurement using			
	Available for sale	Held to maturity	Loan & Receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Investments									
Equity securities - quoted	49 619 263					49 619 263	49 619 263		
Equity securities - unquoted	31 508					31 508			31 508
Government securities	38 648 204					38 648 204		38 648 204	
Mutual funds	175 464					175 464		175 464	
Sukuk Bonds	810 729					810 729		810 729	
Debt securities	2 623 046					2 623 046	2 623 046		
Financial assets not measured at fair value									
Term deposits*				334 672		334 672			
Government securities		3 173 920				3 173 920		447 755	
Loans and other receivables*			167 952			167 952			
Insurance / reinsurance receivables*			3 217 912			3 217 912			
Reinsurance recoveries against outstanding claims*			3 243 787			3 243 787			
Advances*			90 508	1 125 278		1 215 786			
Other assets*				1 146 635		1 146 635			
Certificate of investment*	210 000					210 000			
Cash and bank*	37 911 643			-		37 911 643			
Total assets of window takaful operations - Operator's fund*	156 299	-	272 768	106 932		535 999		156 299	
	<u>130 186 156</u>	<u>3 173 920</u>	<u>6 992 927</u>	<u>2 713 517</u>	<u>-</u>	<u>143 066 520</u>	<u>52 242 309</u>	<u>40 238 451</u>	<u>31 508</u>
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*					(5 310 033)	(5 310 033)			
Premium received in advance*					(29 864)	(29 864)			
Insurance / reinsurance payables*					(4 787 253)	(4 787 253)			
Other creditors and accruals*					(5 386 233)	(5 386 233)			
Total liabilities of window takaful operations - Operator's fund*					(70 967)	(70 967)			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15 564 350)</u>	<u>(15 564 350)</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Rupees '000

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*		2 819 069			2 819 069			
Reinsurance recoveries against outstanding claims*		3 538 572			3 538 572			
Cash and bank*			1 164 209		1 164 209			
Total assets of Window Takaful Operations - Operator's Fund*	30 482	125 198	210 264		365 944		30 482	
	<u>25 976 624</u>	<u>6 601 457</u>	<u>1 805 023</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*				(4 992 011)	(4 992 011)			
Other creditors and accruals*				(1 814 387)	(1 814 387)			
Total liabilities of Window Takaful Operations - Operator's Fund*				(31 382)	(31 382)			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12 441 614)</u>	<u>(12 441 614)</u>	<u>-</u>	<u>-</u>	<u>-</u>

* 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

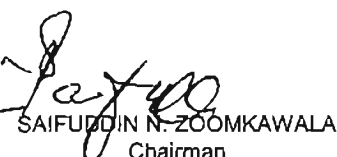
These consolidated condensed interim financial statements were authorised for issue by the Board of Directors in its meeting held on 27 October 2018.


Director


Director


ALTAF GOKAL
Chief Financial Officer
& Corporate Secretary


HASANALI ABDULLAH
Managing Director &
Chief Executive


SAIFUDDIN N. ZOOMKAWALA
Chairman

Window Takaful Operations

Condensed Interim Financial Statements

For the nine months period ended 30 September 2018 (Unaudited)

EFU General Insurance Limited - Window Takaful Operations

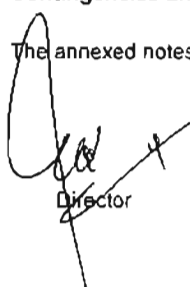
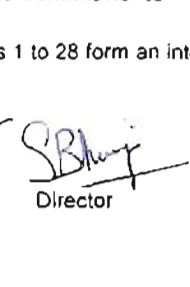

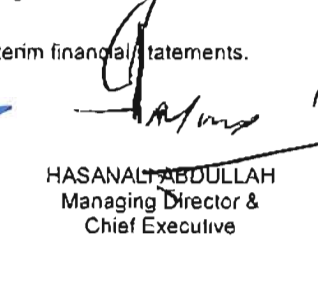
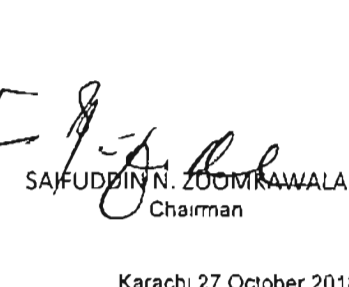
Condensed Interim Statement of Financial Position

As at 30 September 2018

Rupees '000

	Note	30 September 2018 (Unaudited)			31 December 2017 (Audited)
		Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
					(Restated)
Assets					
Property and equipment	9	2,969	-	2,969	3,603
Investments					
Debt securities	10	156,289	807,618	963,907	637,022
Term deposits	23	50,000	85,000	135,000	222,500
Loans and other receivables	11	3,757	11,013	14,770	17,690
Takaful / retakaful receivables	12	5,832	265,465	271,297	255,458
Retakaful recoveries against outstanding claims	18	-	108,239	108,239	88,944
Salvage recoveries accrued		-	65,105	65,105	30,900
Deferred commission expense	20	105,628	-	105,628	61,094
Wakala fee receivable		225,361	-	225,361	115,426
Modarib fees receivable		7,818	-	7,818	2,843
Deferred wakala fee	17	-	291,380	291,380	206,827
Taxation - payment less provisions		4,204	8,909	13,113	7,601
Prepayments	13	557	232,880	233,437	144,249
Cash and bank	14	56,932	185,809	242,741	241,336
Total assets		619,347	2,061,418	2,680,765	2,035,493
Equity and liabilities					
Operator's Fund					
Statutory fund		100,000	-	100,000	100,000
Revaluation reserve		(2,399)	-	(2,399)	(107)
Accumulated profit		134,864	-	134,864	49,645
		232,465	-	232,465	149,538
Waqf / Participants' Takaful Fund					
Cede money		-	500	500	500
Revaluation reserve - available for sale investment		-	(20,566)	(20,566)	(1,279)
Accumulated surplus		-	255,300	255,300	140,415
		-	235,234	235,234	139,636
Liabilities					
Underwriting provisions					
Outstanding claims including IBNR	18	-	418,443	418,443	340,118
Unearned contribution reserves	16	-	1,003,968	1,003,968	823,906
Unearned retakaful rebate	19	-	22,267	22,267	16,062
Retirement benefit obligations		112	-	112	169
Contribution received in advance		-	1,822	1,822	1,439
Takaful / retakaful payables		544	124,646	125,190	142,778
Unearned wakala fee		291,380	-	291,380	206,827
Wakala fee payable		-	225,361	225,361	115,426
Modarib fee payable		-	7,818	7,818	2,843
Other creditors and accruals	15	70,967	21,859	92,826	51,187
Payable to EFU General Insurance Limited	7	23,879	-	23,879	45,564
Total liabilities		386,882	1,826,184	2,213,066	1,746,319
Total equity and liabilities		619,347	2,061,418	2,680,765	2,035,493
Contingencies and commitments	8				

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

 Director
 Director
 **ALTAF GOKAL**
Chief Financial Officer & Corporate Secretary
 **HASANAT ABDULLAH**
Managing Director & Chief Executive
 **SAIFUDDIN N. ZOMRAWALA**
Chairman

Karachi 27 October 2018

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

Rupees '000

		Three months period ended 30 September		Nine months period ended 30 September	
	Note	2018	2017	2018	2017
Participants' Takaful Fund - (PTF) Revenue Account					
Net takaful contribution	16	397 731	275 977	1 134 686	760 671
Wakala expense	17	(129 821)	(78 971)	(354 747)	(207 491)
Net takaful claims	18	(162 145)	(144 839)	(568 513)	(366 980)
Direct expenses		(67 431)	(43 445)	(154 772)	(131 958)
Retakaful rebate	19	14 698	7 960	31 302	21 276
Underwriting results		53 032	16 682	87 956	75 518
Investment income - net of modarib	21	8 367	1 537	21 552	15 502
Other income - net of modarib		2 147	1 852	5 386	4 230
		10 514	3 389	26 938	19 732
Results of operating activities		63 546	20 071	114 894	95 250
Finance cost		(2)	(7)	(9)	(12)
Surplus for the period		63 544	20 064	114 885	95 238
Operator's Fund - (OPF) Revenue Account					
Wakala fee	17	129 821	78 971	354 747	207 491
Management expenses		(59 667)	(46 746)	(168 901)	(122 017)
Commission expense	20	(45 874)	(25 244)	(119 996)	(67 241)
		24 280	6 981	65 850	18 233
Investment income - net of modarib	21	6 307	480	15 438	6 519
Other income		1 536	1 102	4 512	2 842
Other expenses		(134)	(113)	(581)	(533)
		7 709	1 469	19 369	8 828
Results of operating activities		31 989	8 450	85 219	27 061
Profit for the period		31 989	8 450	85 219	27 061

The annexed notes 1 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



SAIFUDDIN N. ZOOMKAWALA
Chairman

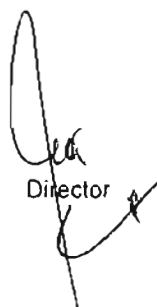
Karachi 27 October 2018

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

Rupees '000

	Three months period ended 30 September		Nine months period ended 30 September	
	2018	2017	2018	2017
		(Restated)		(Restated)
Participant's Fund				
Surplus for the period	63 544	20 064	114 885	95 238
Other comprehensive income				
Unrealized loss on available-for-sale investments during the period - net	-	-	(514)	(97)
Reclassification adjustments relating to available-for-sale investments disposed off in the period - net	(11,750)	582	(18,773)	(1,118)
Total items that may be reclassified subsequently to profit and loss	(11,750)	582	(19,287)	(1,215)
Total comprehensive income for the period	<u>51 794</u>	<u>20 646</u>	<u>95 598</u>	<u>94 023</u>
Operator's Fund				
Profit for the period	31 989	8 450	85 219	27 061
Reclassification adjustments relating to available-for-sale investments disposed off in the period - net	(1,763)	541	(2,292)	(102)
Total items that may be reclassified subsequently to profit and loss	(1,763)	541	(2,292)	(102)
Total comprehensive income for the period	<u>30 226</u>	<u>8 991</u>	<u>82 927</u>	<u>26 959</u>

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



Director



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Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2018

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

Rupees '000

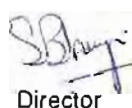
	Operator's Fund			Total
	Statutory fund	Revaluation reserve	Accumulated profit	
Balance as at 01 January 2017 as previously reported	100,000		2,790	102,790
Restatement due to change in accounting policy (refer note 4.1.1)		(143)		(143)
Balance as at 01 January 2017 (restated)	100,000	(143)	2,790	102,647
Total comprehensive Income for the period ended 30 September 2017				
Profit for the period			27,061	27,061
Other comprehensive income		(102)		(102)
Balance as at 30 June 2017 (restated)	100,000	(245)	29,851	129,606
Balance as at 01 January 2018 as previously reported	100,000		49,645	149,645
Restatement due to change in accounting policy (refer note 4.1.1)		(107)		(107)
Balance as at 01 January 2018 (restated)	100,000	(107)	49,645	149,538
Total comprehensive Income for the period ended 30 September 2018				
Profit for the period			85,219	85,219
Other Comprehensive Income		(2,292)		(2,292)
Balance as at 30 September 2018	100,000	(2,399)	134,864	232,465

	Participants' Takaful Fund			Total
	Cede money	Revaluation reserve	Accumulated surplus	
Balance as at 01 January 2017 as previously reported	500		28,309	28,809
Restatement due to change in accounting policy (refer note 4.1.1)		5,643		5,643
Balance as at 01 January 2017 (restated)	500	5,643	28,309	34,452
Surplus for the period			95,238	95,238
Other comprehensive income		(1,215)		(1,215)
Balance as at 30 September 2017	500	4,428	123,547	128,475
Balance as at 01 January 2018 as previously reported	500		140,415	140,915
Restatement due to change in accounting policy (refer note 4.1.1)		(1,279)		(1,279)
Balance as at 01 January 2018 (restated)	500	(1,279)	140,415	139,636
Surplus for the period			114,885	114,885
Other Comprehensive Income		(19,287)		(19,287)
Balance as at 30 September 2018	500	(20,566)	255,300	235,234

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




Director




Director



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Chief Financial Officer &
Corporate Secretary



HASANALLAH ABDULLAH
Managing Director &
Chief Executive



SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2018

EFU General Insurance Limited - Window Takaful Operations

Condensed Interim Cash Flow Statement

For the nine months period ended 30 September 2018 (Unaudited)

Rupees '000

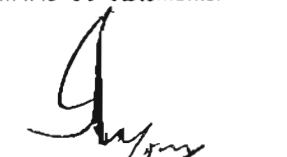
	Operator's Fund	Participants' Takaful Fund	2018 Aggregate	(Restated) 2017 Aggregate
Operating activities				
a) Takaful activities				
Takaful contribution received	-	1,479,274	1,479,274	1,093,632
Retakaful contribution paid	-	(257,203)	(257,203)	(88,648)
Claims paid	-	(626,324)	(626,324)	(371,490)
Retakaful and other recoveries received	-	82,577	82,577	30,825
Commissions paid	(124,567)	-	(124,567)	(69,749)
Retakaful rebate received	-	37,507	37,507	31,841
Wakala fee received / (paid)	329,364	(329,364)	-	-
Management expenses paid	(168,186)	(154,772)	(322,958)	(253,701)
Net cash inflow from takaful activities	36,611	231,695	268,306	372,710
b) Other operating activities				
Income tax paid	(1,366)	(4,146)	(5,512)	(4,924)
Other operating payments	(1,590)	(17,618)	(19,208)	(53,052)
Other operating receipts	(21,467)	2,048	(19,421)	21,606
Net cash flow from other operating activities	(24,423)	(19,718)	(44,141)	(36,370)
Total cash flow from all operating activities	12,188	211,977	224,165	336,340
Investment activities				
Profit / return received	10,129	28,704	38,833	16,415
Dividend received	-	-	-	13,155
Modarib fee received / (paid)	2,563	(2,563)	-	-
Payment for investments	(679,332)	(627,607)	(1,306,939)	(609,030)
Proceeds from disposal of investments	623,734	421,726	1,045,460	429,380
Fixed capital expenditure	(114)	-	(114)	(21)
Total cash flow from Investing activities	(43,020)	(179,740)	(222,760)	(150,101)
Net cash flow from all activities	(30,832)	32,237	1,405	186,239
Cash and cash equivalents at the beginning of the period	87,764	153,572	241,336	260,621
Cash and cash equivalents at the end of the period	56,932	185,809	242,741	446,860
Reconciliation to profit and loss account				
Operating cash flow	12,188	211,977	224,165	336,340
Depreciation expense	(749)	-	(749)	(770)
Finance Cost	-	(7)	(7)	-
Loss on disposal of investments	-	(386)	(386)	-
Other investment income	15,438	21,938	37,376	18,134
Other income	4,512	5,393	9,905	10,959
Increase in assets other than cash	156,771	234,802	391,573	471,679
Increase in liabilities other than borrowings	(102,941)	(358,832)	(461,773)	(714,043)
Profit / surplus for the period	85,219	114,885	200,104	122,299
Attributed to				
Operator's Fund	85,219	-	85,219	27,061
Participants' Takaful Fund	-	114,885	114,885	95,238
	85,219	114,885	200,104	122,299

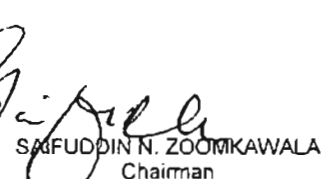
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SAFUDDIN N. ZOMKAWALA
Chairman

Karachi 27 October 2018

EFU General Insurance Limited – Window Takaful Operations

Notes to the Condensed Interim Financial Statements

For the nine months period ended 30 September 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.

- 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 lower by Rs. 20.57 million, (December 2017: Rs. 1.28 million) and available-for-sale investments of OPF would have been lower by Rs. 2.40 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 nine months period ended 30 September 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 September 2018 (31 December 2017: Nil).

9. Property and equipment

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

	Rupees '000			
	Additions (at cost)		Disposals (at net book value)	
	30 September 2018 (Unaudited)	30 September 2017 (Unaudited)	30 September 2018 (Unaudited)	30 September 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 September 2018 (Unaudited)			31 December 2017 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Fixed Income Securities						
Ijara Sukuk	30,565	-	30,565	30,589	-	30,589
Corporate Sukuk	128,123	-	128,123	-	-	-
Deficit on revaluation	(2,399)	-	(2,399)	(107)	-	(107)
	<u>156,289</u>	<u>-</u>	<u>156,289</u>	<u>30,482</u>	<u>-</u>	<u>30,482</u>

Rupees '000

10.2 Participants' Takaful Fund

	30 September 2018 (Unaudited)			31 December 2017 (Audited)		
	Cost	Impairment/ provision	Carrying value	Cost	Impairment/ provision	Carrying value
Fixed Income Securities						
Ijara Sukuk - PTF	650,071	-	650,071	607,819	-	607,819
Corporate Sukuk	178,113	-	178,113	-	-	-
	828,184	-	828,184	607,819	-	607,819
Deficit on revaluation	(20,566)	-	(20,566)	(1,279)	-	(1,279)
	<u>807,618</u>	<u>-</u>	<u>807,618</u>	<u>606,540</u>	<u>-</u>	<u>606,540</u>

11. Loans and other receivables – considered good

	<u>Note</u>	30 September 2018 (Unaudited)	31 December 2017 (Audited)
11.1 Operator's Fund			
Accrued investment income		2,436	154
Security deposits		301	301
Sundry receivables		1,020	977
		<u>3,757</u>	<u>1,432</u>
11.2 Participants' Takaful Funds			
Accrued investment income		9,252	2,964
Sundry receivables		1,761	13,294
		<u>11,013</u>	<u>16,258</u>
12. Takaful / retakaful receivables – considered good			
12.1 Operator's Fund			
Due from other takaful / retakaful		5,832	5,497
		<u>5,832</u>	<u>5,497</u>
12.2 Participants' Takaful Funds			
Due from takaful contract holders		265,465	249,961
		<u>265,465</u>	<u>249,961</u>
13. Prepayments			
13.1 Operator's Fund			
Annual supervision fees		547	-
Others		10	-
		<u>557</u>	<u>-</u>
13.2 Participants' Takaful Funds			
Prepaid retakaful contribution ceded	16	155,956	96,474
Prepaid charges for vehicle tracking devices		76,924	47,775
		<u>232,880</u>	<u>144,249</u>

Rupees '000

14. Cash and bank

	30 September 2018 (Unaudited)			31 December 2017 (Audited)		
	OPF	PTF	Aggregate	OPF	PTF	Aggregate
Current accounts	52	2,952	3,004	21	1,218	1,239
Saving accounts	56,880	182,857	239,737	87,743	152,354	240,097
	<u>56,932</u>	<u>185,809</u>	<u>242,741</u>	<u>87,764</u>	<u>153,572</u>	<u>241,336</u>

15. Other creditors and accruals

	30 September 2018 (Unaudited)	31 December 2017 (Audited)
15.1 Operator's Fund		
Accured expenses	1,382	1,492
Agent balance	69,285	29,865
Others	300	24
	<u>70,967</u>	<u>31,381</u>
15.2 Participants' Takaful Funds		
Federal excise duty payable	18,197	16,726
Federal insurance fee payable	1,659	1,444
Sundry creditors	2,003	1,636
	<u>21,859</u>	<u>19,806</u>

16. Net takaful contribution

	Three months period ended 30 September (Unaudited)		Nine months period ended 30 September (Unaudited)	
	2018	2017	2018	2017
Written gross contribution	623,519	494,239	1,494,336	1,182,637
Unearned contribution reserve opening	844,891	651,618	823,906	537,429
Unearned contribution reserve closing	(1,003,968)	(816,742)	(1,003,968)	(816,742)
Contribution earned	<u>464,442</u>	<u>329,115</u>	<u>1,314,274</u>	<u>903,324</u>
Less:				
Retakaful contribution ceded	146,906	109,111	239,070	188,611
Prepaid retakaful contribution opening	75,761	62,782	96,474	72,797
Prepaid retakaful contribution closing	(155,956)	(118,755)	(155,956)	(118,755)
Retakaful expense	<u>66,711</u>	<u>53,138</u>	<u>179,588</u>	<u>142,653</u>
Net contribution	<u>397,731</u>	<u>275,977</u>	<u>1,134,686</u>	<u>760,671</u>

17. Wakala fee

Gross wakala fee	179,892	124,517	439,300	298,301
Deferred wakala expense opening	241,309	157,941	206,827	112,677
Deferred wakala expense closing	(291,380)	(203,487)	(291,380)	(203,487)
Wakala fee	<u>129,821</u>	<u>78,971</u>	<u>354,747</u>	<u>207,491</u>

Rupees '000

18. Net takaful claims expense

	Three months period ended 30 September (Unaudited)		Nine months period ended 30 September (Unaudited)	
	2018	2017	2018	2017
Claims paid	168,048	109,067	592,119	355,946
Outstanding claims including IBNR opening	(385,814)	(215,724)	(340,118)	(210,412)
Outstanding claims including IBNR closing	<u>418,443</u>	<u>318,657</u>	<u>418,443</u>	<u>318,657</u>
Claims expense	200,677	212,000	670,444	464,191
Less:				
Retakaful and other recoveries received	13,218	7,263	82,636	30,893
Retakaful and other recoveries in respect of outstanding claims opening	(82,925)	(45,200)	(88,944)	(38,780)
Retakaful and other recoveries in respect of outstanding claims closing	108,239	105,098	108,239	105,098
Retakaful and other recoveries revenue	38,532	67,161	101,931	97,211
Net takaful claims expense	<u>162,145</u>	<u>144,839</u>	<u>568,513</u>	<u>366,980</u>

19. Rebate from retakaful operators

Rebate received or recoverable	25,822	19,627	37,507	31,841
Unearned retakaful rebate opening	11,143	11,258	16,062	12,360
Unearned retakaful rebate closing	(22,287)	(22,925)	(22,267)	(22,925)
Rebate from retakaful operator	<u>14,698</u>	<u>7,960</u>	<u>31,302</u>	<u>21,276</u>

20. Commission expense

Commission paid or payable	65,099	35,276	164,530	87,044
Deferred commission expense opening	86,403	48,248	61,094	38,477
Deferred commission expense closing	(105,628)	(58,280)	(105,628)	(58,280)
Net commission	<u>45,874</u>	<u>25,244</u>	<u>119,996</u>	<u>67,241</u>

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

Income from debt securities - available-for-sale				
- Return on debt securities (Sukuk)	1,742	141	2,520	141
Income from term deposits				
- Return on term deposits	<u>1,775</u>	<u>382</u>	<u>5,733</u>	<u>691</u>
	3,517	523	8,253	832
Net realised gain on investments				
Available for sale financial assets				
Realised gains on:				
-Equity securities	-	-	-	1,076
Realised gains on:				
-Debt securities		(556)	-	(556)
Modarib share on PTF Investment Income	2,790	513	7,185	5,167
Investment Income	<u>6,307</u>	<u>480</u>	<u>15,438</u>	<u>6,519</u>

Rupees '000

21.2 Participants' Takaful Funds

	Three months period ended 30 September (Unaudited)		Nine months period ended 30 September (Unaudited)	
	2018	2017	2018	2017
Income from equity securities - available-for-sale				
- Dividend Income	-	-	-	12,079
Income from debt securities - available-for-sale				
- Return on debt securities (Sukuk)	9,411	3,808	24,023	6,507
Income from term deposits				
- Return on term deposits	1,746	1,384	5,228	3,195
	<u>11,157</u>	<u>5,192</u>	<u>29,251</u>	<u>21,781</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)
-Debt securities	-	(3,142)	(587)	(3,142)
	<u>11,157</u>	<u>2,050</u>	<u>28,737</u>	<u>20,669</u>
Less: Modarib share on PTF Investment Income	(2,790)	(513)	(7,185)	(5,167)
Investment Income	<u>8,367</u>	<u>1,537</u>	<u>21,552</u>	<u>15,502</u>

22. 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 September (Unaudited)		Nine months period ended 30 September (Unaudited)	
	2018	2017	2018	2017
22.1 Operators' Fund				
Transactions				
Others				
Expenses paid	-	-	-	2
22.2 Participants' Takaful Funds				
Transactions				
Key management personnel				
Contribution written	-	-	3	70
Claim paid	-	-	-	3
Others				
Investments made	-	-	-	29,944
Investments sold	-	29,944	-	59,944

23. Segments Information**23.1 Operator's Fund**

Rupees '000

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Nine months period ended 30 September 2018 (Unaudited)
Wakala fee	28,341	13,295	295,479	17,632	-	354,747
Management expenses	10,948	4,043	148,629	5,281	-	168,901
Commission expense	16,370	6,678	95,292	1,656	-	119,996
Net commission and expenses	27,318	10,721	243,921	6,937	-	288,897
	1,023	2,574	51,558	10,695	-	65,850
Net Investment income						15,438
Other income						4,512
Other expenses						(581)
Profit for the period						85,219
						30 September 2018 (Unaudited)
Corporate segment assets	51,026	7,810	259,768	18,218	-	336,822
Corporate unallocated assets						282,525
Total assets						619,347
Corporate segment liabilities	46,582	6,371	293,550	14,706	-	361,209
Corporate unallocated liabilities						25,673
Total liabilities						386,882

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Nine months period ended 30 September 2017 (Unaudited)
Wakala fee	19,888	6,225	165,372	16,006	-	207,491
Management expenses	16,797	5,315	89,880	10,025	-	122,017
Commission expense	10,567	3,027	50,666	2,981	-	67,241
Net commission and expenses	27,364	8,342	140,546	13,006	-	189,258
	(7,476)	(2,117)	24,826	3,000	-	18,233
Net Investment income						6,519
Other income						2,842
Other expenses						(533)
Profit for the period						27,061
						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	194,668	15,380	-	236,691
Corporate unallocated liabilities						47,251
Total liabilities						283,942

Rupees '000

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Three months period ended 30 September 2018 (Unaudited)
Wakala fee	10,633	4,316	108,275	6,597	-	129,821
Management expenses	3,954	1,549	52,082	2,082	-	59,667
Commission expense	6,192	2,306	36,876	500	-	45,874
Net commission and expenses	10,146	3,855	88,958	2,582	-	105,541
	487	461	19,317	4,015	-	24,280
Net Investment income						6,307
Other income						1,536
Other expenses						(134)
Profit for the period						31,989

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Three months period ended 30 September 2017 (Unaudited)
Wakala fee	7,457	2,261	65,267	3,986	-	78,971
Management expenses	6,372	1,960	35,675	2,739	-	46,746
Commission expense	3,957	1,161	19,471	655	-	25,244
Net commission and expenses	10,329	3,121	55,146	3,394	-	71,990
	(2,872)	(860)	10,121	592	-	6,981
Net Investment income						480
Other income						1,102
Other expenses						(113)
Profit for the period						8,450

Rupees '000

23.2 Participants' Takaful Funds

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Nine months period ended 30 September 2018 (Unaudited)
Contribution receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	201,247	50,533	1,381,620	76,198	-	1,709,598
Less: Federal excise duty	22,897	5,411	180,685	8,670	-	197,663
Stamp duty	26	2,487	135	5	-	2,653
Federal insurance fee	1,768	422	12,090	668	-	14,946
Gross written contribution (inclusive of Administrative surcharge)	176,558	42,213	1,208,710	66,855	-	1,494,336
Gross direct contribution	174,495	40,161	996,277	66,687	-	1,277,620
Administrative surcharge	2,063	2,052	212,433	168	-	216,716
Takaful contribution earned	114,360	37,978	1,091,407	70,529	-	1,314,274
Takaful contribution ceded to retakaful	102,325	29,730	-	47,533	-	179,588
Net contribution revenue	12,035	8,248	1,091,407	22,996	-	1,134,686
Rebate from retakaful operator	18,003	6,689	-	6,610	-	31,302
Net underwriting income	30,038	14,937	1,091,407	29,606	-	1,165,988
Insurance claims	52,452	15,533	546,371	56,088	-	670,444
Insurance claims recovered from retakaful	47,114	12,269	(281)	42,829	-	101,931
Net claims	5,338	3,264	546,652	13,259	-	568,513
Wakala fee	28,341	13,295	295,479	17,632	-	354,747
PTF direct expense	7	5	154,747	13	-	154,772
Net insurance claims and expenses	33,686	16,564	996,878	30,904	-	1,078,032
Underwriting result	(3,648)	(1,627)	94,529	(1,298)	-	87,956
Net Investment income						21,552
Other income						5,386
Finance cost						(9)
Surplus for the period						114,885
						30 September 2018 (Unaudited)
Corporate segment assets	259,389	21,206	551,763	114,303	-	946,661
Corporate unallocated assets						1,114,757
Total assets						2,061,418
Corporate segment liabilities	306,142	43,746	1,287,850	158,769	-	1,796,507
Corporate unallocated liabilities						29,677
Total liabilities						1,826,184

Rupees '000

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Nine months period ended 30 September 2017 (Unaudited)
Contribution receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	128,745	23,927	1,102,370	98,822	-	1,353,664
Less: Federal excise duty	15,492	2,524	128,767	11,251	-	158,034
Stamp duty	23	1,018	102	5	-	1,148
Federal insurance fee	1,127	202	9,651	885	-	11,845
Gross written contribution (inclusive of Administrative surcharge)	112,103	20,183	963,850	86,501	-	1,182,637
Gross direct contribution	110,696	19,184	762,523	86,343	-	978,726
Administrative surcharge	1,407	1,019	201,327	158	-	203,911
Takaful contribution earned	79,554	17,784	741,962	64,024	-	903,324
Takaful contribution ceded to retakaful	70,382	15,143	14,499	42,629	-	142,653
Net contribution revenue	9,172	2,641	727,463	21,395	-	760,671
Rebate from retakaful operator	12,918	3,407	-	4,951	-	21,276
Net underwriting income	22,090	6,048	727,463	26,346	-	781,947
Insurance claims	79,785	444	352,581	31,381	-	464,191
Insurance claims recovered from retakaful	71,739	400	-	25,072	-	97,211
Net claims	8,046	44	352,581	6,309	-	366,980
Wakala fee	19,888	6,225	165,372	16,006	-	207,491
PTF direct expense	10	3	131,921	24	-	131,958
Net insurance claims and expenses	27,944	6,272	649,874	22,339	-	708,429
Underwriting result	(5,854)	(224)	77,589	4,007	-	75,518
Net Investment income						15,502
Other Income						4,230
Finance cost						(12)
Surplus for the period						95,238
						31 December 2017 (Audited)
Corporate segment assets	144,120	15,208	410,924	102,854	-	673,106
Corporate unallocated assets						928,907
Total assets						1,602,013
Corporate segment liabilities	202,492	27,378	1,060,658	149,200	-	1,439,728
Corporate unallocated liabilities						22,649
Total liabilities						1,462,377

Rupees '000

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Three months period ended 30 September 2018 (Unaudited)
Contribution receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	132,570	19,892	570,514	52,675	-	775,651
Less: Federal excise duty	17,010	3,844	111,657	7,264	-	139,775
Stamp duty	19	1,653	92	4	-	1,768
Federal insurance fee	1,331	292	8,405	561	-	10,589
Gross written contribution (inclusive of Administrative surcharge)	114,210	14,103	450,360	44,846	-	623,519
Gross direct contribution	113,064	13,493	379,552	44,717	-	550,826
Administrative surcharge	1,146	610	70,808	129	-	72,693
Takaful contribution earned	42,530	13,074	382,453	26,384	-	464,441
Takaful contribution ceded to retakaful	39,048	10,164	-	17,498	-	66,710
Net contribution revenue	3,482	2,910	382,453	8,886	-	397,731
Rebate from retakaful operator	10,183	2,287	-	2,228	-	14,698
Net underwriting income	13,665	5,197	382,453	11,114	-	412,429
Insurance claims	9,564	7,697	153,754	29,662	-	200,677
Insurance claims recovered from retakaful	11,310	6,241	(29)	21,010	-	38,532
Net claims	(1,746)	1,456	153,783	8,652	-	162,145
Wakala fee	10,633	4,316	108,275	6,597	-	129,821
PTF direct expense	3	2	67,420	6	-	67,431
Net insurance claims and expenses	8,890	5,774	329,478	15,255	-	359,397
Underwriting result	4,775	(577)	52,975	(4,141)	-	53,032
Net Investment income						8,367
Other income						2,147
Finance cost						(2)
Surplus for the period						63,544

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Three months period ended 30 September 2017 (Unaudited)
Contribution receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	67,671	10,196	411,653	59,676	-	549,196
Less: Federal excise duty	3,432	733	44,181	2,462	-	50,808
Stamp duty	5	310	31	1	-	347
Federal insurance fee	248	60	3,305	189	-	3,802
Gross written contribution (inclusive of Administrative surcharge)	63,986	9,093	364,136	57,024	-	494,239
Gross direct contribution	63,282	8,706	296,411	56,904	-	425,283
Administrative surcharge	724	387	67,725	120	-	68,956
Takaful contribution earned	29,829	6,458	276,882	15,946	-	329,115
Takaful contribution ceded to retakaful	26,197	5,508	5,654	15,779	-	53,138
Net contribution revenue	3,632	950	271,228	167	-	275,977
Rebate from retakaful operator	4,772	1,239	-	1,949	-	7,960
Net underwriting income	8,404	2,189	271,228	2,116	-	283,937
Insurance claims	52,512	549	135,262	23,677	-	212,000
Insurance claims recovered from retakaful	47,239	494	-	19,428	-	67,161
Net claims	5,273	55	135,262	4,249	-	144,839
Wakala fee	7,457	2,261	65,267	3,986	-	78,971
PTF direct expense	7	2	43,423	13	-	43,445
Net insurance claims and expenses	12,737	2,318	243,952	8,248	-	267,255
Underwriting result	(4,333)	(129)	27,276	(6,132)	-	16,682
Net Investment income						1,537
Other income						1,852
Finance cost						(7)
Surplus for the period						20,064

Rupees '000

24. Movement in Investment**24.1 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)	-	(21,409)	-	(200,000)	(221,409)
Fair value net gains (excluding net realised gains / losses)	-	36	-	-	36
At beginning of current year	-	30,482	-	122,500	152,982
Additions	-	128,332	-	551,000	679,332
Disposals (sale and redemptions)	-	(233)	-	(623,500)	(623,733)
Fair value net losses (excluding net realised gains / losses)	-	(2,292)	-	-	(2,292)
At end of current year	-	156,289	-	50,000	206,289

24.2 Participants Takaful Fund

At beginning of previous year	-	385,673	-	94,000	479,673
Additions	-	637,777	-	777,500	1,415,277
Disposals (sale and redemptions)	-	(409,988)	-	(771,500)	(1,181,488)
Fair value net losses (excluding net realised gains / losses)	-	(6,922)	-	-	(6,922)
Impairment losses	-	-	-	-	-
At beginning of current year	-	606,540	-	100,000	706,540
Additions	-	307,607	-	320,000	627,607
Disposals (sale and redemptions)	-	(87,242)	-	(335,000)	(422,242)
Fair value net losses (excluding net realised gains / losses)	-	(19,287)	-	-	(19,287)
At end of current year	-	807,618	-	85,000	892,618

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:

25.2.1 Operator's Fund

Rupees '000

	Available for sale	Loan & Receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Debt Securities	156,289				156,289		156,289	
Financial assets not measured at fair value								
Investments								
Term deposits			50,000		50,000			
Loans and other receivables		3,757			3,757			
Takaful / retakaful receivables		5,832			5,832			
Wakala fees receivable		225,361			225,361			
Modarib fees receivable		7,818			7,818			
Cash and bank balances			56,932		56,932			
	<u>156,289</u>	<u>242,768</u>	<u>106,932</u>	<u>-</u>	<u>505,989</u>	<u>-</u>	<u>156,289</u>	<u>-</u>
Financial liabilities not measured at fair value								
Other creditors and accruals				(70,967)	(70,967)			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,967)</u>	<u>(70,967)</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 Securites	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		115,428			115,428			
Modarib 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>

Rupees '000

25.2.2 Participants Takaful Fund

As at 30 September 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	807,618				807,618		807,618	
Financial assets not measured at fair value								
Investments								
Term deposits			85,000		85,000			
Loans and other receivables		11,013			11,013			
Takaful / retakaful receivables		265,465			265,465			
Retakaful recoveries against outstanding claims		108,239			108,239			
Cash and bank balances			185,809		185,809			
	<u>807,618</u>	<u>384,717</u>	<u>270,809</u>	<u>-</u>	<u>1,463,144</u>	<u>-</u>	<u>807,618</u>	<u>-</u>
Financial liabilities not measured at fair value								
Outstanding claims including IBNR				(418,443)	(418,443)			
Contribution received in advance				(1,822)	(1,822)			
Takaful / retakaful payables				(124,646)	(124,646)			
Wakala fees payable				(225,361)	(225,361)			
Modarib fees payable				(7,818)	(7,818)			
Other creditors and accruals				(21,859)	(21,859)			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(799,949)</u>	<u>(799,949)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Rupees '000

31 December 2017 (Audited)								
						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								
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		18,258			18,258			
Takaful / retakaful receivables		249,961			249,961			
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				(340,118)	(340,118)			
Contribution received in advance				(1,439)	(1,439)			
Takaful / retakaful payables				(142,778)	(142,778)			
Wakala fees payable				(115,426)	(115,426)			
Modarib fees payable				(2,843)	(2,843)			
Other creditors and accruals				(19,805)	(19,805)			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(622,409)</u>	<u>(622,409)</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.

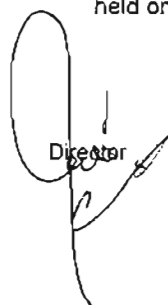
27. General

27.1 Figures in these condensed interim financial statements for the quarter ended 30 September 2018 and 30 September 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

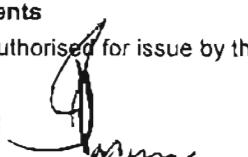
28. Date of authorisation for issue of financial statements

These condensed interim financial statements were authorised for issue by the Board of Directors in its meeting held on 27 October 2018.


Director


Director



ALTAF GOKAL
Chief Financial Officer
& Corporate Secretary


HASAN ALI ABDULLAH
Managing Director &
Chief Executive


SAIFUDDIN M. ZOMKAWALA
Chairman



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