

ANNUAL REPORT
2013

THE POWER OF STRINGS



LIFE

Zaroori Hai



www.efulife.com

EFU LIFE ASSURANCE LTD

ISO 9001 : 2008 Certified | Rated AA by JCR-VIS



(021) 111-338-111



efulife.com



/EFULifeAssurance



@EFU_Life



EFU LIFE
9898



It's easy to say that we are all connected. It's daunting to imagine where we'd be if we weren't. At **EFU Life** we measure our success by the strength of our bond with you; a bond that empowers you to meet your ambition, safe in the knowledge that together we will leave no loose ends. So here's to the power of strings - the threads that connect us to our dreams, so we may connect you to yours.

Vision. Mission	4
Strategic Objectives	6
Core Values	8
Financial Strength	10
Financial Stability	12
Customised Solutions	14
Distribution Channels	16
Technology	18
CSR Initiatives	20
Our Team	22
Accolades	24
Journey Through the Year	26
Access to Reports and Enquiries	28
Company Information	29
Directors Profile	30
Leadership Team	32
Organogram	34
Management	35
Committees	36
Code of Conduct	37
Sustainability Report	38
Risk and Opportunity Report	39
Policy and Procedures for Stakeholder Engagement	40
Company Profile	41
Role of the Chairman and the CEO	42
Financial Calendar	43
Notice of Meeting	44
Report of the Directors to the Members	50
Performance at a Glance	56
Share Price Sensitivity Analysis	58

Variation in Quarterly Reports	58
Key Financial Data for the Last Six Years	59
Key Operating and Financial Data	60
Revenue Application	61
Graphical Analysis (Balance Sheet)	62
Profit & Loss / Revenue Account	63
Cash Flow	64
Summary of Cash Flow	65
Vertical Analysis	66
Horizontal Analysis	68
Statement of Compliance with the Code of Corporate Governance	70
Review Report to the Members on Corporate Governance	72
Auditors' Report to the Members	73
Balance Sheet	74
Profit & Loss Account	76
Statement of Changes in Equity	77
Statement of Cash Flows	78
Revenue Account	79
Statement of Premiums	80
Statement of Claims	81
Statement of Expenses	82
Statement of Investment Income	83
Notes to the Financial Statements	84
Statements Under Section 52 (2)	116
Pattern of Shareholding	117
Glossary	119
Group Benefits - Offices	121
Bancassurance - Offices	122
Individual Life - Offices	123
Form of Proxy	



CONNECTIONS TO KEEP YOU GOING

At EFU Life, we envision an ever-expanding horizon, for us and for you. Our mission is to maximize possibilities into reality, and our passion is the bridge that supports us in getting there.

VISION

Our Vision is to make EFU Life one of the most respected and successful financial services organisation in the world. Our strategy to achieve our vision is: build our core capabilities, serve our clients beyond their expectations, adhere to our core values and be a good corporate citizen.

MISSION

We shall together build EFU Life into a dynamic and financially sound institution by:

- ◆ Working together as a team
- ◆ Continually improving our client services
- ◆ Creating an empowered and self-fulfilling culture
- ◆ Developing innovative products
- ◆ Adopting leading technology



VISION. MISSION.

STRUNG TIGHT



Our strategic objective is the bullseye we unceasingly strive to meet. With this shared target in sight, and a burning passion for achievement, the EFU Life team has its sight focused on success.

STRATEGIC OBJECTIVES

Lead the industry

Be the leading provider of insurance and financial planning solutions by achieving growth in existing and new markets.

Value for shareholders

Achieve sustainable levels of profitability and continuously create value for shareholders.

Brand equity

Enhance our brand equity through continuous investments in communication channels and market education.

Innovative solutions

Continually innovate and deliver a comprehensive range of insurance and savings products meeting the needs of all market segments.

Distribution footprint

Strengthen and expand our distribution footprint by connecting to all segments of the market where there is a need for financial planning and protection.

Customer obsession

Build a customer-centric culture by not only excelling in caring for our customers and delivering on our promises, but also delighting them at every step of the way.

Embrace technology

Adopt leading technology, deeply entwined with business functions to create optimization across the organisation.

STRATEGIC OBJECTIVES





CONNECTED BY A CREED

The fabric of EFU Life is woven through a set of values we hold sacrosanct. These values don't just reflect who we are as a company but more importantly who we are as individuals, as we work towards a common goal, perennially guided by our uncompromisable ideals.

VALUES

Character

Our business principles for achieving exceptional success are a belief that our corporate conduct should be based on uncompromising integrity, ethics and honesty.

Pride

We believe that people want to excel and that extraordinary results can be achieved, if given the right support and work climate.

Service

Our clients are the reasons for being in business. We shall deliver to them the highest quality of flawless service to win and keep their loyalty.

Commitment

We nurture and develop our people to be good human beings, work together as a team to achieve our organisational objectives and obligations, while at the same time fulfil their aspirations.

Culture

Embed a high performance culture that points the organisation towards the common good and creates an intense passion for achievement at all levels.

VALUES



LINKS THAT ARE DEPENDABLE AS THEY ARE STRONG

Rs. 2.53 Billion

shareholders equity

Rs. 42.81 Billion

highest NAV of all units

Rs. 1.23 Billion

total claims paid

65%

cash dividend

Rs. 9.29

earnings per share

Rs. 49.1 Billion

strong asset base

37%

return on equity

Rs. 929 Million

profit after tax



FINANCIAL STRENGTH



CRAFTED **TO CONQUER** **LIFE'S** **STORMY** **SEAS**

At EFU Life, with our IFS rating upgraded to AA by JCR - VIS, the winds of prosperity are in our favour. This milestone would not have been reached were it not for our clients and dedicated employees, because they are the strings that maneuver our sails in the best direction.

FINANCIAL STABILITY





CLIMBING HIGHER & FURTHER

They say the climb downhill is easier than up but at EFU Life, the view is from the top; and we couldn't agree more. In order to secure the best view of life for our clients and shareholders, we are constantly diversifying and innovating, and you are the string that connects the zenith to us.

CUSTOMISED SOLUTIONS





CASTING **A WIDE** **NET OF** **SECURITY**

At EFU Life, we believe there is no commodity more precious than time, which is why we devote ours towards saving yours.

Our extensive distribution channels comprising of a vast branch network, our partnership with leading banks, dedicated systems for corporate client facilitation, and our new two-way SMS facility means we are always no more than an arms length away from our valued clients, tying them to their ambitions for prosperity.



DISTRIBUTION CHANNELS



CUTTING EDGE

At EFU Life, we believe that there is an unbreakable link between a brighter tomorrow and the technological betterments that get us there. We remain at the forefront of adopting the finest technological systems so we may expedite our own people as well as our valued clients to reach their goals.

TECHNOLOGY





STRETCHING BOUNDARIES TO MAKE A DIFFERENCE

At EFU Life, we value life and all that it entails. This is why we invest enthusiastically in Education and Health initiatives that leave a positive and tangible footprint.

CSR INITIATIVES

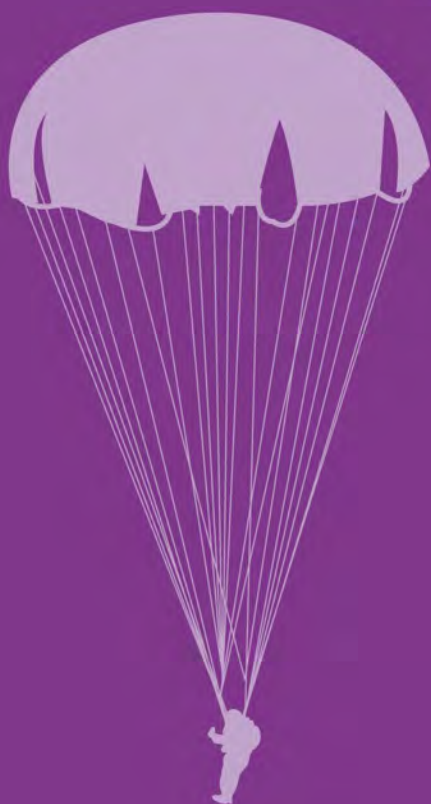




GEARED FOR LIFE

When you've got a team you can trust with your life, the possibilities are endless. This implicit trust drives EFU Life forward, allowing us to reach new heights comfortable in the knowledge that you are secured by our side.

OUR TEAM





FASTENED **TO THE** **WINNING** **MOMENTUM**

The support of our clients ties us to our success, giving us an unbeatable momentum as well as the courage to chase bigger dreams. Our company has proudly received the Consumers' Choice Award by Consumers Association of Pakistan, the Corporate Excellence Award by Management Association of Pakistan and the Leadership Excellence Award by ICMAP.

ACCOLADES



EFU Life wins the 29th Corporate Excellence Award by MAP



EFU Life was awarded the Corporate Excellence Award by Management Association of Pakistan for excellence in its management practices for the 5th consecutive year. The Corporate Excellence Awards was instituted by Management Association of Pakistan (MAP) in 1982 with the sole aim to recognise and honour companies showing outstanding performance and demonstrating progress and enlightened management practices.

EFU Life Annual Report 2012 recognised amongst the Top 5 Annual Reports of 2012



EFU Life's Annual Report 2012 "Putting Prosperity on Paper" ranked amongst the top 5 in the 'Best Corporate Report Award 2012' in the Non Banking Financial Institutions (NBFI) category. EFU Life is the only life insurance company to have been selected in this category. The ranking is declared by a Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost Management Accountants of Pakistan (ICMAP).

In addition to this recognition, EFU Life has also been nominated from Pakistan to compete for South Asian Federation of Accountants (SAFA) Best Presented Accounts 2012 in the insurance sector.

9898 - Providing greater accessibility

A first of its kind in the insurance sector, a two way messaging service, 9898, was launched for clients and general public. Those interested in our products and services can make inquiries about product details, fund prices, policy information, such as policy status, policy due date and premium.

SMS to 9898



POS on Tablet



The rollout of our Point of Sale System continued this year with more banks opting to be part of EFU Life's technology platform. This real time risk assessment application allows significant reduction in overall time involved in underwriting and processing of insurance policies. Equipped with an intelligent underwriting engine, it enhances the customer experience by making it possible for the customer to be issued an insurance policy within a few minutes.

Annual Sales Conference - Ride the Waves



The Annual Sales Conference 2013, held in Lahore, marked the successful completion of EFU Life's 20th year of operations. The theme of the conference 'Ride the Waves' symbolizes the 'can-do' philosophy and celebrated the achievements of the top performers of all the distribution channels during 2012.



Experience the Exclusivity of PRIMUS

PRIMUS, a brand for EFU Life's priority clients giving a 'Life beyond Ordinary' was re-launched, offering new value additions. Besides offering our clients a dedicated and personalised level of service, PRIMUS offers complimentary access to CIP airport lounges, discounts on international and domestic air tickets, medical laboratories across Pakistan, online shopping, free executive medical check-up and other benefits.



Website - Experience the ease of insurance

EFU Life launched its new website designed with a fresh layout and user friendly functions with greater emphasis on providing customized information. New features have been introduced such as Branch Locator to find the contact details of the nearest EFU Life branch, and the Need Analysis tool, through which one can get financial advice to plan for the future.

Promoting Education



Keeping alive the cause of promoting education, EFU Life employees volunteered in the TCF 'Rahbar' mentorship programme aimed to inspire young students and provide them with the head start they need to become productive members of our society.

Our support of Rs.50 to TCF for every education policy sold through distribution channels continued.

Additionally, EFU Life for the 2nd consecutive year sponsored DAWN Spelling Bee which provides a platform for school children to compete on spellings with other schools. The event encourages schools to develop children on English grammar and promotes learning amongst children. This event is conducted across 11 cities with participation from more than 1000 plus schools.

Give the Gift of Life: Celebrating Blood Donor's Day



To mark the Blood Donor's Day on 14 June, EFU Life organised a Blood Drive with Omair Sana Foundation at the Company's head office. The day was celebrated to raise awareness on the need for safe blood and blood products and to encourage employees to donate blood.

To reinforce the importance of the day, EFU Life conducted blood donation quizzes on its official Facebook page and provided general facts about blood for awareness.

Brand Activation



EFU Life participated in DAWN Lifestyle for the second consecutive time. The event was targeted at creating awareness amongst the masses about insurance, with new innovative fun-filled activities planned to engage families.

IAP Cricket Tournament 2013



EFU Life won the IAP Cricket Tournament 2013 organised by the Insurance Association of Pakistan, remaining unbeaten and achieving victory over all insurance companies participating in the tournament.

Annual Report

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

The Company Secretary
EFU Life Assurance Ltd.
37-K, Block-6
P.E.C.H.S.
Karachi - 75400
Pakistan

Quarterly Reports

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

Shareholders' Enquiries

Shareholders' enquiries about their holding, dividends or share certificates can be directed to Share Registrar at the following address:

Technology Trade (Pvt.) Ltd.
Dagia House 241-C
Block-2, P.E.C.H.S.
Off Shahrah-e-Quaideen
Karachi.
Tel: (92-21) 34391316-17
Fax: (92-21) 34391318

Stock Exchange Listing

The shares of the Company are listed on Karachi Stock Exchange. The symbol code is EFUL.

Chairman

Rafique R. Bhimjee

**Managing Director
& Chief Executive**

Taher G. Sachak

Directors

Saifuddin N. Zoomkawala

Jahangir Siddiqui

Muneer R. Bhimjee

Hasanali Abdullah

Heinz Walter Dollberg

Corporate Secretary

S. Shahid Abbas

Appointed Actuary

Omer Morshed

F.C.A., F.P.S.A., F.I.A.

Legal Advisor

Mohammad Ali Sayeed, M.A.B.L.

Auditors

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants, Karachi.

Registrar

Technology Trade (Pvt.) Ltd.

Dagia House 241-C

Block-2, P.E.C.H.S.

Off Shahrah-e-Quaideen

Karachi.

Ph: (92-21) 34391316-17

Fax: (92-21) 34391318

Rating

Rating Agency: JCR-VIS

Insurer Financial Strength Rating AA

Outlook: Stable

Website:

www.efulife.com

Registered Office

Al-Malik Centre

70 W, F-7/G-7

Jinnah Avenue, (Blue Area)

Islamabad.

Main Office

37-K, Block 6, P.E.C.H.S.

Karachi.



Rafique R. Bhimjee Chairman

Mr. Rafique R. Bhimjee is B.Sc (Hons) in Management Science, University of Warwick, MBA in Finance from City University, London and a "Certified Director" from Pakistan Institute of Corporate Governance.

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

He is associated with EFU group since August 22, 1991 when he was co-opted as Director on the Board of EFU General Insurance Ltd. He has been a Director of EFU Life Assurance Ltd. since August 1992. He was the Chairman of EFU General Insurance Ltd. from February 1999 to July 2011 and became Chairman of EFU Life Assurance Ltd in July 2011. Mr. Rafique Bhimjee is also Director of Allianz EFU Health Insurance Ltd. and EFU Services (Pvt.) Ltd.

In addition to EFU Group, he is also the Director of International Foundation Garments (Pak) Pvt. Ltd.



Taher G. Sachak Managing Director & Chief Executive

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

His particular expertise lies in sales management and marketing. He helped introduce new concepts and products in Pakistan such as "unit linking" and "critical illness". These innovations introduced by EFU Life gave the average investor the opportunity, for the first time in Pakistan, to avail the latest products marketed in the West.

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



Saifuddin N. Zoomkawala Director

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

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

In addition to EFU Group companies he is also associated with:

SAARC CCI Council on Financial Services & Insurance - Chairman
SAARC Chamber of Commerce & Industry - Member Executive Committee
Board of Investment, Government of Pakistan - Member
Community Development Board, Planning & Development Department,
Government of Sindh - Member
Investment Consultative Group, Sindh Board of Investment, Government of Sindh - Member
Insurance Industry Reform Committee - Member
Academic Council for Pakistan Insurance Institute - Member

He is also associated with the following social institutions:

Aga Khan Resource Committee - Member
Shaukat Khanum Memorial Trust and Research Centre - Member Board of Governor
Burhani Hospital, Karachi - Member Trustee
Cupola Cares Foundation - Member
Sindh Institute of Urology and Transplantation, Karachi - Member Board
Fakhr-e-Imdad Foundation - Member Board of Directors
IBA Advisory Council - Member



Jahangir Siddiqui Director

Mr. Jahangir Siddiqui is one of Pakistan's leading entrepreneurs. He established JS Group in 1970 and has been responsible for developing Pakistan's financial sector as well as opening up its capital markets to foreign investors. Under his leadership, JS Group has grown to be one of Pakistan's largest conglomerates.

He retired as CEO of JS Group in 1999 and has since advised and chaired the boards of some key JS Group companies. While he was operationally involved in JS Group, he was responsible for establishing joint ventures with leading global firms for JS Group companies including those in securities broking with Bear Stearns & Co. Inc. and IFC, asset management with Invesco plc and IFC, health insurance with Allianz AG and Islamic banking with Dubai Bank PJSC.

He has been appointed by the Government of Pakistan as a member of the boards of a number of Government bodies including the Privatisation Commission, Economic Advisory Board and the Exchange Reforms Committee. As a member of the Exchange Reforms Committee he was crucial in developing the plan through which Pakistan's capital markets were opened up to foreign investors.

He has been associated with the Karachi Stock Exchange in various capacities including as President for two terms. During his terms he was able to introduce key initiatives including the establishment of the Central Depository Company of Pakistan (which made all settlements at all stock exchanges in Pakistan paperless).

He dedicates a significant amount of time and his wealth to philanthropic activities. In addition to his own charitable work through his family foundations, he works with a number of other organizations whose causes he supports. As Chairman of the Board of Trustees Endowment Fund Trust for Preservation of the Heritage of Sindh he is responsible for the preservation of heritage and culture in Sindh province. He also serves on the boards of Institute of Business Management (IoBM) and Sukkur Institute of Business Administration. He holds a B. Com. Degree in Commerce from the University of Sindh.



Muneer R. Bhimjee Director

Mr. Muneer R. Bhimjee, has been associated with EFU since July 1993. He is a Graduate (Hons) in Economics, London. He is also a Director of International Foundation Garments (Pak) Pvt. Ltd. and EFU General Insurance Ltd.

Hasanali Abdullah Director



Mr. Hasanali Abdullah qualified as Chartered Accountant from Institute of Chartered Accountants of Pakistan in 1973. He is also a "Certified Director" from Pakistan Institute of Corporate Governance. He was associated with Hyder Bhimji & Company, Chartered Accountants and Karachi Rolling Mills Ltd from 1964 to 1979. He has been associated with EFU General Insurance Ltd since 1979. Having served in various capacities and is its Managing Director & Chief Executive since July 2011.

He is also a Director of Allianz EFU Health Insurance Ltd., EFU Services Ltd., Executive Committee Member of The Insurance Association of Pakistan and Vice Chairman of Pakistan Insurance Institute.

In addition to EFU Group companies, he is Director of Tourism Promotion Services (Pakistan) Ltd (owners of Serena Hotels in Pakistan), Honorary Treasurer of Aga Khan Hospital & Medical College Foundation, Member National Committee of Pakistan of Aga Khan University Foundation, Geneva.

He has served on the Boards Council and Committees of various Aga Khan Development Network institutions from 1976 to 2002. He has been a Director of Pakistan Institute of Corporate Governance in 2011, Chairman of Insurance Association of Pakistan for the years 2008 and 2010 -11 and Executive Committee Member of Federation of Pakistan Chambers of Commerce & Industries for 2011.



Heinz Walter Dollberg Director

Head of Asia, Middle East and North Africa Division, Allianz SE

Mr. Heinz Dollberg, based in the Asia Pacific Division of Allianz SE in Munich since 1998, was responsible for managing operations in Asia, the Middle East and North Africa, in collaboration with Allianz offices across the region. He frequently travelled between Allianz headquarters in Munich and the subsidiaries to oversee operations. Mr Dollberg has over three decades of experience at Allianz and had held various positions, from Personnel Manager to General Manager to Chief Representative and Managing Director.

In the 1980's, Mr. Dollberg worked in Tokyo and Hong Kong and was part of the pioneering team that established the Group's widespread operations in the Asia Pacific. Today, Allianz is present in 16 countries in the region. His area of responsibility was extended In October 2007, to five additional countries in the Middle East and North Africa.

Mr. Dollberg holds a degree in Law and holds executive positions with numerous subsidiaries of Allianz. He was appointed Honorary Professor by two well reputed universities - South Western University of Chengdu, one of the premier universities of finance and economics in China as well as the Tongji University of Shanghai.



1. Mustafa Hussain Ali
National Sales Director
Sales Force

2. Zain Ibrahim
Chief Operations Officer &
Deputy Executive Director

3. Taher G. Sachak
Managing Director &
Chief Executive

4. S.M. Baqar Naqvi
Senior Advisor

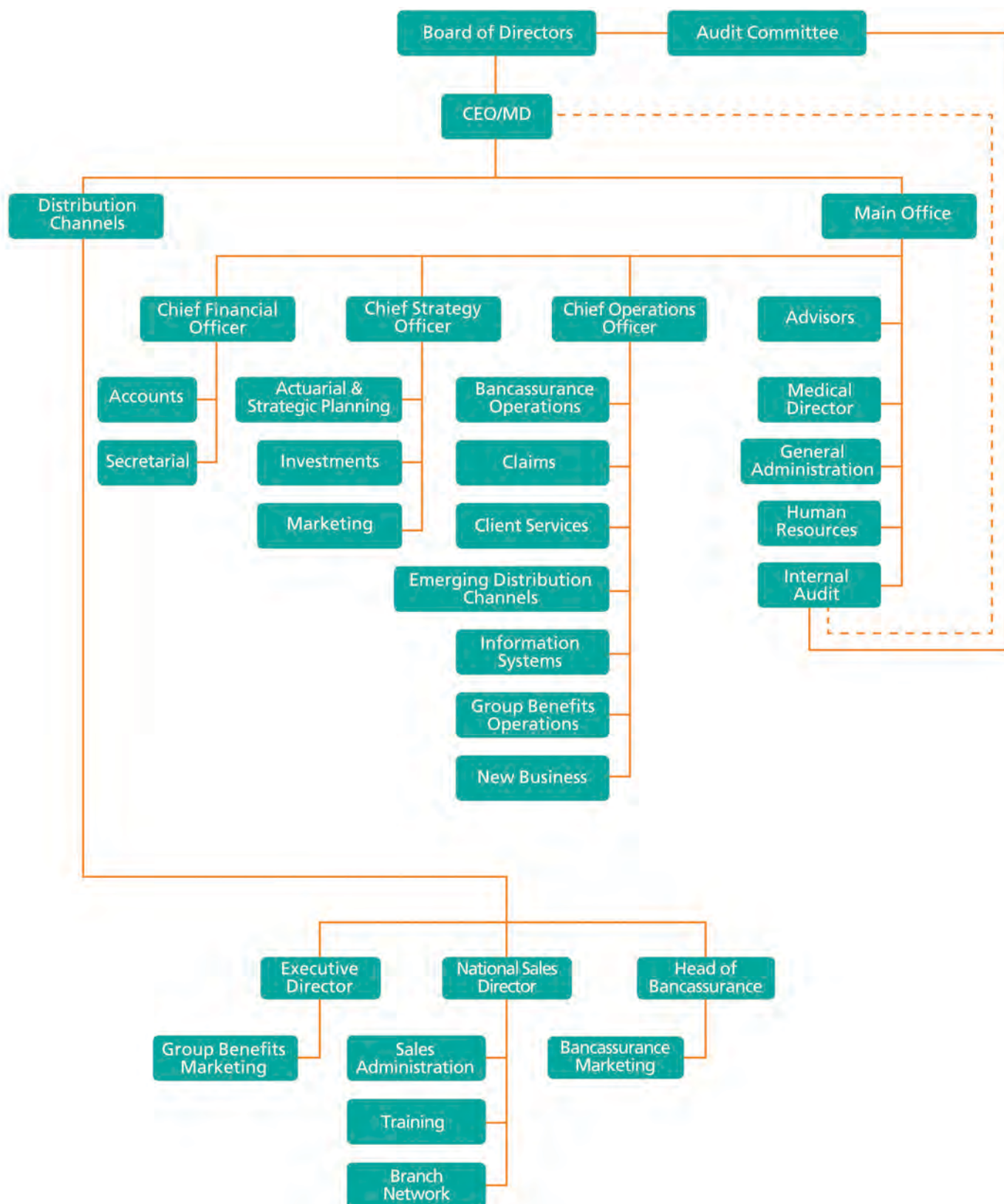


5. S. Shahid Abbas
Chief Financial Officer &
Deputy Executive Director

6. Mohammed Ali Ahmed
Chief Strategy Officer &
Deputy Executive Director

7. S. Ali Raza Zaidi
Executive Director
Group Benefits

8. Husein Sachak
Head of Bancassurance



Managing Director & Chief Executive

Taher G. Sachak

Deputy Executive Directors

Mohammed Ali Ahmed
S. Shahid Abbas
Zain Ibrahim

Assistant General Managers

Adeel Ishaque
Aman Hussain
Arshad Iqbal
Ashfaq Ahmed
Ghayas Hassan
Mohammad Asim Khan
Mohammad Faisal
S. Abdul Moiz

Medical Director

Dr. Tajuddin A. Manji, F.R.C.P., M.R.C.P.

Chief Managers

Dr Ali Murtaza Khan
Dr Naila Salman
Evelyn D. Abrogena
M. Azeem Mirza
S. Mohammad Owais
S. Raheel Rizvi

Senior Managers

Abida Hasanali
Asim Maqbool
Burhan Zahid Chughtai
Fahd Saifuddin Syed
M. Fawad Habib
M. Hasan Shaikh
M. Rehan Siddiqui
Mohammad Zubair
Naseeruddin Ahmed
Nilofer Sohail
S. Ali Murtaza Hasan
S. Mohammad Amer
S. Muhammad Athar
Sajjad Husain Khan
Wajiha Malik

Managers

Akbar Husain Qazilbash
Ammar Qamar
Ann Anonica Zenobia
Dr. Asadul Hadi Siddiqui
Faisal Zahir
Farah Mushtaq
Farrukh Kidwai
Irfan Abbas Hameer
Irfan Junejo
Irfan Qadir Malik
M. Jawaid Mughal
M. Rafi Malik
Majid Aziz
Mariam Ahmed
Mohammad Danish
Mushtaq Ali
Ramesh Kumar
S. Abdul Mujeeb
Shazia Mehboob
Sheikh Irfan Zafar
Usman Lodhi
Wasim Qaiser

Senior Advisors

S.M. Baqar Naqvi

Distribution Channels

Sales Force

Mustafa Hussain Ali
National Sales Director

Group Benefits

S. Ali Raza Zaidi
Executive Director

Bancassurance

Husein Sachak
Head of Bancassurance

Audit Committee

Rafique R. Bhimjee
Muneer R. Bhimjee
Hasanali Abdullah

Investment Committee

Saifuddin N. Zoomkawala
Taher G. Sachak
Rafique R. Bhimjee
Hasanali Abdullah
Omer Morshed
S. Shahid Abbas
Mohammed Ali Ahmed
S. Muhammad Owais

Underwriting Committee

Taher G. Sachak
S. M. Baqar Naqvi
Dr. Tajuddin A Manji
Zain Ibrahim
Dr. Naila Salman
Muhammad Azeem Mirza

Compliance Committee

S. Shahid Abbas
Zain Ibrahim
Mohammed Ali Ahmed
Arshad Iqbal
Abbas Hussain

IT Steering Committee

S. M. Baqar Naqvi
Zain Ibrahim
S. Shahid Abbas
Adeel Ishaque
Ashfaq Ahmed

Claim Settlement Committee

Taher G. Sachak
S. M. Baqar Naqvi
Zain Ibrahim
Arshad Iqbal
Dr. Ali Murtaza
Ghayas Hassan

Reinsurance Committee

Taher G. Sachak
Omer Morshed
Mohammed Ali Ahmed
S. Abdul Moiz
Ghayas Hassan

ERM Committee

Taher G. Sachak
Omer Morshed
Mohammed Ali Ahmed
S. Shahid Abbas
Zain Ibrahim
S. Abdul Moiz
Ghayas Hasan
Syed Ali Hassan Murtaza

HR Remuneration Committee

Rafique R. Bhimjee
Saifuddin N. Zoomkawala
Taher G. Sachak

Statement of Ethics

All Directors and Staff are adhered to following code of conduct practices:

- Act with integrity, dignity and in an ethical manner when dealing with the public, clients and peers.
- Protect the confidentiality of client information at all times except where required by law to disclose it.
- Protect the confidentiality of information relating to the Company both during the course of Directorship or employment (as the case may be) and after its termination (regardless of reason).
- Obtain written permission from the Company's Compliance Officer (or the Chief Executive Officer in the event that the Compliance Officer is unavailable) to hold any position (paid or unpaid) with any outside party, firm or organization. For clarity, positions covered include but are not limited to consultant, employee, Director, representative and agent. Furthermore, all staff must disclose in writing to the Company, any such positions they currently hold at the time of signing this statement Directors are exempt from this requirement.
- Maintain accurate records of business transactions related to the Company or its clients.
- Report any business or professional activities or any beneficial interests that may result in a conflict with or be competitive with the interests of the Company.
- Report any person or activity to the Compliance Officer or CEO that in their opinion is in violation of this statement.
- Disclose their shareholding in the Company's Securities upon signing this agreement and any changes in shareholding within 24 hours of any such change.

Statement of Business Practices

- Uncompromising integrity. Our business is founded on trust and we manage it ethically, lawfully and fairly.
- Clients first. Nothing we do is more important than protecting and preserving our clients' interests. We hold responsibilities towards our clients in the highest regard.
- Entrepreneur-ship. We work hard every day to hire the best people, motivate them, reward them and encourage them to innovate. We are a meritocracy and an equal opportunity employer.
- Passion for performance. We contribute towards our Company's financial goals and concentrate on achieving superior results.
- A culture of excellence. We measure our performance on every task we undertake not just by the results but also by the quality of our work.
- A tradition of success. While we are fair and ethical at all times, we compete aggressively by providing excellent service to our clients.

Whistle Blowing Policy

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

Internal Audit Framework and Role of the Internal Auditor

Internal Audit is an independent appraisal function, which operates as a service to the company through the Audit Committee and senior management. Its role, as part of the overall governance and control environment, is to provide an independent and objective assurance and consulting service; to evaluate the adequacy and effectiveness of the risk management, internal controls, operations and governance processes throughout the company. It also provides an opinion on the company's operation for economy, efficiency and effectiveness.

To fulfill this role, the internal audit service covers all the financial and other management control systems. Internal Audit is empowered to audit all systems and activities and has unrestricted access to all records, reports, personnel, IT systems and assets for audit purposes. It consult with appropriate management to set mutually convenient dates for audit work to take place, but the timing of the audit is at the ultimate discretion of the audit department.

Sustainability

Energy Conservation

Keeping in view the energy crisis in the country, the company has over time taken steps to reduce its consumption of electricity in its premises by taking the following measures:

- Gradual replacement of all light emitting sources with energy savers
- Replacement of all CRT based computer monitors with energy efficient LCD screens

Occupational Safety and Health

The company believes that providing a safe and pleasant working environment to its staff is one of its core responsibilities as an employer. We have taken various steps to ensure that the employees are provided a safe working environment and have the access to opportunities to develop a healthy lifestyle.

- All permanent employees are covered by a comprehensive Health insurance scheme, Group Life and pay continuation cover.
- The office is secured by armed security personnel
- CCTV cameras are setup at key locations within the office premises
- Smoke alarms are installed within the premises along with fire extinguishing facilities.
- The Company adheres to strict no smoking policy in its offices for both employees and visitors.

Environmental protection measures

EFU LIFE is using state of the art Enterprise Content Management technology from IBM FileNet to digitalize paper documents and automate its business processes and operational workflows (BPM).

ECM is the standard way to manage and organize not only paper document, but all forms of organizational content stored in diversified formats. Organizations working in the ECM environment carry out most of their operations using digital documents, stored electronically. Managing organizational content in this way requires specific strategies, methods and tools.

Automating content through the use of Business Process Management is a key enabling factor in improving process efficiency, business agility, continuous process improvement, process quality and eventually customer satisfaction.

EFU LIFE has a keen eye on ensuring that the environment in which we are working stays green. We have minimized the usage of filing cabinets, shelves, physical space, paper documents and files which eventually cause paper-pollution and deforestation; thus creating a positive impact on green house environment which exacerbates global warming.

Policy for safety of records of the company

In addition to having a data centre which is equipped with the latest technologies like virtualization, robotic tapes, blade servers, SAN and NAS storage devices, we have a Disaster recovery plan in place and also a paperless ECM solution to digitally store our physical records. The company has two DR sites both located in Karachi, and data back-ups are taken on daily basis. All of these measures helps us ensure safety of records.

The company has procedures to maintain the integrity and availability of data/records and backup & recovery of all mission critical application and electronic data. As a first step company also maintain Cold Disaster Recovery site for critical business data. IT functions with ensuring continuous business operation in case of system or enterprise disaster or failure are in place.

The company has installed latest state of the art Fire Suppression and Detection System to protect its data center. Additionally, we have strengthened our DR Plan with use of Data Guard and Online Transfer of Data to DR Site using Fiber Optic Technology.

Disclosure of IT Governance Policy

EFU LIFE had moved forward to develop a better and more comprehensive service management structure. All IT strategies are closely aligned with the business requirements of the company drilling down to departmental objectives. EFU Life is committed to ensuring the integrity, reliability, availability and confidentiality of its data and computer systems.

To this aim, the IT Steering Committee and the Head of Department - Information Systems has empowered the Information Security to evaluate, establish, maintain and ensure compliance of control measures to protect the EFU Life's information resources from unauthorized or accidental modification, destruction or disclosure. The Information Security Head will advise the IT Steering Committee on standards, policies and practices related to the security, risk assessment and compliance of rules and regulations used in support of Information Security Policies and Procedures.

Risk and Opportunity Report: The Company considers the following to be important risks:

Category of risk	Category of risk	Plans and strategies for mitigating these risks
Operational Risk	Regulatory changes	The Company believes in having a transparent and open relationship with the regulator. Representatives of the Company are part of the discussion process with the regulator for potential changes to regulatory environment. The Company works closely with peers on matters of importance for the insurance industry.
	Human Resources	The Company provides a professional working environment, market competitive remuneration and career enrichment opportunities. Succession planning is in place for key employees.
	Temporary loss of business continuity	Business Continuity Plan is in place
	Loss of Data, Technology failure, Data Security	Disaster Recovery Plan is in place
Financial Risk	Adverse changes in the equity market and interest rate environment	The Investment monitoring setup governed by the Investment Committee ensures a diversified portfolio of securities with continuous monitoring of the economy, as well as equity, debt and money markets. Investment Policy takes into account limits of exposure in the equity market.
	Default in debt instruments	Prudent exposure limits are set with regular monitoring as well as investment in high credit rated securities.
Reinsurance Risk	Default of reinsurer on its obligations, or its exit from Pakistan	Use of internationally regulated reinsurers with high credit ratings, and maintaining a diversified portfolio of reinsurers
Commercial Risk	Increased competition from existing and new players in the industry	The Company focuses on its brand equity and financial strength, as well as pricing, product features and customer services to always gain a competitive edge.
Reputational Risk	Events or acts due to which the Company's reputation comes into question	The Company maintains a strong and open relationship with all stakeholders. Internal governance and control documents are in place to aid good governance. Prompt and effective communication is carried out.

Opportunities

Pakistan has one of the lowest life insurance penetration rates in the world, a meager 0.4% of GDP. Such a large uninsured population provides a significant opportunity to the Company in the following areas:

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

Institutional Investors

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

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

Customers

We believe in customer trust and satisfaction being our strength over the years. To help improve customer service and meet their needs and expectations, feedback from customers are sought.

Banks

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

Media

We engage with media through press briefing and regular press releases on key achievements, periodical results, and other strategic events.

Regulators

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

EFU Life is the leading life insurer in the private sector of Pakistan. Having started operations in 1992 as the first private sector life insurance company, over a span of 21 years EFU Life has established itself as a trusted brand name in providing all types of financial planning solutions. The Company markets its business through three main distribution channels - Sales Force, Bancassurance and Group Benefits. A comprehensive range of retail products are available targeting low income persons up to high net worth individuals. In addition, tailor made solutions are offered to the corporate sector through group life schemes.

The two other companies under the “EFU” brand name are:

- EFU General Insurance Ltd which is the leading general insurer in the country, and
- Allianz-EFU Health Insurance Limited, which is the first and one of the leading health insurance providers in the country

The roles of the Chairman and the Chief Executive are separate and complementary, with responsibilities clearly set out.

Chairman

The Chairman is responsible for leadership of the Board. In particular, he will:

- Ensure effective operation of the Board and its committees in conformity with the highest standards of corporate governance.
- Ensure effective communication with shareholders, and other relevant stakeholders and that the views of these groups are understood by the Board.
- Set an agenda which is primarily focused on strategy, performance, value creation and accountability, and ensure that issues relevant to those areas are considered by the Board.
- Ensure that the Board determines the nature and extent of the significant risks the Company is willing to embrace in the implementation of its strategy, and that the Board reviews on an ongoing basis the effectiveness of risk management and internal control systems.
- Set the agenda, style and tone of Board discussions to promote constructive debate and effective decision-making.
- Manage the Board to ensure that adequate time is allowed for discussion of all agenda items (in particular strategic issues) and to ensure that complex or contentious issues are dealt with effectively, making sure in particular that non-executive directors have sufficient time to consider them.
- Ensure that Board members receive accurate, timely and clear information, in particular about the Company's performance.

Chief Executive

The Chief Executive is responsible for leadership of the life insurance business, managing it within the authorities delegated by the Board and the development and implementation of strategy. In particular, he will:

- Develop strategy proposals for recommendation to the Board and ensure that agreed corporate strategy actions are reflected in the business.
- Be responsible to the Board for the performance of the business consistent with agreed business plans, corporate strategies and policies and keep the Board as a whole updated on progress made against such agreed plans, corporate strategies and policies.
- Facilitate the operating businesses of the Company in developing their own strategic plans for the future ensuring that they are properly evaluated and that they are built into the overall corporate strategy.
- Plan human resourcing to ensure that the Company has the capabilities and resources required to achieve its business plans
- Develop an organizational structure and establish processes and systems to ensure the efficient organization of resources.
- Lead the Committees, including the development of performance targets and appraisals for the Executive Committees and senior management. Ensure that business is conducted in accordance with the Business Principles.
- Ensure that the flow of information to the Board is accurate, timely and clear. Ensure that reporting lines within the Company are clearly established and are effective.
- Ensure that management puts procedures in place to ensure compliance with all relevant legislation and regulation.
- Develop and maintain an effective framework of internal controls including risk management in relation to all business activities.
- Ensure that the Company has a suitable system and policy for the timely and accurate disclosure of information in accordance with regulatory requirements.
- Keep the Chairman promptly informed on all matters that may be of importance to the Board or of which the Board should be aware.

The Chairman and Chief Executive will meet regularly to review issues, opportunities and problems.

Results

First quarter ended March 31, 2013	Announced on	29-Apr-13
Half year ended June 30, 2013	Announced on	24-Jul-13
Third quarter ended September 30, 2013	Announced on	26-Oct-13
Year ended December 31, 2013	Announced on	14-Feb-14

Dividend

Interim (2013)	Announced on	24-Jul-13
	Amount	15 %
	Entitlement date	12-Aug-13
	Paid on	21-Aug-13

Final cash (2013)	Announced on	14-Feb-14
	Amount	50%
	Entitlement date	27-Mar-14
	Statutory limit up to payable	20-May-14

Final cash (2012)	Announced on	14-Feb-13
	Amount	40%
	Entitlement date	26-Mar-13
	Paid on	8-Apr-13

Final Bonus Shares (2012)	Announced on	14-Feb-13
	Amount	17.64%
	Entitlement date	26-Mar-13
	Issued on	8-Apr-13

Issuance of Annual Report	11-Mar-14
----------------------------------	------------------

22nd Annual General Meeting	5-Apr-14
------------------------------------	-----------------

Notice is hereby given that the 22nd Annual General Meeting of the Shareholders of EFU Life Assurance Ltd. will be held at Al-Malik Centre, 70W. F-7/G-7, Blue Area, Jinnah Avenue, Islamabad on April 5, 2014 at 11.00 a.m. to:

A . ORDINARY BUSINESS

1. confirm the minutes of the 21st Annual General Meeting held on April 4, 2013.
2. receive, consider and approve the Audited Financial Statements for the year ended December 31, 2013 together with the Directors' and Auditors' reports thereon.
3. consider and if thought fit to approve the payment of Final Cash Dividend at the rate of Rs.5/- per share i.e. 50% for the year ended December 31, 2013 as recommended by the Board of Directors in addition to the interim dividend of Rs 1/50 i.e. 15% already paid to shareholders, thus making a total of Rs 6/50 per share i.e. 65% for the year ended December 31, 2013
4. appoint Auditors for the year 2014 and fix their remuneration.

B . SPECIAL BUSINESS

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

RESOLVED that the Authorised Share Capital of the Company be and is hereby increased from Rs. 1,000,000,000 to Rs. 1,500,000,000 by the creation of 50,000,000 new shares of Rs 10/- each and the Memorandum and Articles of Association of the Company be amended as under:

That the words and figures "Rs 1,000,000,000 (Rupees one billion) divided into 100,000,000 Ordinary Shares of Rs 10/- each" appearing in clause V of the Memorandum of Association and Clause 4 of the Articles of Association of the Company be substituted with words and figures "Rs. 1,500,000,000 (Rupees one billion five hundred million) divided into 150,000,000 Shares of Rs 10/- each".
- 6 To consider and approve Employees Stock Option Scheme (ESOS) of the Company and to pass the following Special Resolutions with or without modification(s)

"RESOLVED that as recommended by the Board of Directors, EFU Life Assurance Limited - Employees Stock Option Scheme (ESOS) and as presented before the shareholders, be and is hereby approved and adopted and the Company is hereby authorized to implement the ESOS, subject to procurement of regulatory approval(s) required for implementation of ESOS.

RESOLVED FURTHER THAT the Compensation Committee (defined in the ESOS) is hereby authorized to make such modifications to the ESOS as may be directed by the Securities and Exchange Commission of Pakistan and such modification(s) (if any) shall also be deemed to have been approved by the shareholders of the Company through this resolution.

RESOLVED FURTHER THAT the Company is hereby authorized to issue and allocate 5,000,000 new ordinary shares of the Company of Rs. 10 each (representing 5% of the existing paid up share capital of the Company) which may be adjusted to account for any issue of bonus or rights shares towards the ESOS by way of issuing new shares without a rights offering to the existing shareholders of the Company as per the first proviso to Section 86(1) of the Companies Ordinance, 1984.

RESOLVED FURTHER THAT the CEO, CFO, and the Company Secretary, be and are hereby singly authorized to initiate the regulatory approval process and do all acts, deeds and things, and to sign the required necessary documents in the matter with regard to the ESOS.
- 7 Consider and if thought fit to pass the following Resolution with or without modification(s) as Special Resolution:

"RESOLVED that the approval be accorded for Investment in Shares of EFU General Insurance Ltd., an associated company, of Rs. 100 million and the said amount be invested within a period of two years.

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

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

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

- 8 transact any other matter with the permission of the Chair.

The statement of material facts under Section 160(1)(b) of the Companies Ordinance 1984 relating to the aforesaid Special Businesses to be transacted at the Annual General Meeting is being sent to the Members with the Notice.

Karachi February 14, 2014

By Order of the Board
SYED SHAHID ABBAS
Chief Financial Officer &
Corporate Secretary

NOTES

1. A member entitled to attend, and vote at the Meeting is entitled to appoint another member as a proxy to attend and vote on his/her behalf. Form of proxy must be deposited at the Company's Registered Office not later than 48 hours before the time appointed for the meeting.
2. CDC Account holders are advised to follow the following guidelines of the Securities and Exchange Commission of Pakistan:
 - a. For attending the meeting:
 - (i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
 - (ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
 - b. For appointing proxies:
 - (i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - (iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.
 - (v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along-with proxy form to the Company.
3. The Share Transfer Books of the Company will be closed from March 28, 2014 to April, 5 2014 (both days inclusive). Transfers received at the office of our Share Registrar, Technology Trade (Pvt) Ltd., situated at Dagia House , 241- C Block 2, P E C H S. Shahrah-e-Quaideen, Karachi, before the close of business on March 27, 2014 will be treated in time for the purpose of above entitlement to the transferees.
4. Shareholders are requested to notify change in their address, if any, to our Share Registrar, Technology Trade (Pvt) Ltd.

Statement under section 160(1)(b) of the Companies Ordinance, 1984 pertaining to the Special business

1. This statement sets out the material facts pertaining to the Special business to be transacted at the Annual General Meeting of the Company to be held on April 5, 2014.
2. Item 5 regarding increase in Authorised Capital:

The Authorised Share Capital of EFU Life assurance Limited at present is Rs. 1,000,000,000. In order to take care of the Employee Stock option Scheme (ESOS) and future expansion, it is considered necessary to increase the Authorised Share Capital from Rs. 1,000,000,000 to Rs. 1,500,000,000

3. Item 6 regarding Employees Stock Option Scheme ESOS

1. The Board of Directors of EFU Life Limited ("EFU Life") has approved the 'Employee Stock Option Scheme' (the "Scheme"). The Scheme has been structured in accordance with the Public Companies (Employees Stock Option Scheme) Rules, 2001 (the "ESOS Rules"). Subject to the shareholders of EFU Life adopting the Scheme vide the passage of special resolution, the Scheme will be presented to the SECP for approval.
2. The purpose of the Scheme is to reward, motivate and retain high performance executives and officers of EFU Life.
3. The Scheme will be administered and superintended by a Compensation Committee constituted from amongst the Board of Directors, who are neither on the payroll nor are employees of EFU Life (the "Compensation Committee").
4. The salient features of the Scheme include:

(i) **Total number of options to be granted**

The maximum number of ordinary shares of par value of Rs. 10/- of EFU Life (the "Shares") which may be issued and allocated pursuant to the Scheme, shall not in aggregate exceed 5,000,000 (Five Million) Shares (representing 5% of the existing ordinary share capital of EFU Life), provided the number of Shares may be adjusted in terms provided in the Scheme to account for any issue of bonus or right Shares or any other re-organisation of EFU Life's Share capital.

(ii) **Identification of classes of employees entitled to participate in the Scheme**

The Compensation Committee shall at its discretion select employees who have contributed or could contribute to the success of EFU Life (the "Designated Employees") from amongst the Eligible Employees. "Eligible Employee" mean all regular employees who are from time to time on the payroll of EFU Life working in Pakistan or out of Pakistan who have completed at least six months of confirmed service.

(iii) **Requirement of vesting and period of vesting**

The Designated Employee is required to remain in the employment of EFU Life in order to exercise his right of option, except under limited circumstances prescribed in the Scheme. The initial vesting period shall be three years from the date the Designated Employee becomes entitled to participate in the Scheme ("Date of Grant"). Following the end of such three year period, the Designated Employees will be entitled to exercise the options granted to them within a period of three years, provided they remain in the employment of the EFU Life.

(iv) **Maximum period within which any option shall be vested**

The Maximum period in which the Designated Employee shall exercise his/her right of option shall be three years from the Date of Grant.

(v) **Exercise Price or Pricing Formula**

The Exercise Price to be paid at the time of Exercising the Options shall be calculated as follows (provided under no circumstances shall the Exercise Price be less than the par value of the Share (i.e. Rs. 10 per share):

$$\text{Exercise Price} = M \times (1 - D)$$

Where:

M = the Market Price of Shares on the day immediately preceding the Date of Grant

D = the Discount Factor

For any Options granted but not Exercised, the Exercise Price shall be adjusted if EFU Life issues any bonus shares or issues further capital through rights issue as stipulated in Clause 14 of the Scheme.

The Discount Factor shall be calculated according to the Return on Equity as follows:

Return on Equity	Discount Factor
20% to 24.99%	0
25% to 34.99%	0.10
35% to 44.99%	0.20
45% and above	0.25

Return on Equity (ROE) shall be calculated as follows:

$$\text{ROE} = (P / S) \times 100$$

Where:

P = profit after tax for the financial year 1 January to 31 December immediately preceding a Date of Grant.

S = EFU Life's shareholder's equity as on 31 December immediately preceding the Date of Grant.

(vi) Exercise period and process of exercise

The initial exercise period shall be a period of three years after the initial vesting period of three years. The exercise of option shall be exercised by the option holder, by a notice in writing in the prescribed format accompanied by the full exercise price.

(vii) Appraisal process for determining the Designated Employees and the number of options to be given to such Designated Employees

The Compensation Committee at its discretion shall select the Designated Employees to be offered the options and the number of options to be granted to such employees. For this purpose consideration will be given on the performance and the contribution of such Designated Employees and key performance based appraisal process will also be carried out. The decision of the Compensation Committee shall be final.

5. The accounting treatment of the Scheme in the EFU Life's books of account will be in accordance with accounting policies specified in Rule 13 of the ESOS Rules.
6. No Director (other than the Chief Executive) is an employee or on the payroll of EFU Life and are thus not entitled to participate in the Scheme. The Chief Executive is interested in the Scheme to the extent he may become entitled to benefits under the Scheme.

The copies of the Scheme may be obtained from the registered office of EFU Life Limited Al Malik Centre 70 W, F7/G-7 Jinnah Avenue Blue area Islamabad, during normal office hours on application prior to the meeting of the shareholders.

4. Item 6 regarding investment in associated company:

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

Regulation No. 3(1)a:

- i) Name of Associated Company along with criteria based on which the associated relationship is established:
EFU General Insurance Ltd. being associated on the basis of more than 20% holding by EFU General Insurance Limited.
- ii) Purpose, benefits and period of investment:
Long-term strategic investment for better return and capital appreciation by way of purchase from time to time from the Stock Exchange at a price ruling on the date of purchase.
- iii) Maximum amount of investment:
Rs. 100 million in Ordinary shares of Rs. 10 each.
- iv) Maximum price at which securities will be acquired:
Not more than the price quoted on Stock Exchange.
- v) Maximum number of securities to be acquired:
Equivalent to the amount of Investment.
- vi) Number of securities and percentage thereof held before and after the proposed investment:
8,516,316 shares (6.81%) held to date i.e. before proposed investment. Number of Shares and percentage after proposed investment will depend on the prevailing prices at the time of actual acquisition of shares which could vary with the market price at which shares are purchased in future.

vii) Average of the preceding twelve weekly average price (December 2013 to February 2014) of the security intended to be acquired:

Rs.101/42 per share

viii) In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1):

Not applicable

ix) Break-up value of securities intended to be acquired on the basis of the latest audited financial statements:

As on December 31, 2013 Rs. 95/26

x) Earnings per share of the associated company or associated undertaking for the last three years:

Year ended December 31, 2011 - Rs. 4/49

Year ended December 31, 2012 - Rs. 12/52

Year ended December 31, 2013 - Rs. 11/14

xi) Sources of fund from which securities will be acquired:

Internal generation.

xii) Where the securities are intended to be acquired using borrowed funds,-

(I) justification for investment through borrowings; and

(II) detail of guarantees and assets pledged for obtaining such funds;

Not applicable

xiii) Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment;

Not applicable

xiv) Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration:

No Director or Chief Executive has any interest in the proposed investments, except in their individual capacities as "Directors/Chief Executive" and/or as shareholders of the Company.

xv) Any other important details necessary for the members to understand the transaction;

None

xvi) In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely,-

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

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

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

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

Not applicable

Regulation No. 3(3)

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

The Directors of the Company submit that they have carried out necessary due diligence for the purposed investment in shares of EFU General Insurance Ltd.

Regulation No. 4

Other information to be disclosed to the members.-

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

EFU General Insurance Ltd. is holding 42,996,940 Shares to date of the investing company EFU Life Assurance Ltd. No Director or Chief Executive has any interest in the investing Company except in their individual capacities as "Directors/Chief Executive" and/or as shareholders of the investing Company. The Shareholding of the Directors is Mr. Saifuddin N. Zoomkawala 500,000. Mr. Hasanali Abdullah 126,646, Mr. Rafique R. Bhimjee 3,482,596, Mr. Jahangir Siddiqui 28,000, Mr. Muneer R. Bhimjee 3,519,981 and Mr. Taher G. Sachak 675,928.

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

- a) total investment approved;

Rs.500 million approved by the shareholders at Annual General Meeting of March 31, 2008.

- b) amount of investment made to date;

Rs. 498,433,391 million

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

No specific time was mentioned in the previous special resolution therefore a fresh special resolution is being proposed to the shareholders for the additional amount of Rs. 100 million.

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

Since the date of passing the resolution by the shareholders of the Company on March 31, 2008 the shareholders equity of the investee company has increased to Rs. 11,907 million from Rs. 10,106 million due to issue of Bonus Shares of Rs. 100 million and increase in Reserves of Rs. 1,701 million.

The Directors of your Company are pleased to present to you the Twenty Second Annual Report of the Company for the year ended 31 December 2013.

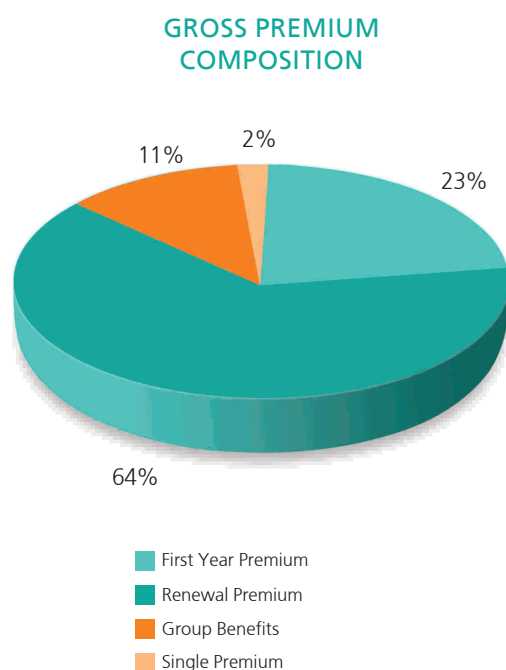
A review of the industry

The life insurance industry of the country comprises of six players. Your Company is one of the leading players in the private sector with a history of over 20 years of successful business operations. Over the last 5 years (2008 to 2012), the life insurance industry gross premium has grown from Rs.35 billion to Rs.88 billion. The share of bancassurance has continued to increase, with a more prominent impact in the private life insurance sector.

Business Performance

Your Company's gross premium increased to Rs.14.06 billion (2012: 11.87 billion), an increase of 18.4% over 2012. The gross premium composition in 2013 was as follows:

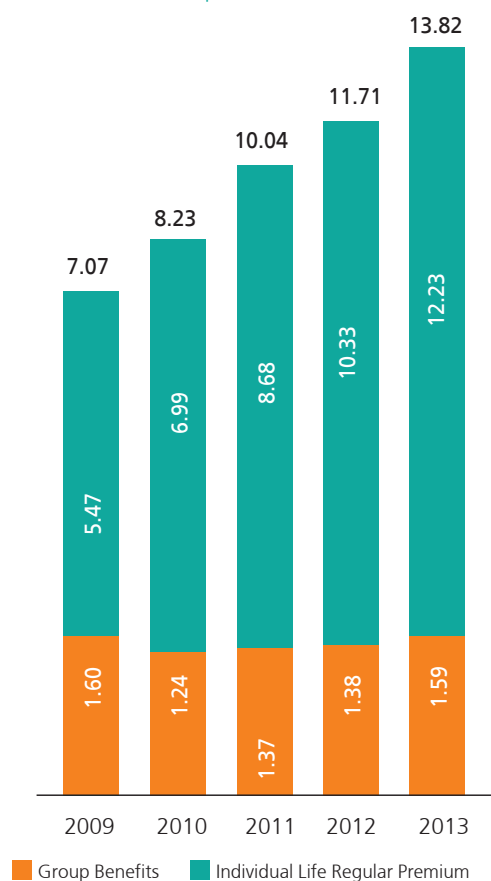
Individual Life regular premiums increased by 18.5% reaching a total premium of Rs.12.23 billion (2012: Rs.10.33 billion). New business premium increased by 13.8% and was Rs.3.17 billion (2012: Rs.2.79 billion), while the renewal premium base increased to Rs. 9.06 billion (2012: Rs.7.54 billion), a growth of 20.2%. The Company has continued its focus on superior levels of client servicing which has resulted in maintaining a high level of persistency during



the year. The overall persistency (2nd year and onwards) of individual life business increased to 87.76% (2012: 86.9%).

The Group Benefits line of business achieved a gross premium of Rs.1.59 billion (2012: Rs 1.38 billion), registering a growth of 15.5%.

GROSS PREMIUM GROWTH 5 YEAR SUMMARY (Group Benefits & Individual Life Regular Premium) (Rupees in Millions)

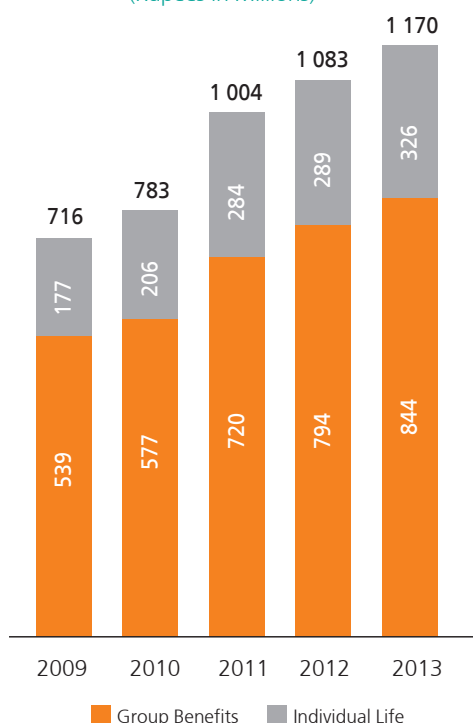


Claim payments

The Company has a comprehensive claims management system in place which ensures implementation of the Company's philosophy of prompt claims settlement.

The Company paid total death and disability claims of Rs.1.17 billion with individual and group life claims amounting to Rs. 326 million and Rs. 844 million, respectively in 2013.

GROSS DEATH & DISABILITY CLAIMS 5 YEAR SUMMARY (Rupees in Millions)



Investment Performance

The net asset value of all unit linked funds under management increased from Rs.32.28 billion to Rs.42.8 billion in 2013, a growth in size of 33%.

The Managed Growth Fund is the largest unit linked fund of the Company and its net asset value increased to Rs. 40.88 billion as compared to Rs. 30.96 billion as at 31 December 2012. The fund has provided consistently good returns to our clients over the medium to long term. The annualized return (net of all charges) is 13.14% since inception of the fund. The annualized return over the last 5 years is 15.15%, and the one year return on the fund was 13.47%.

The performance of the other unit linked funds, with have their specific investment strategies, are as follows:

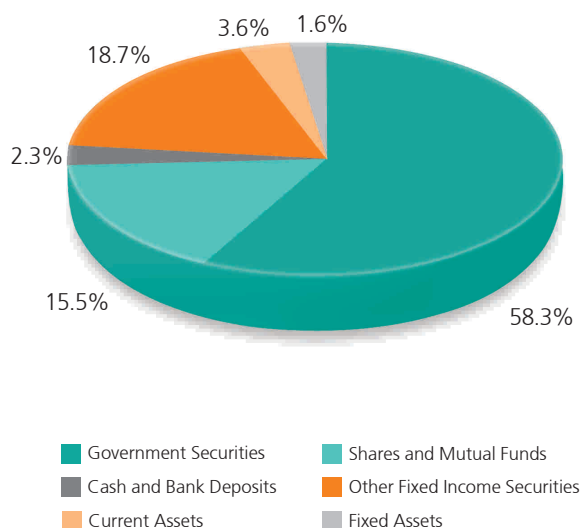
Aitemad Growth Fund - interest free investments, and has provided an annualized return (net of all charges) of 15.62% over 2013.

Guaranteed Growth Fund - stable investment strategy with a guarantee that bid price will not fall. This fund has provided an annualized return (net of all charges) of 9.61% over the last three years.

The Company has a strong balance sheet size with total assets increasing by 30% during the year at Rs. 49.1 billion

(2012: Rs. 37.9 billion). The composition of assets is as follows:

ASSETS COMPOSITION



Profitability

During the year, the Company's statutory funds generated a surplus of Rs. 1.316 billion.

Out of this surplus, Rs.1.31 billion was transferred to the Profit & Loss Account. After including the performance of the Shareholders' fund, your Company made an after tax profit of Rs.929 million.

Earnings Per Share

The earnings per share for the year was Rs 9.29 (2012: Rs 9.14 restated)

Appropriation and Dividend

The Company made a profit before tax of Rs.1,398 million in the year ending 2013 as compared to Rs.1,392 million in 2012. The After tax profit was Rs.929.114 million as compared to Rs.914.114 million in 2012.

Your Directors have recommended a final cash dividend of Rs.5/- per share (50%) to the shareholders whose names appear in the share register of the Company at the close of business on March 27, 2014. This cash dividend is in addition to interim cash dividend of Rs.1/50 per share (15%) declared during the year.

Appropriation

The amount available for appropriation is

	Rupees '000
Amount brought forward from previous year	253,578
Profit after tax for the year	929,114
Amount available for appropriation	1,182,872

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

Less Appropriation

Interim Dividend 2013 @ 15% (2012 :15%)	150,000	
Proposed final cash dividend 2013 @ 50% (2012 :40%)	500,000	
Transfer to general reserve	250,000	900,000
Carry forward to next year		282,872

Market Share

Based on the available published financial statements as of 30 September 2013 the Company has a market share of 34.19% in the private life insurance sector companies based on the gross premium income and 48.5% by size of assets. The statistics are compiled by the Insurance Association of Pakistan and published for the industry.

Product Range

The Company offers products which focus on the needs of child education and marriage, retirement planning, savings and wealth accumulation, Islamic products and protection products. The Company has a comprehensive product range with the depth to reach into all the main segments of our society.

Distribution Strengths

The Company has continued its significant focus on developing the distribution channels. The three main channels are Individual life sales force, Individual life bancassurance and Group Benefits.

The branch network of the individual life sales force increased to 157 locations across the country. Bancassurance is a major contributor to the Company's business and has continued to grow over the last 10 years. The Company has a partnership with 12 banks and offers medium to long term insurance and savings products to their customer base.

Group Benefits is the third and a sizable distribution channel of the Company targeting corporate entities. During 2013, an improvement was seen in the overall industrial and

corporate sector of the country resulting in a good growth in the Group Benefits premium.

Critical performance measures

The Company evaluates its performance on certain key defined measures such as:

- Growth in premium for each line of business
- Persistency of individual life business by distribution channel
- Loss ratio analysis for short term business
- Expense ratios and trends
- Mortality and morbidity experience
- Growth in profitability for each line of business

The company expects these parameters to be relevant for future as well and will continue its internal performance measurement based on this criteria.

Insurer Financial Strength Rating

The Company's IFS rating was upgraded by JCR VIS Credit Rating Agency to AA (Outlook: Stable). The rating takes into account the Company's strong capitalization level vis-à-vis the nature of risks underwritten and the very high capacity to meet policyholders' obligations. The upgrade is a confirmation of the fact that the Company is on a strong financial footing and is the market leader in the life insurance sector in terms of long term sustainable business strategies, innovative products, superior systems and IT infrastructure, satisfied clients and prudent investment policies resulting in good medium to long term returns to our clients.

Awards and Achievements

Your Company's performance and market leadership was recognized by various independent entities during the year. The Company received the following prestigious awards during 2013:

- 29th Corporate Excellence Awards 2012 in the category of "Best Life Insurance Company of Pakistan", by Management Association of Pakistan.
- Annual Report 2012 "Putting Prosperity on Paper" ranked in top 5 in the Best Corporate Report Award 2012 for Non Banking Financial Institutions Category conferred by a joint committee of the Institute of Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan. The Company was also nominated from Pakistan to compete for the South Asian Federation of Accountants (SAFA) Best Presented Accounts 2012 in the insurance sector.
- The "8th Consumers Choice Award 2012" for the Best

Life Insurance Company by Consumers Association of Pakistan.

- "Leadership Excellence Award 2013" by Institute of Cost and Management Accounts of Pakistan
- "CSR Business Excellence Award 2012" in the 5th International CSR Summit organized by National Forum for Environment and Health
- "Putting the Consumer First Award 2012" by Helpline Trust
- "Best CEO Award" in the Life Insurance sector conferred by a joint committee of KSE, LSE, ISE and FPCCI
- Revalidation of ISO-9001:2008 Certification

Technology

In 2013, the Company further extended the reach of its state-of-the-art Point of Sales system to bancassurance partners. The system optimizes the process of insurance sales in bank branches as it works in a live environment with a strong underwriting engine that automates the insurance application approval process. The client experience is enhanced and at the same time the turn-around time for issuance of a policy is reduced to a few minutes. A version of POS was also launched on tablet, giving it accessibility on the mobile technology platform.

A two way sms facility, 9898, was launched during the year. By sending a message in a defined format to this dedicated number through a mobile phone, customers and general public can get information about products, unit prices, and policy details such as premium amount, status and premium due date. This is a first-of-its-kind service in the insurance sector and the company expects it to play a significant role in its client servicing area in the future.

The Company launched its new website designed with a fresh layout and user friendly functions with greater emphasis on providing customized information. New features were introduced such as Branch Locator and the Needs Analysis Tool.

Human Resource Management

Your Company continued to focus on the career development of its professional life insurance management team. Our staff includes experienced insurance sales personnel, accountants, IT professionals, underwriters, medical doctors, lawyers, business management graduates and actuaries, to name a few. The Company believes that investment in developing and motivating staff plays a pivotal role in their positive contribution to the current and future success of the Company.

The Company actively supports its staff to acquire relevant

professional qualifications and has in place career programs linked to international professional bodies in the field of actuarial science, finance, accounting, underwriting and claims management

The Company has in place a succession plan for key individuals of the management team. The succession plan takes into account the skill set of the individual, the existing role being fulfilled as well as expansion in the role based on the future growth prospects of the Company. The succession plan is regularly updated to keep in line with the future strategy of the Company.

Environment

The Company has consciously invested in technology to reduce the usage of paper in its offices. The Enterprise Content Management technology from IBM FileNet, launched in 2012, to digitalize paper documents and automate business processes and operational workflows (BPM) is having a visible impact in this area. The Company has a keen eye on ensuring that the work environment stays green. Due to this system, the Company has minimized the usage of filing cabinets, shelves, physical space, paper documents and files which eventually cause paper-pollution and deforestation; thus creating a positive impact on the green house environment which exacerbates global warming.

Capital Management and Liquidity

The Company has adequate capital to support its existing operations. The Company's paid up capital of Rs. 1 billion is the highest in the private life insurance sector.

The Company's liquidity position also remained very strong with cash and cash equivalents at the end of 2013 of Rs.7.61 billion (2012: Rs.1.72 billion).

Related Party Transactions

At each board meeting the Board of Directors approve the Company's transactions made with Associated Companies and Related Parties. All such transactions are executed on arm's length basis.

Internal Audit function

The Board is responsible for effective implementation of a sound internal control system including compliance with control procedures. The Audit Committee is assisted by the Internal Auditor in reviewing the adequacy of operational controls and in monitoring and managing risks so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Company and to add value and improve the Company's operations by providing independent and objective assurance. The

principal responsibility of the Internal Auditor is to conduct periodic audits and to ensure adequacy in operational controls, consistency in application of policies and procedures, compliance with laws and regulations.

As part of Corporate Governance, your Company has Underwriting Committee, Claims Settlement Committee and Reinsurance Committee.

Risks to business

Business risks and mitigation factors are described in detail on page 32 of this Annual Report.

Corporate Social Responsibility

CSR Initiatives

As part of the Company's vision for Social Responsibility, the company encourages its employees to act responsibly to make a difference by contributing to those activities that have the greatest visible impact on the betterment of the society with emphasis on education, health and environment. The Company continues its support through donations.

The Company has an ongoing partnership with The Citizen's Foundation (TCF) and is donating an amount for every education plan sold through all its distribution channels. At the same time, the Company's employees are actively engaged in the "Rahbar" mentorship program of TCF which is aimed to inspire young students and provide them with the head start they need to become production members of the society.

To mark the Blood Donor's day, the Company organized a Blood Drive with Omair Sana foundation. The day was celebrated to raise awareness on the need for safe blood and blood products, and to encourage employees to donate blood.

Business Ethics, Consumer Protection and anti-corruption measures

The Board has adopted the statement of ethics and business practices. All employees are informed of this statement and are required to observe these rules of conduct in relation to business and regulations. Statement of Ethics and business practices are based on integrity, dignity, culture of excellence and ethical dealing with clients, peers and the public.

Relationship with other Stakeholders

Your Company tries to maintain good relationship with:

- Its employees by providing a positive work environment
- Its clients through building trust and providing quality service

- The business community through honest and fair dealing
- The Government through promoting free enterprise along with competitive market system and comply with all applicable laws; and
- Society in general through providing safe and healthy workplace and provide employees the opportunity to improve their skills

Contribution to National Exchequer

Your Company contributes substantially to the national economy in terms of taxes and duties and the contribution is increasing as the company grows. This year the Company contributed Rs.468.0 million to the national exchequer in the form of Income Tax, Federal Excise Duty, Sales Tax etc.

Compliance with Code of Corporate Governance

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

The Directors of your Company were elected at the Extraordinary General Meeting held on June 20, 2011 for a term of three years expiring on June 21, 2014

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

Sr. No	Name of Directors	Number of meetings attended
1.	Rafique R Bhimjee	3 out of 4
2.	Saifuddin N Zoomkawala	4 out of 4
3.	Taher G Sachak	4 out of 4
4.	Jahangir Siddiqui	3 out of 4
5.	Muneer R Bhimjee	3 out of 4
6.	Hasanali Abdullah	4 out of 4
7.	Heinz Walter Dollberg	0 out of 4

Audit Committee

The Board's Audit Committee comprises of the following members:

1. Rafique R Bhimjee (Chairman)
2. Muneer R Bhimjee
3. Hasanali Abdullah

Corporate and Financial Reporting Frame Work

- a) The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- b) Proper books of accounts have been maintained by the Company.

- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) The International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- e) System of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- h) The key operating and financial data for the last six years is annexed.
- i) The value of investments of provident and pension funds based on their un-audited accounts as on December 31, 2013 were the following.

Provident Fund	Rs. 223 Million
Pension Fund	Rs. 137 Million

The value of investments includes accrued interest.

- j) Trading of Shares by Chief Executive, Directors, Chief Financial Officer, Company Secretary, their spouses and minor children:

Purchase of Shares	No. of Shares
Hasanali Abdullah	7,000
Sale of Shares	
Saifuddin N Zoomkawala	73,340

- k) The statement of shareholding in the Company as at 31 December 2013 is included with the Report.

Our Auditors Messrs. Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants, retires as they completed five years and, in accordance with the requirement of the Code of corporate Governance, cannot continue. The Board of Directors recommends the appointment KPMG Taseer Hadi & Co. as Auditor of the Company for the year 2014 as suggested by the Audit Committee.

Future Outlook of the industry

The life insurance sector has been in a high-growth mode since the last five years. The Company expects this growth momentum to continue in the near future. The primary source of this growth is the increased penetration of distribution channels, and the investment by companies to explore alternative channels. In addition, the Company expects the life insurance industry to take steps for further enhancing the productivity of the existing channels. Focus on IT, especially adopting new trends in technology, will be at the forefront of the industry's strategy and the Company expects investments in enhancing the technology base for back-end operations and for front end sales and services to clients.

Depending on the status of the Takaful Rules 2012, the Company expects conventional insurers to start their takaful offering during 2014.

Acknowledgements

We wish to recognize and place on record our appreciation of the contribution made by our Appointed Actuary Mr. Omer Morshed for his invaluable advice on the overall strategy of the Company.

We would also like to record our appreciation and gratitude to Munchener Ruckversicherungs Gesellschaft (Munich Re) of Germany who are your Company's main reinsurers and who continue to provide full support to your Company.

Our thanks are also due to EFU General Insurance Ltd. for their continuous support and guidance, which has enabled the Company to establish a strong presence in the market.

The Directors wish to record their appreciation for the tremendous contribution made by the able and eminent officers, staff and field force of the Company towards its development and growth. Their continuous commitment to high ethical standards, client service and hard work has helped your Company emerge and maintain its position as a clear market leader amongst private sector life insurers.

Finally, we would like to thank our clients for the confidence expressed in us and also to the Insurance Division of the Securities and Exchange Commission of Pakistan for their guidance, co-operation and understanding extended to us throughout the year.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

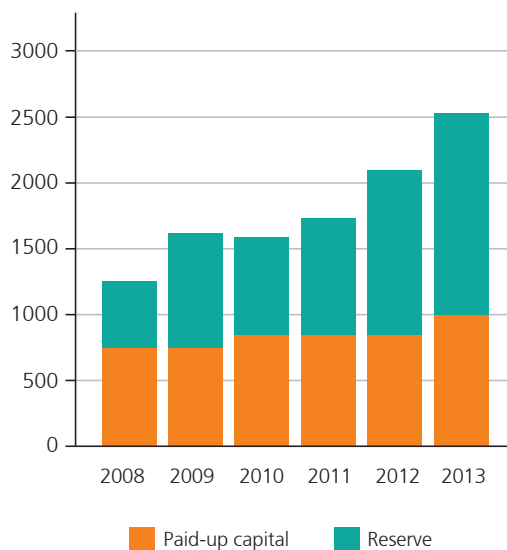
TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Graphical Presentation

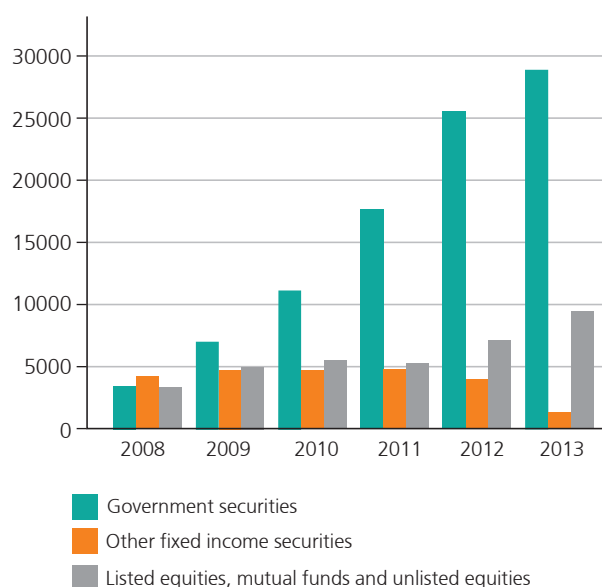
SHARE HOLDER'S EQUITY

(Rupees in million)



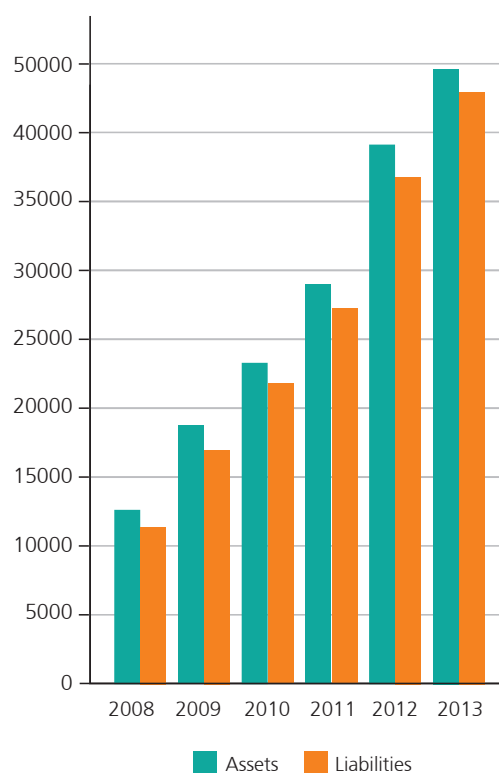
INVESTMENTS

(Rupees in million)



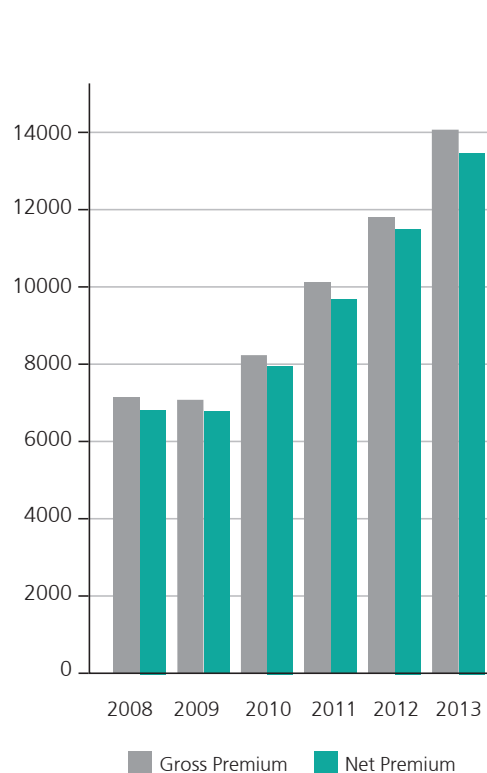
ASSETS & LIABILITIES

(Rupees in million)

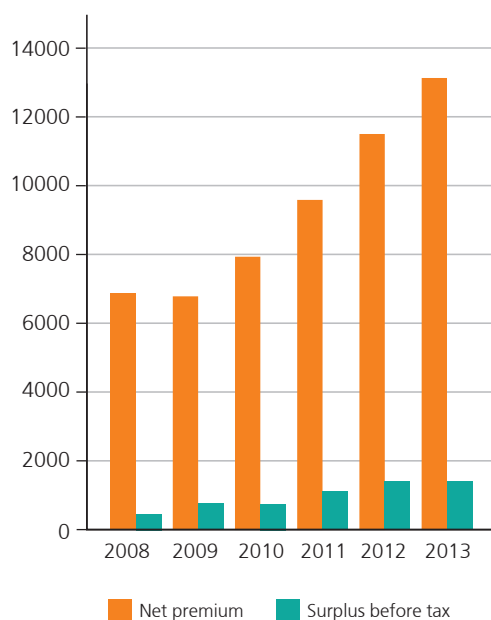


GROSS / NET PREMIUM

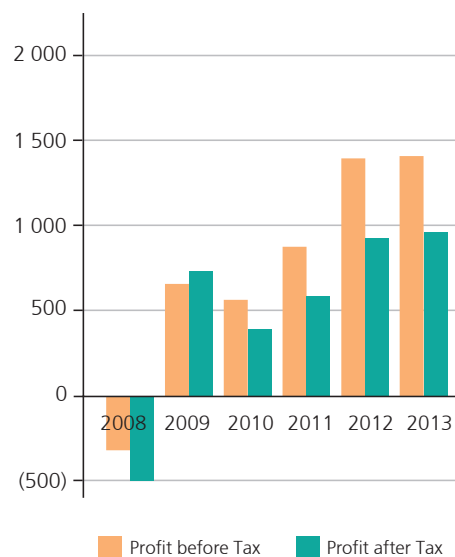
(Rupees in million)



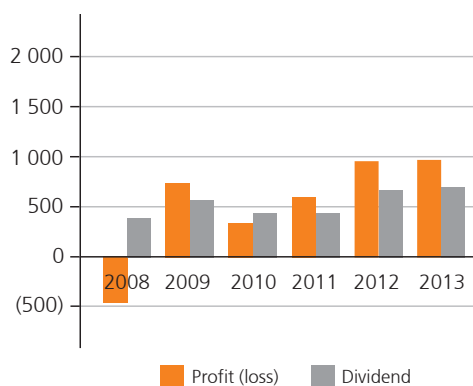
NET PREMIUM & SURPLUS BEFORE TAX (REVENUE ACCOUNT) (Rupees in million)



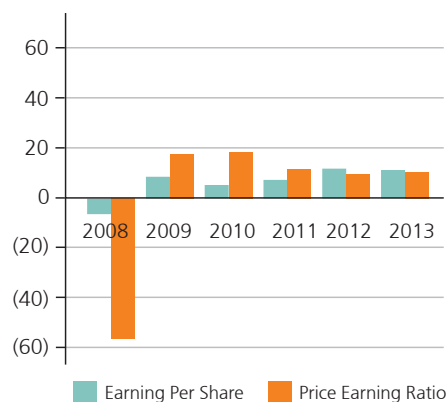
PROFITABILITY (Rupees in million)



PROFIT (LOSS) AFTER TAX & DIVIDENDS (Rupees in million)



EARNING PER SHARE & PRICE EARNING RATIO



Share Price Sensitivity Analysis

Earnings - News on earnings, profits and future positive cashflows develop interest of investors in the shares of the company.

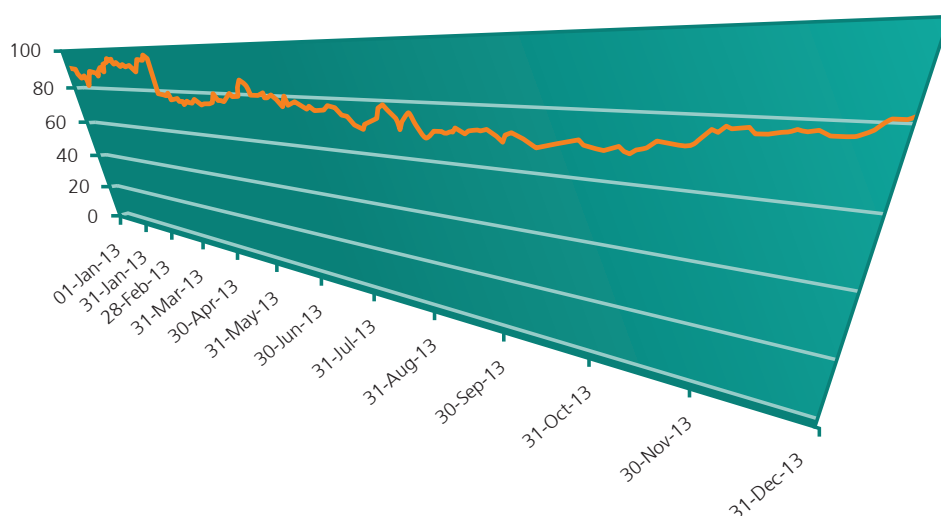
Introduction of new Products - This could lead to positive earnings growth which may affects share prices

Government Policies -Government policies could be perceived as positive or negative for business. The policies may lead to changes in inflation and interest rates, which may affect stock prices.

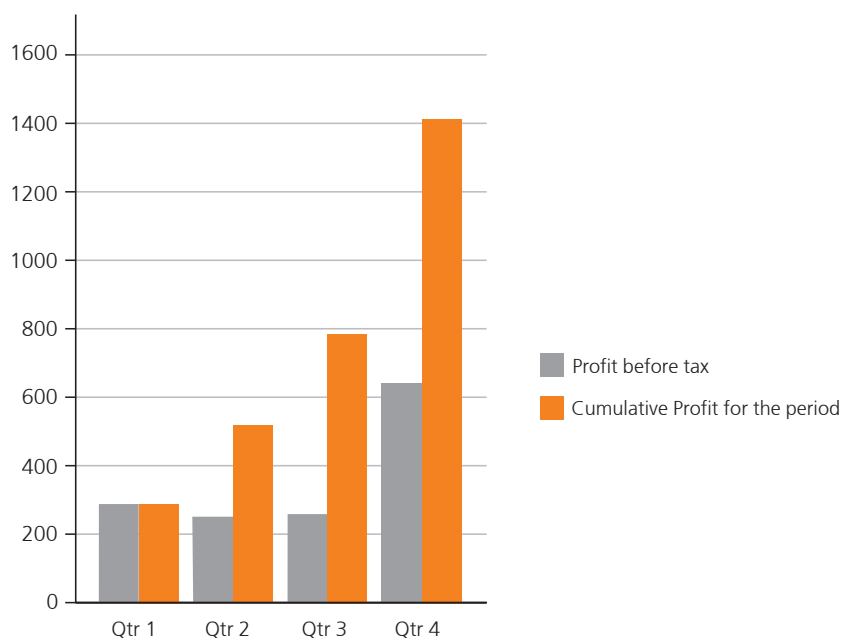
Industry specific performance - Government polices specific to industry like Takaful business could result in movement of stock prices

Investor sentiments / confidence - Positive economic reforms can attract investors.

Announcement of dividendts - Expected distribution from earning could increase the share prices i expectation of realisation of profit on investment.



Analysis Of Variation In Results Reported In Quarterly Accounts



(Rupees '000)

	2013	2012	2011	2010	2009	2008
Gross premium	14 058 930	11 873 842	10 129 599	8 375 515	7 226 876	7 250 509
REVENUE ACCOUNT						
Premium - net of reinsurance	13 365 479	11 301 615	9 597 263	7 920 022	6 769 079	6 807 131
Interest and other income	5 629 707	5 484 736	2 502 386	1 528 199	3 029 802	(4079 344)
Out Go	7 758 152	6 064 159	5 670 106	4 799 171	3 950 929	4 006 164
Changes in statutory fund	9 838 720	9 329 724	5 548 728	4 098 015	5 200 231	(2 162 648)
Profit / (Loss) before tax	1 398 314	1 392 468	880 815	551 035	647 721	(314 959)
Provision for taxation	(469 200)	(478 350)	(302 450)	(187 800)	63 938	(158 200)
Profit / (Loss) after tax	929 114	914 118	578 365	363 235	711 659	(473 159)
BALANCE SHEET						
Investments	39 585 719	34 728 349	25 133 535	19 711 968	15 053 389	9 684 973
Cash & bank balances	7 614 047	1 723 572	1 141 457	826 325	1 365 803	1 425 424
Other assets	1 094 258	835 281	1 304 662	1 203 567	1 078 081	467 589
Fixed assets	810 235	607 105	450 410	420 875	350 208	308 345
	49 104 259	37 894 307	28 030 064	22 162 735	17 847 481	11 886 331
Issued, subscribed and paid-up capital	1 000 000	850 000	850 000	850 000	750 000	750 000
Accumulated surplus / (loss)	1 032 872	1 011 758	650 140	496 775	646 040	(65 619)
General reserve	500 500	232 500	232 500	232 500	232 500	570 000
Balance of statutory fund	43 582 653	33 743 933	24 414 209	18 865 481	14 767 466	9 567 235
Other liabilities	2 988 234	2 056 116	1 883 215	1 717 979	1 451 475	1 064 715
	49 104 259	37 894 307	28 030 064	22 162 735	17 847 481	11 886 331

Six years summary Financial Ratios

Profitability Ratios

		2013	2012	2011	2010	2009	2008
Profit / (Loss) Before Tax / Gross Premium	%	10%	12%	9%	7%	9%	(4%)
Profit / (Loss) Before Tax / Net Premium	%	10%	12%	9%	7%	10%	(5%)
Profit / (Loss) After Tax / Gross Premium	%	7%	8%	6%	4%	10%	(7%)
Profit / (Loss) After Tax / Net Premium	%	7%	8%	6%	5%	11%	(7%)
Gross Yield on Earning Assets	%	8%	9%	11%	10%	9%	10%
Net Claims / Net Premium	%	26%	23%	25%	23%	19%	19%
Commission / Net premium	%	17%	17%	22%	25%	27%	30%
Acquisition Cost / Net premium	%	25%	25%	29%	32%	34%	35%
Administration Expenses / Net premium	%	6%	6%	5%	5%	5%	5%
Change in PHL / Net Inflow	%	52%	55%	44%	43%	53%	(28%)
Net investment income / Net Premium	%	41%	46%	26%	21%	46%	(49%)
Return On Capital Employed	%	15%	24%	17%	11%	26%	(7%)
Return on Equity	%	37%	44%	33%	23%	44%	(38%)

Liquidity Ratio

Current Ratio		2.91	1.24	1.30	1.18	1.69	1.74
Quick Ratio		2.91	1.24	1.30	1.18	1.69	1.74
Cash to Current Liability	%	255%	84%	61%	48%	94%	125%

Investment / Market Ratio

Breakup Value Per Share	Rupees	25.33	24.64	20.38	18.58	21.71	16.73
Earnings / (loss) per share (pre tax) Diluted	Rupees	13.98	13.92	10.36	6.48	8.64	(4.19)
Earnings / (loss) per share (after tax) Diluted	Rupees	9.29	9.14	6.80	4.27	9.49	(6.31)
Price Earning Ratio -PAT	Times	8.80	10.20	11.00	17.67	14.49	(56.54)
Mkt price per share at end of the year	Rupees	81.71	93.23	74.80	75.44	137.50	356.75
Mkt price per share - Highest during the year	Rupees	96.45	97.00	79.80	143.40	338.92	847.00
Mkt price per share - Lowest during the year	Rupees	68.01	62.00	50.70	51.25	98.00	781.85
Cash Dividend per Share	Rupees	6.50	5.50	5.00	5.00	5.50	4.50
Price to book ratio	Times	0.17	0.21	0.23	0.29	0.66	2.54
Cash Dividend %	%	65%	55%	50%	50%	55%	45%
Dividend Yield	%	8%	6%	7%	7%	4%	1%
Dividend Payout	%	69.97%	60.18%	73.53%	117.10%	57.96%	(71.32%)
Dividend Cover	Times	1.89	2.05	1.36	0.85	1.73	(1.40)
Stock Dividend per share	Times	—	1.75	—	—	0.1	—
Bonus %	%	—	17.64%	—	—	13%	—

Capital Structure Ratio

Return on Asset	%	3%	4%	3.14%	2%	4%	(3%)
Earning Asset to total asset	%	97%	96%	93.51%	93%	91%	91%
Total Liabilities / Equity	Times	15.52	17.56	15.18	13.03	9.96	8.53
Paid-up Capital / Total Asset	%	2.04%	2.24%	3.03%	4%	4%	6%
Equity/ total Asset	%	5%	6%	6.18%	7%	9%	10%

Comments

Profitability Ratios

Net profit after tax have increased from 914 millions to 929, decline in our profitability ratios are mainly due to the major advertisement campaign launched by the Company in 2013. The Company managed to underwrite 14.05 billions of business (new and subsequent) in 2013.

Liquidity Ratio

EFU Life's liquidity position had always been very strong. Steep increase in cash and cash equivalent is due to investments in short term Bank Deposits towards the year end.

Investment / Market Ratio

Investment ratios are gradually increasing over the year due to good performance and earning of the Company. The Company has announced 50% final dividend and 15% interim dividend (which sums up to 65% total dividend for 2013)

Capital Structure Ratio

EFU Life's paid up capital has increased by 150 million to 1 Billion which is the largest in the Life insurance industry in Pakistan. The paid up capital of the company is twice the Minimum required capital under the Insurance Ordinance.

(Rupees in '000)

Revenue

Premium
Investment
Other

Cost

Acquisition cost
Employee benefits
Other

Policy Holders

Claims and surrenders
Policy holders' movement

Government

Income & other taxes
Workers' welfare fund

Shareholders

Dividend
Bonus

Society

Donations

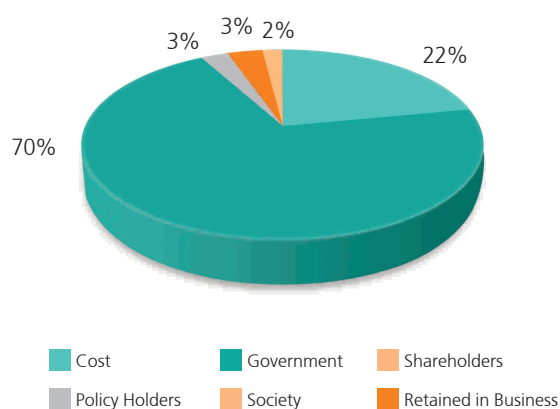
Retained in Business

Reserve unappropriated profit
Depreciation / Amortization
Statutory reserves - solvency margin

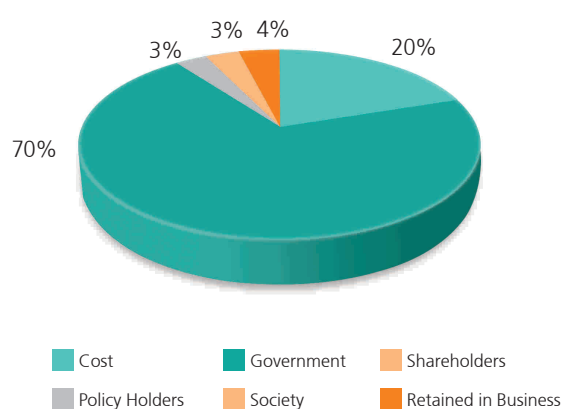
Revenue

	2013	2012
Revenue		
Premium	13 365 479	11 301 615
Investment	5 609 708	5 464 669
Other	19 999	20 067
	<u>18 995 186</u>	<u>16 786 351</u>
Cost		
Acquisition cost	3 390 140	2 785 469
Employee benefits	346 636	298 804
Other	434 400	270 240
	<u>4 171 176</u>	<u>3 354 513</u>
Policy Holders		
Claims and surrenders	3 483 942	2 625 301
Policy holders' movement	9 832 648	9 088 601
	<u>13 316 590</u>	<u>11 713 902</u>
Government		
Income & other taxes	469 200	478 350
Workers' welfare fund	28 537	28 413
	<u>497 737</u>	<u>506 763</u>
Shareholders		
Dividend	490 000	552 500
Bonus	150 000	
	<u>640 000</u>	<u>552 500</u>
Society		
Donations	4 228	551
	<u>4 228</u>	<u>551</u>
Retained in Business		
Reserve unappropriated profit	289 114	361 618
Depreciation / Amortization	70 269	55 381
Statutory reserves - solvency margin	6 072	241 123
	<u>365 455</u>	<u>658 122</u>
Revenue	<u>18 995 186</u>	<u>16 786 351</u>

2013

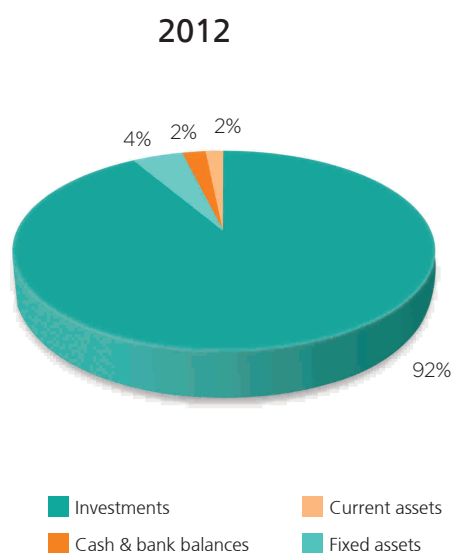
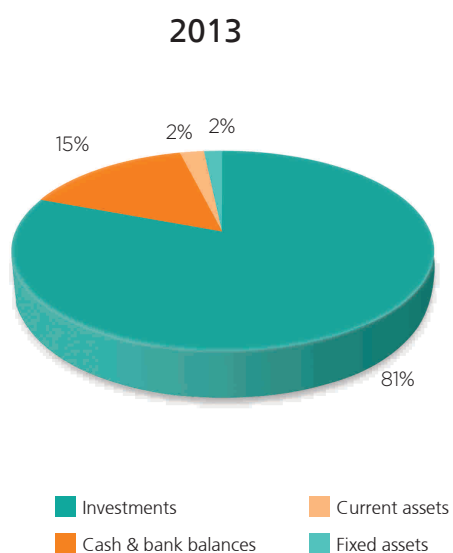


2012

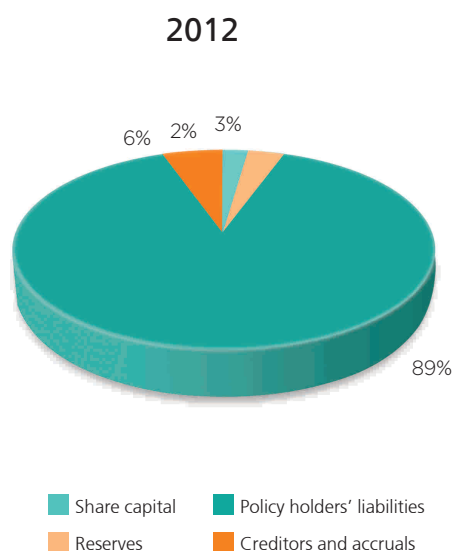
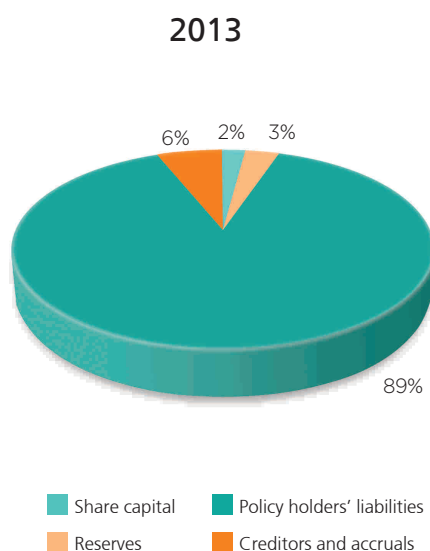


Balance Sheet

ASSETS

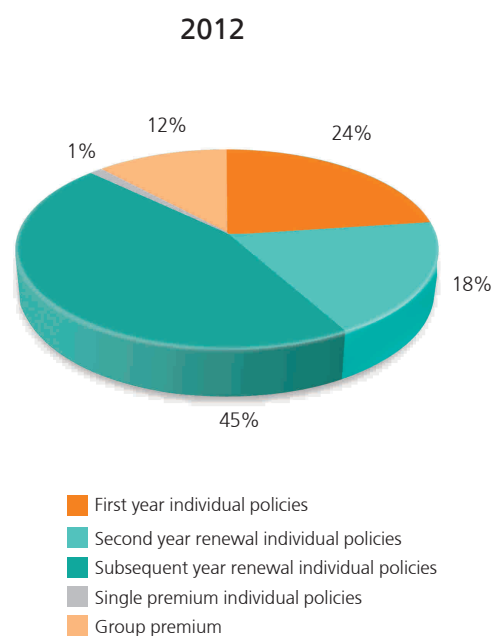
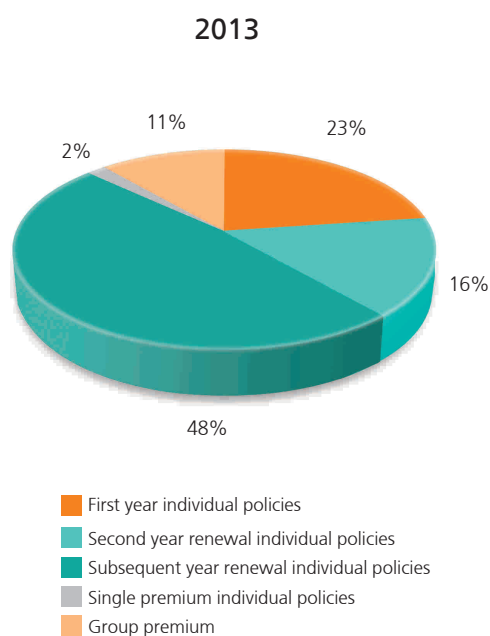


SHARE CAPITAL & RESERVES AND LIABILITIES

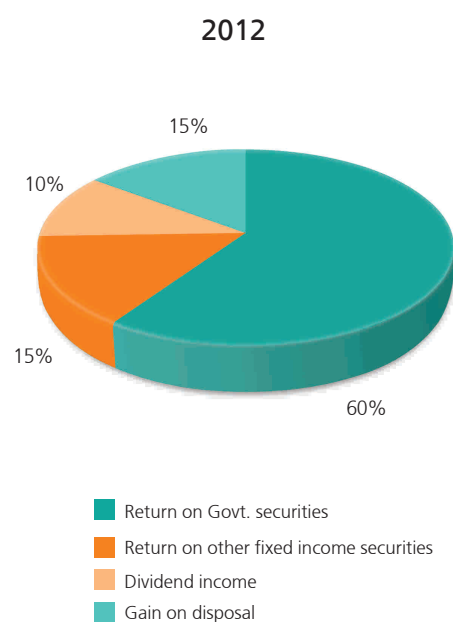
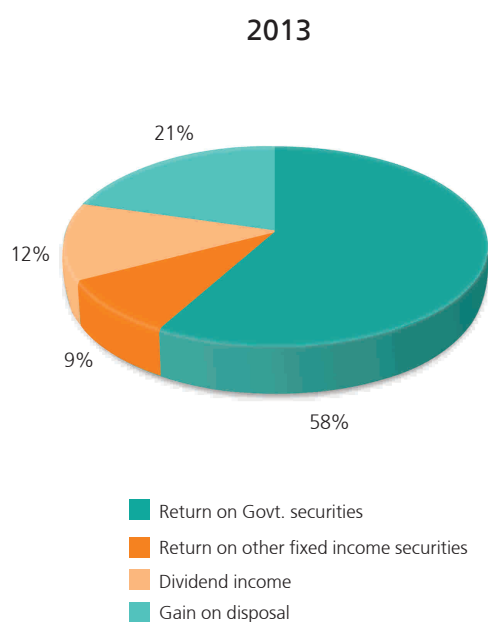


Profit & Loss / Revenue Account

GROSS PREMIUM



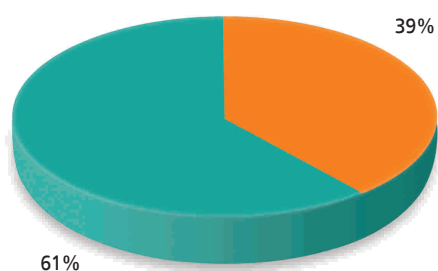
INVESTMENT INCOME



Cash Flow

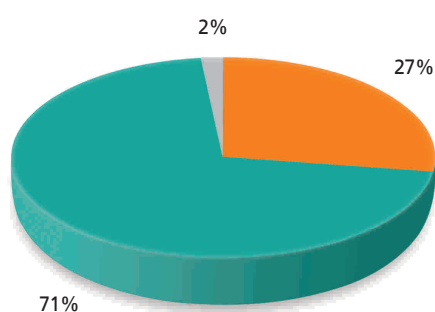
CASH GENERATED / UTILIZED

Cash Generated 2013



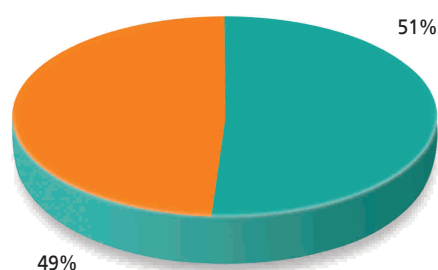
Operating activities Investing activities

Cash Consumed 2013



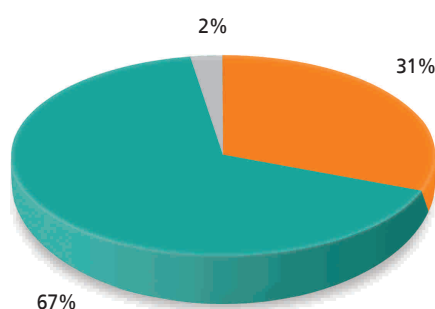
Operating activities Investing activities Financing activities

Cash Generated 2012



Operating activities Investing activities

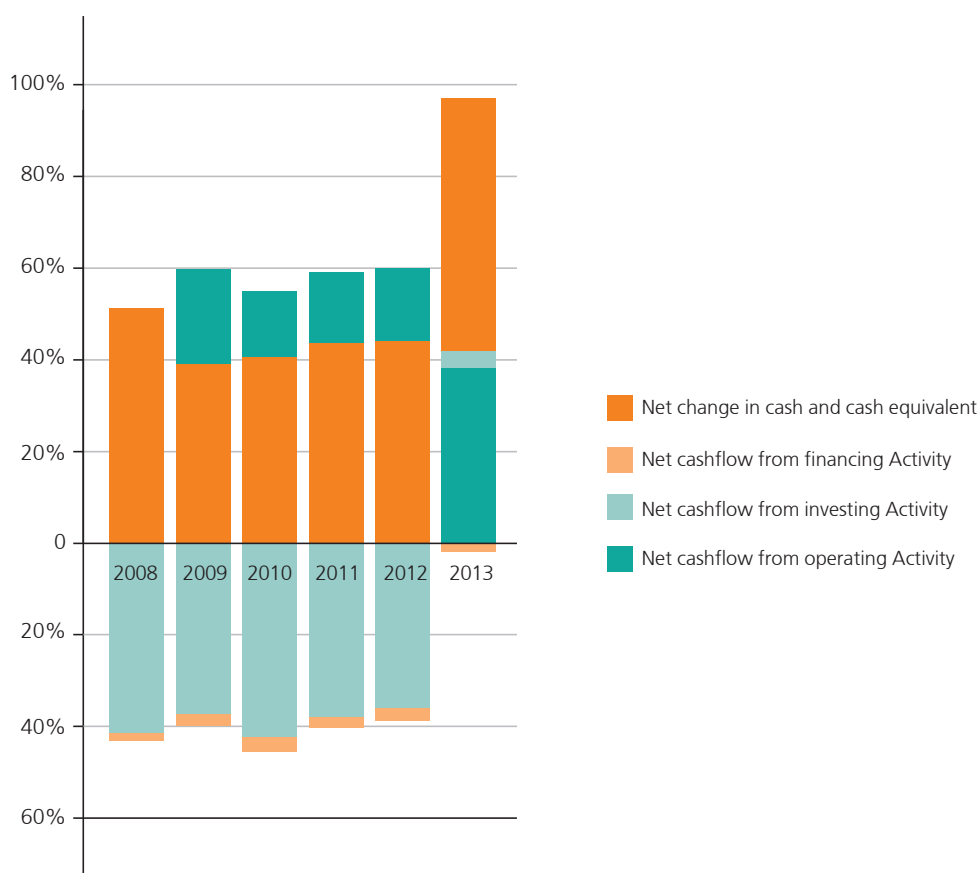
Cash Consumed 2012



Operating activities Investing activities Financing activities

Summary of cashflow statement year ended 31 December 2013

Cashflow	2013	2012	2011	2010	2009	2008	2007
Net cashflow from operating Activity	5 765 564	5 045 710	3 938 800	3 217 244	2 815 026	2 804 917	1 707 444
Net cashflow from investing Activity	614 911	(3 911 095)	(3 198 668)	(3 344 222)	(2 537 147)	(2 178 959)	(1 381 422)
Net cashflow from financing Activity	(490 000)	(552 500)	(425 000)	(412 500)	(337 500)	(150 000)	(59 831)
Net change in cash and cash equivalent	7 614 047	1 723 572	1 141 457	826 325	1 365 803	1 425 424	949 466



Balance Sheet

	2013		2012	
	Rupees in '000	%	Rupees in '000	%
Net Equity	2 533 372	5.16	2 094 258	5.53
Statutory Fund	43 582 653	88.76	33 743 933	89.05
Current Liabilities	2 988 234	6.09	2 056 116	5.42
Total Equity & Liabilities	49 104 259	100.00	37 894 307	100.00
Total non-current assets	810 235	1.65	607 105	1.60
Investments	39 585 719	80.62	34 728 349	91.65
Current assets	8 708 305	17.73	2 558 853	6.75
Total assets	49 104 259	100.00	37 894 307	100.00

Revenue & Profit & Loss Account

Net Income	18 995 186	100.00	16 786 351	100.00
Claims, Expenditures and Policy-holders Liabilities	(17 590 800)	(92.61)	(15 152 760)	(90.27)
Solvency Margin	(6 072)	(0.03)	(241 123)	(1.44)
Profit / Loss before Tax	1 398 314	7.36	1 392 468	8.30
Income Tax expense	(469 200)	(2.47)	(478 350)	(2.85)
Profit / Loss after tax for the year	929 114	4.89	914 118	5.45

2011		2010		2009		2008	
Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
1 732 640	6.18	1 579 275	7.13	1 628 540	9.12	1 254 381	10.49
24 414 209	87.10	18 865 481	85.12	14 767 466	82.74	9 567 235	80.01
1 883 215	6.72	1 717 979	7.75	1 451 475	8.13	1 136 132	9.50
<u>28 030 064</u>	<u>100.00</u>	<u>22 162 735</u>	<u>100.00</u>	<u>17 847 481</u>	<u>100.00</u>	<u>11 957 748</u>	<u>100.00</u>
450 410	1.61	420 875	1.90	350 208	1.96	308 345	2.58
25 133 535	89.67	19 711 968	88.94	15 053 389	84.34	9 684 973	80.99
2 446 119	8.73	2 029 892	9.16	2 443 884	13.69	1 964 430	16.43
<u>28 030 064</u>	<u>100.00</u>	<u>22 162 735</u>	<u>100.00</u>	<u>17 847 481</u>	<u>100.00</u>	<u>11 957 748</u>	<u>100.00</u>
12 099 649	100.00	9 448 221	100.00	9 798 881	100.00	2 727 787	100.00
(11 017 049)	(91.05)	(8 881 294)	(94.00)	(9 148 701)	(93.36)	(3 040 156)	(111.45)
(201 785)	(1.67)	(15 892)	(0.17)	(2 459)	0.03	(2 590)	(0.09)
<u>880 815</u>	<u>7.28</u>	<u>551 035</u>	<u>5.83</u>	<u>647 721</u>	<u>6.61</u>	<u>(314 959)</u>	<u>(11.55)</u>
(302 450)	(2.50)	(187 800)	(1.99)	63 938	0.65	(158 200)	(5.80)
<u>578 365</u>	<u>4.78</u>	<u>363 235</u>	<u>3.84</u>	<u>711 659</u>	<u>7.26</u>	<u>(473 159)</u>	<u>(17.35)</u>

Balance Sheet

	2013	2012	2011	2010
	Rupees in '000	Rupees in '000	Rupees in '000	Rupees in '000
Net Equity	2 533 372	2 094 258	1 732 640	1 579 275
Statutory Fund	43 582 653	33 743 933	24 414 209	18 865 481
Current Liabilities	2 988 234	2 056 116	1 883 215	1 717 979
Total Equity & Liabilities	49 104 259	37 894 307	28 030 064	22 162 735
Total non-current assets	810 235	607 105	450 410	420 875
Investments	39 585 719	34 728 349	25 133 535	19 711 968
Current assets	8 708 305	2 558 853	2 446 119	2 029 892
Total assets	49 104 259	37 894 307	28 030 064	22 162 735

Revenue & Profit & Loss Account

Net Income	18 995 186	16 786 351	12 099 649	9 448 221
Claims Expenditures and Policy-holders Liabilities	(17 590 800)	(15 152 760)	(11 017 049)	(8 881 294)
Solvency Margin	(6 072)	(241 123)	(201 785)	(15 892)
Profit / Loss before Tax	1 398 314	1 392 468	880 815	551 035
Income Tax expense	(469 200)	(478 350)	(302 450)	(187 800)
Profit / (Loss) for the year	929 114	914 118	578 365	363 235

		% increase / (decrease) over preceding year					
2009	2008	2013	2012	2011	2010	2009	2008
Rupees in '000	Rupees in '000						
1 628 540	1 254 381	20.97	20.87	9.71	(3.03)	29.83	(1.84)
14 767 466	9 567 235	29.16	38.21	29.41	27.75	54.35	(14.04)
1 451 475	1 136 132	45.33	9.18	9.62	18.36	27.76	25.25
17 847 481	11 957 748	29.58	35.19	26.47	24.18	49.25	(10.20)
350 208	308 345	33.46	34.79	7.02	20.18	13.58	14.09
15 053 389	9 684 973	13.99	38.18	27.50	30.95	55.43	(17.62)
2 443 884	1 964 430	240.32	4.61	20.50	(16.94)	24.41	52.54
17 847 481	11 957 748	29.58	35.19	26.47	24.18	49.25	(10.20)
9 798 881	2 727 787	13.16	38.73	28.06	(3.58)	259.22	(67.28)
(9 148 701)	(3 040 156)	16.09	37.54	24.05	(2.92)	200.93	(55.72)
(2 459)	(2 590)	(97.48)	19.50	1169.73	546.28	(5.06)	(92.74)
647 721	(314 959)	0.42	58.09	59.85	(14.93)	305.65	(121.95)
63 938	(158 200)	(1.91)	58.16	61.05	(393.72)	140.42	(30.45)
711 659	(473 159)	1.64	58.05	59.23	(48.96)	250.41	(139.19)

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

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

1. The Company encourages representation of non-executive Directors on its Board. At present the Board includes:

<u>Category</u>	<u>Names</u>
Executive Director	Mr. Taher G. Sachak
Non Executive Directors	Mr. Rafique R. Bhimjee
	Mr. Saifuddin N. Zoomkawala
	Mr. Muneer R. Bhimjee
	Mr. Jahangir Siddiqui
	Mr. Hasanali Abdullah
	Mr. Heinz Walter Dollberg

2. The Directors have confirmed that none of them is serving as a Director in more than seven listed companies including this Company.
3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the year.
5. The Company has prepared a 'Code of Conduct', which has been signed by all the Directors and employees of the Company.
6. The Board has developed a vision/ mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions have been taken by the Board including appointment and determination of remuneration and terms and conditions of employment of CEO have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The management of the Company has submitted a Booklet to the Board of Directors on 22 October 2013 to consider it as an orientation course for its Directors and to apprise them of their duties and responsibilities. The course Booklet also apprised the Directors about changes in Code of Corporate Governance. As per the Code, Directors of the Company having 15 years of experience on the Board of listed company and 14 years of education are exempted from directors' training program. Board members of the Company qualify for the exemption under the provision of the Code. The Company has, however, arranged training program for certain directors as provided under the Code.
10. There was no change of CFO, Company Secretary and Head of the Internal audit during the year. The remuneration and terms and conditions of employment of Chief Financial Officer/ Company Secretary and Head of Internal Audit were approved by the Board of the Company.
11. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three non-executive Directors including the Chairman of the Committee.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed a HR and Remuneration Committee comprises of three members, of whom two are non-executive directors and the chairman of the committee is a non-executive director.
18. The Company has an internal audit department and taking steps to further strengthening it. The internal audit staff is fully conversant with the policies and procedures of the Company and is involved in the internal audit function on full time basis.
19. The statutory auditors' of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
20. The statutory auditors' or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles contained in the Code have been complied with.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman



We have reviewed the Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) for the year ended 31 December 2013, prepared by the Board of Directors of EFU Life Assurance Limited (the Company) to comply with the Listing Regulations of the Karachi Stock Exchange, where the Company is listed.

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

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

Further, Sub-Regulation (xiii a) of Listing Regulation 35 notified by the Karachi Stock Exchange Limited vide circular number KSE / N-269 dated 19 January 2009 requires the Company to place before the Board of Directors for its consideration and approval related party transactions, distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price, recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedure to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2013.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Karachi February 14, 2014

We have audited the annexed financial statements comprising of:

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

of EFU Life Assurance Limited (the Company) as at 31 December 2013 together with the notes forming part thereof, for the year then ended.

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

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

In our opinion:

- (a) proper books of accounts have been kept by the Company as required by the Insurance Ordinance, 2000, and the Companies Ordinance, 1984;
- (b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied except for changes as stated in note 5.1 to the financial statements with which we concur;
- (c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at 31 December 2013, and of the profit, its changes in equity and cash flows for the year then ended in accordance with Approved Accounting Standards as applicable in Pakistan and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (d) the apportionment of assets, liabilities, revenue and expenses between two or more funds has been performed in accordance with the advice of the appointed actuary; and
- (e) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Chartered Accountants

Audit Engagement Partner: Arslan Khalid

Karachi February 14, 2014

(Rupees '000)

Note	Shareholders' Fund	Statutory Funds				Aggregate 2013	Aggregate 2012	
		Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business			
Share capital and reserves								
Authorised share capital [100 000 000 ordinary shares (2012: 100 000 000) of Rs. 10 each]	1 000 000					1 000 000	1 000 000	
Issued, subscribed and paid up share capital	8 1 000 000					1 000 000	850 000	
Accumulated surplus	1 032 872					1 032 872	1 011 758	
General reserve	500 500					500 500	232 500	
Net shareholders' equity	2 533 372					2 533 372	2 094 258	
Balance of statutory fund [including policyholders' liabilities Rs. 42 842 million (2012: Rs. 33 009 million)]								
	10	–	43 068 721	491 179	19 150	3 603	43 582 653	33 743 933
Deferred tax liability	11	16 300	–	–	–	–	16 300	14 600
Creditors and accruals								
Outstanding claims	12		382 182	522 741	–	1 467	906 390	705 125
Premiums received in advance			467 707	30 331	620	428	499 086	475 797
Amounts due to reinsurers			80 514	59 204	257	681	140 656	113 252
Amounts due to agents			396 954	13 142	10	238	410 344	348 010
Accrued expenses		1 600	321 003	20 065	–	130	342 798	123 103
Unclaimed dividend		8 684					8 684	8 640
Other creditors and accruals	13	37 084	64 357	4 590	–	24	106 055	95 349
Inter- fund payable		–	552 843	3 403	465	1 210	557 921	172 240
Total liabilities		47 368	2 265 560	653 476	1 352	4 178	2 971 934	2 041 516
Contingencies and commitments								
	14							
Total equity and liabilities		2 597 040	45 334 281	1 144 655	20 502	7 781	49 104 259	37 894 307

The annexed notes 1 to 33 form an integral part of these financial statements.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

(Rupees '000)

	Note	Statutory Funds					Aggregate 2013	Aggregate 2012
		Shareholders' Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Cash and bank deposits	15							
Policy stamps in hand			11 463	316	–	–	11 779	12 716
Current and other accounts		35 864	1 338 237	126 162	4 626	2 379	1 507 268	1 230 856
Deposits maturing within 12 months		–	5 850 000	244 000	1 000	–	6 095 000	480 000
		35 864	7 199 700	370 478	5,626	2 379	7 614 047	1 723 572
Loans	16							
To employees - secured		67 477	–	–	–	–	67 477	45 901
To employees and agents - unsecured		7 845	–	–	–	–	7 845	14 684
		75 322	–	–	–	–	75 322	60 585
Investments	17							
Government securities		1 017 536	27 001 217	622 181	8 992	4 990	28 654 916	25 178 107
Other fixed income securities		–	1 712 667	39 945	501	–	1 753 113	3 305 500
Listed equities and mutual funds		426 419	8 705 312	39 788	5 288	375	9 177 182	6 244 234
Unlisted equities		508	–	–	–	–	508	508
		1 444 463	37 419 196	701 914	14 781	5 365	39 585 719	34 728 349
Current assets - others								
Premiums due but unpaid			–	51 297	–	–	51 297	40 314
Amounts due from reinsurers			–	4 777	–	–	4 777	3 909
Prepayments		–	18 844	1 570	–	8	20 422	17 227
Sundry receivables		–	40 835	2 003	–	–	42 838	34 611
Investment income accrued		2 972	148 348	5 761	95	–	157 176	273 149
Taxation - provision less payments		113 259	–	–	–	–	113 259	157 618
Advances and deposits		–	64 362	6 855	–	29	71 246	75 628
Inter-fund receivable		557 921	–	–	–	–	557 921	172 240
		674 152	272 389	72 263	95	37	1 018 936	774 696
Fixed assets	19							
Tangible assets								
Leased hold land		–	126 505	–	–	–	126 505	126 505
Furniture, fixtures, office equipment and vehicles		354 158	–	–	–	–	354 158	298 725
Capital work in progress		–	316 491	–	–	–	316 491	165 012
Intangible (Computer software)		13 081	–	–	–	–	13 081	16 863
		367 239	442 996	–	–	–	810 235	607 105
Total assets		2 597 040	45 334 281	1 144 655	20 502	7 781	49 104 259	37 894 307

The annexed notes 1 to 33 form an integral part of these financial statements.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Profit and Loss Account For The Year Ended 31 December 2013

(Rupees '000)

	Note	2013	2012
Investment income not attributable to statutory funds			
Return on government securities		67 136	57 849
Return on other fixed income securities and deposits		1 269	8 314
Dividend income		30 879	24 301
		99 284	90 464
(Loss) / gain on disposal of available-for-sale investments		(2 149)	8 116
Reversal of impairment in the value of available for sale investments		9 538	179 217
Net investment income		106 673	277 797
Other revenue	22	19 999	20 067
		126 672	297 864
Expenses not attributable to statutory funds	23	(38 725)	(33 724)
		87 947	264 140
Surplus transferred from statutory funds		1 310 367	1 128 328
Profit before tax		1 398 314	1 392 468
Taxation	24	(469 200)	(478 350)
Profit after tax		929 114	914 118
			(Restated)
Earnings per share - basic and diluted (Rupees)	26	9.29	9.14

The annexed notes 1 to 33 form an integral part of these financial statements.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Statement of Changes in Equity For The Year Ended 31 December 2013

(Rupees '000)

	Share Capital	General Reserve	Accumulated Surplus	Total
Balance as at 1 January 2012	850 000	232 500	650 140	1 732 640
Changes in equity for 2012				
Dividend for the year 2011 at the rate of Rs. 5.00 per share	–	–	(425 000)	(425 000)
Interim Dividend for the year 2012 at the rate of Rs. 1.50 per share			(127 500)	(127 500)
Profit for the year	–	–	914 118	914 118
Balance as at 31 December 2012	850 000	232 500	1 011 758	2 094 258
Changes in equity for 2013				
Transfer to General Reserve		268 000	(268 000)	
Bonus Shares 2012 at the rate of 3 shares for every 17.64 share	150 000	–	(150 000)	
Dividend for the year 2012 at the rate of Rs. 4.00 per share	–	–	(340 000)	(340 000)
Interim Dividend for the year 2013 at the rate of Rs. 1.50 per share			(150 000)	(150 000)
Profit for the year	–	–	929 114	929 114
Balance as at 31 December 2013	<u>1 000 000</u>	<u>500 500</u>	<u>1 032 872</u>	<u>2 533 372</u>

The annexed notes 1 to 33 form an integral part of these financial statements.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Statement of Cash Flows For The Year Ended 31 December 2013

(Rupees '000)

	Statutory Funds					Aggregate 2013	Aggregate 2012
	Shareholders' Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Operating cash flows							
a) Underwriting activities							
Premiums received		12 489 033	1 579 596	1 192	1 415	14 071 236	11 885 341
Reinsurance premiums paid		(46 818)	(98 885)	(24)	(272)	(145 999)	(76 132)
Claims paid		(295 378)	(891 010)	–	(41)	(1 186 429)	(1 092 763)
Surrenders paid		(2 603 028)	–	(1 518)	–	(2 604 546)	(1 862 988)
Commissions paid		(2 160 284)	(235 472)	(43)	(210)	(2 396 009)	(2 042 972)
Net cash generated from / (used in) underwriting activities		7 383 525	354 229	(393)	892	7 738 253	6 810 486
b) Other operating activities							
Income tax paid	(423 141)					(423 141)	(442 245)
General management expenses paid	(38 725)	(1 371 995)	(127 387)	(84)	(330)	(1 538 521)	(1 303 865)
Other operating payments	(27 849)	–	(161 943)	(574)	(5)	(190 371)	(261 722)
Other operating receipts	153 859	47 193	–	–	80	201 132	289 395
Loans advanced	77 179	–	–	–	–	77 179	57 770
Loan repayments received	(91 916)	–	–	–	–	(91 916)	(61 865)
Other payments on operating assets	–	(6 170)	(881)	–	–	(7 051)	(42 244)
Net cash generated from / (used in) other operating activities	(350 593)	(1 330 972)	(290 211)	(658)	(255)	(1 972 689)	(1 764 776)
Total cash generated from / (used in) all operating activities	(350 593)	6 052 553	64 018	(1 051)	637	5 765 564	5 045 710
Investment activities							
Profit / return received	78 451	3 098 858	70 231	951	725	3 249 216	3 303 546
Dividends received	30 879	553 163	1 472	413	–	585 927	412 964
Payments for investments	(332 684)	(21 775 195)	176 348	(639)	(428)	(21 932 598)	(15 413 164)
Proceeds from disposal of investments	2 854	18 935 668	34 930	1 558	–	18 975 010	7 992 428
Fixed capital expenditure	(282 676)	–	–	–	–	(282 676)	(218 577)
Proceeds from disposal of fixed assets	20 032	–	–	–	–	20 032	11 708
Total cash generated from / (used in) investing activities	(483 144)	812 494	282 981	2 283	297	614 911	(3 911 095)
Financing activities							
Surplus appropriated to shareholders' fund	1 310 367	(1 182 638)	(126 577)	(205)	(947)	–	–
Dividends paid	(490 000)	–	–	–	–	(490 000)	(552 500)
Total cash generated from / (used in) financing activities	820 367	(1 182 638)	(126 577)	(205)	(947)	(490 000)	(552 500)
Net cash generated from / (used in) all activities	(13 370)	5 682 409	220 422	1 027	(13)	5 890 475	582 115
Cash at beginning of the year	49 234	1 517 291	150 056	4 599	2 392	1 723 572	1 141 457
Cash at end of the year	35 864	7 199 700	370 478	5 626	2 379	7 614 047	1 723 572
Reconciliation to profit and loss account							
Operating cash flows						5 765 564	5 045 710
Depreciation						(60 759)	(49 742)
Amortization						(9 510)	(5 639)
Profit on disposal of fixed assets						10 755	5 207
Other revenue						9 244	14 860
Investment revenue						3 709 926	3 290 591
Appreciation in market value of investments						1 078 117	1 414 778
Reversal of impairment in the value of available for sale equity investments						12 681	183 134
Provision for impairment in the value of available for sale fixed income securities						(160 407)	(9 075)
Profit on sale of investments						969 391	585 241
Increase / (Decrease) in assets other than cash						374 950	(58 322)
Increase in liabilities						(10 770 838)	(9 502 625)
Profit after taxation						929 114	914 118

The annexed notes 1 to 33 form an integral part of these financial statements.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman



Revenue Account For The Year Ended 31 December 2013



(Rupees '000)

	Note	Statutory Funds						
		Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Aggregate 2013	Aggregate 2012	
Income								
Premiums less reinsurances		12 254 277	1 108 714	1 146	1 342	13 365 479	11 301 615	
Net investment income		5 439 376	60 762	2 787	110	5 503 035	5 186 872	
Total net income		17 693 653	1 169 476	3 933	1 452	18 868 514	16 488 487	
Claims and expenditure								
Claims net of reinsurance recoveries		2 864 387	617 895	1 486	174	3 483 942	2 625 301	
Management expenses		3 849 302	385 341	137	705	4 235 485	3 405 134	
Total claims and expenditure		6 713 689	1 003 236	1 623	879	7 719 427	6 030 435	
Excess of income over claims and expenditure		10 979 964	166 240	2 310	573	11 149 087	10 458 052	
Add : policyholders' liabilities at beginning of the year		32 712 494	276 674	16 802	3 404	33 009 374	23 920 773	
Less : policyholders' liabilities at end of the year	9.2	42 509 820	310 273	18 907	3 022	42 842 022	33 009 374	
		(9 797 326)	(33 599)	(2 105)	382	(9 832 648)	(9 088 601)	
Surplus before tax		1 182 638	132 641	205	955	1 316 439	1 369 451	
Movement in policyholders' liabilities		9 797 326	33 599	2 105	(382)	9 832 648	9 088 601	
Transfer of surplus to shareholders' fund		(1 182 638)	(126 577)	(205)	(947)	(1 310 367)	(1 128 328)	
Balance of statutory funds at beginning of the year		33 271 395	451 516	17 045	3 977	33 743 933	24 414 209	
Balance of statutory funds at end of the year		43 068 721	491 179	19 150	3 603	43 582 653	33 743 933	
Represented by:								
Policyholders' liabilities	9.2	42 509 820	310 273	18 907	3 022	42 842 022	33 009 374	
Retained earnings on other than participating business		558 901	180 906	243	581	740 631	734 559	
Balance of statutory funds	10	43 068 721	491 179	19 150	3 603	43 582 653	33 743 933	

The annexed notes 1 to 33 form an integral part of these financial statements.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Statement of Premiums For The Year Ended 31 December 2013

(Rupees '000)

	Statutory Funds				Aggregate 2013	Aggregate 2012
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Gross premiums						
Regular premium individual policies*						
First year	3 165 804	3 788	–	209	3 169 801	2 785 490
Second year renewal	2 264 570	1 636	–	48	2 266 254	2 183 379
Subsequent year renewal	6 787 065	5 377	1 192	1 684	6 795 318	5 357 058
Single premium individual policies	234 227	–	–	–	234 227	168 299
Group policies with cash values	13 345				13 345	2 716
Group policies without cash values	–	1 579 985	–	–	1 579 985	1 376 900
Total gross premiums	12 465 011	1 590 786	1 192	1 941	14 058 930	11 873 842
Less: Reinsurance premiums ceded						
On individual life first year business	33 842	244	–	8	34 094	30 906
On individual life second year business	24 458	312	–	12	24 782	18 817
On individual life renewal business	152 434	1 788	46	579	154 847	144 145
On group policies	–	479 728	–	–	479 728	378 359
Total reinsurance premium ceded	210 734	482 072	46	599	693 451	572 227
Net premiums	12 254 277	1 108 714	1 146	1 342	13 365 479	11 301 615

* Individual policies are those underwritten on an individual basis, and includes joint life policies underwritten as such.

The annexed notes 1 to 33 form an integral part of these financial statements.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Statement of Claims For The Year Ended 31 December 2013

(Rupees '000)

	Statutory Funds					
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Aggregate 2013	Aggregate 2012
Gross claims						
Claims under individual policies						
by death	303 532	764	–	–	304 296	272 966
by insured event other than death	20 744	–	–	670	21 414	15 840
by maturity	59 849	–	–	–	59 849	28 551
by surrender	2 600 399	–	1 518	–	2 601 917	1 862 988
Total gross individual policy claims	2 984 524	764	1 518	670	2 987 476	2 180 345
Claims under group policies						
by death	3 191	783 068	–	–	786 259	742 494
by insured event other than death	–	57 490	–	–	57 490	51 933
experience refund	–	161 015	–	–	161 015	63 867
Total gross group claims	3 191	1 001 573	–	–	1 004 764	858 294
Total gross claims	2 987 715	1 002 337	1 518	670	3 992 240	3 038 639
Less: Reinsurance recoveries						
On individual life first year business	18 715	69	–	–	18 784	25 757
On individual life second year business	4 579	–	–	–	4 579	3 545
On individual life subsequent renewal business	33 717	–	–	472	34 189	24 237
On group claims	–	341 177	–	–	341 177	320 015
On experience refund of premiums	66 317	43 196	32	24	109 569	39 784
Total reinsurance	123 328	384 442	32	496	508 298	413 338
Net claims	2 864 387	617 895	1 486	174	3 483 942	2 625 301

The annexed notes 1 to 33 form an integral part of these financial statements.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Statement of Expenses For The Year Ended 31 December 2013

(Rupees '000)

	Note	Statutory Funds				Aggregate 2013	Aggregate 2012
		Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Acquisition costs							
Remuneration to insurance intermediaries on individual policies:							
- commission on first year premiums		1 479 595	1 270	–	85	1 480 950	1 279 791
- commission on second year premiums		241 898	195	–	21	242 114	174 566
- commission on subsequent renewal premiums		175 802	137	30	93	176 062	152 656
- commission on single premiums		4 902	–	–	–	4 902	3 766
- override commission		316 461	401	15	47	316 924	270 866
- other benefits to insurance intermediaries		553 335	734	57	97	554 223	395 438
		2 771 993	2 737	102	343	2 775 175	2 277 083
Remuneration to insurance intermediaries on group policies:							
- commission		925	236 466	–	–	237 391	213 821
- other benefits to insurance intermediaries		255	34 194	–	–	34 449	29 218
		1 180	270 660	–	–	271 840	243 039
Branch overheads	20	284 235	5 774	35	56	290 100	215 775
Other acquisition costs							
- Policy stamps		52 471	552	–	2	53 025	49 572
Total acquisition cost		3 109 879	279 723	137	401	3 390 140	2 785 469
Administration expenses							
Salaries and other benefits		290 318	56 198	–	120	346 636	298 804
Travelling expenses		33 795	3 744	–	2	37 541	60 841
Actuary's fees		7 197	600	–	3	7 800	7 200
Medical fees		13 653	2 539	–	–	16 192	14 913
Legal and professional fee		20 476	1 497	–	8	21 981	18 982
Advertisements and publicity		180 921	15 084	–	78	196 083	42 560
Computer expenses		3 504	315	–	1	3 820	5 676
Printing and stationery		29 377	3 124	–	12	32 513	24 064
Depreciation	19.4	12 651	1 681	–	6	14 338	10 716
Amortisation		8 775	731	–	4	9 510	5 639
Rental		17 206	3 650	–	7	20 863	17 489
Exchange gain		(7 960)	–	–	–	(7 960)	(7 242)
Postage		32 490	3 138	–	14	35 642	30 933
Fees and subscription		28 982	2 898	–	13	31 893	27 337
Other management expenses	21	86 379	10 533	–	36	96 948	73 042
Gross management expenses		3 867 643	385 455	137	705	4 253 940	3 416 423
Commission from reinsurers		(12 504)	(114)	–	–	(12 618)	(11 289)
Fees Charged to Policyholders		(5 837)				(5 837)	
Net management expenses		3 849 302	385 341	137	705	4 235 485	3 405 134

The annexed notes 1 to 33 form an integral part of these financial statements.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Statement of Investment Income For The Year Ended 31 December 2013

(Rupees '000)

	Statutory Funds				Aggregate 2013	Aggregate 2012
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Investment income						
On government securities	2 576 432	55 444	712	270	2 632 858	2 287 344
On other fixed income securities and deposits	415 472	12 550	168	440	428 630	526 493
Dividend income	553 163	1 472	413	–	555 048	388 663
Amortisation of discount	48 158	696	13	601	49 468	53 325
	3 593 225	70 162	1 306	1 311	3 666 004	3 255 825
Gain on sale of investments						
Shares and mutual fund units	970 904	–	636	–	971 540	577 125
Gain / (Loss) on revaluation of investments						
Government securities	(131 256)	–	(149)	–	(131 405)	221 485
Other fixed income securities	(65 429)	–	(11)	–	(65 440)	70 464
Listed equities securities and mutual fund units	1 224 489	–	1 005	–	1 225 494	1 069 504
	1 027 804	–	845	–	1 028 649	1 361 453
Reversal of / (Provision for) impairment in value of investments						
Available-for-sale fixed income securities	(151 945)	(7 404)	–	(1 058)	(160 407)	(9 075)
Available-for-sale equity securities and mutual fund units	5 282	(1 996)	–	(143)	3 143	3 917
	(146 663)	(9 400)	–	(1201)	(157 264)	(5 158)
	5 445 270	60 762	2 787	110	5 508 929	5 189 245
Less : Investment related expense	(5 894)	–	–	–	(5 894)	(2 373)
Net investment income	<u>5 439 376</u>	<u>60 762</u>	<u>2 787</u>	<u>110</u>	<u>5 503 035</u>	<u>5 186 872</u>

The annexed notes 1 to 33 form an integral part of these financial statements.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

1. Status and nature of business

EFU Life Assurance Limited (the Company) was incorporated in Pakistan on 09 August 1992 as a public limited company under the Companies Ordinance, 1984 and started its operation from 08 November 1992. The shares of the Company are quoted on Karachi Stock Exchange. The registered office of the Company is located at Al-Malik Centre, 70W, F-7/G-7 Jinnah Avenue, Islamabad while principal place of business is located at 37-K, Block 6, PECHS, Karachi.

The Company is engaged in life insurance business including ordinary life business, pension fund business and accident and health business and has established following statutory funds, as required by the Insurance Ordinance, 2000:

- Investment Linked business (includes individual life business)
- Conventional business (includes group life and individual life businesses)
- Pension business (unit linked)*
- Accident and health business

* The Company had discontinued pension business and accordingly no new business has been written under this fund.

2. Basis of presentation

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

3. Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail.

The SECP has allowed the insurance companies to defer the application of International Accounting Standard – 39 (IAS-39) "Financial Instruments: Recognition and Measurement" in respect of valuation of "available-for-sale investments". Accordingly, the requirements of IAS-39, to the extent allowed by SECP as aforesaid, have not been considered in the preparation of these financial statements (also see note 17.6).

4. Basis of measurement

These financial statements have been prepared on the basis of the historical cost convention except revaluation of certain investments at fair value.

5. Summary of significant accounting policies

- 5.1 The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

The Company has adopted the following amendments to IFRSs which became effective for the current year:

IFRS 7 – Financial Instruments : Disclosures – (Amendments)

Improvements to Accounting Standards Issued by the IASB:

IAS 1 – Presentation of Financial Statements - Clarification of the requirements for comparative information

IAS 16 – Property, Plant and Equipment – Clarification of Servicing Equipment

IAS 32 – Financial Instruments: Presentation – Tax Effects of Distribution to Holders of Equity Instruments

IAS 34 – Interim Financial Reporting – Interim Financial Reporting and Segment Information for Total Assets and Liabilities

The adoption of the above amendments did not have any effect on the financial statements.

5.2 Reinsurance assets

Reinsurance contracts entered into by the Company with reinsurers for compensation of losses suffered on insurance contracts issued. Claim recoveries receivable from the reinsurers are recognized at the same time as the claim which give rise to the right of recovery and are measured at the amount expected to be recovered.

Reinsurance assets represent balances due from reinsurance companies which are stated on the basis of amounts receivable under the respective contract after considering any impairment in the value of such assets.

5.3 Statutory funds

The Company maintains statutory funds for all classes of life insurance business. Assets, liabilities, revenues and expenses are recorded in respective funds, if referable or, on the basis of actuarial advice if not referable. Other assets, liabilities, revenues and expenses are allocated to shareholders' fund. Policyholders' liabilities have been included in statutory funds on the basis of the actuarial valuation carried out by the appointed actuary of the Company on the balance sheet date as required by Section 50 of the Insurance Ordinance, 2000. A capital transfer provided to statutory funds by the shareholders' fund is recorded as a reduction in the shareholders' equity. Changes in the amount of capital contributed to statutory funds is recorded by the shareholders' funds directly in equity.

5.4 Policyholders' liabilities

Policyholders' liabilities are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each balance sheet date. In determining the value, both acquired policy values (which forms the bulk of policyholders' liabilities) as well as estimated values which will be payable against risks which the Company underwrites are taken into account. The bases used are applied consistently from year to year.

The basic liability consists of the estimated actuarial liability against each contract which is in force. To this are added:

- a) The cash value of policies which have lapsed over the last two years and where the liability would be reinstated in case of the policy being revived; and
- b) A reserve for potential losses on a policy by policy basis.

5.5 Provision for outstanding claims

A liability for outstanding claims is recognized in respect of all claims incurred up to the balance sheet date, except for accident and health claims which are recognized as soon as reliable estimates of the claim amount can be made. Claims where intimation of the event giving rise to the claim is received or in respect of investment linked business when the policy ceases to participate in the earnings of the statutory fund are reported as claims in the revenue account. The liability for claims incurred but not reported at the year end is determined by the Appointed Actuary and are included in the policyholders' liabilities. Experience refund of premium calculated by appointed actuary is included in outstanding claims. Experience refund of premium receivable from reinsurers is included in the reinsurance recoveries of claim.

5.6 Investments

All investments are initially recognised at cost, being the fair value of the consideration given and include transaction costs except for held-for-trading investments in which case transaction costs are charged to the profit and loss account. All purchase and sale of investments that require delivery within the required time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the Company commits to purchase or sell the investments. Subsequently the investments are classified as follows:

Held-for-trading

Investments which are acquired principally for the purposes of generating profit from short term fluctuation in price are classified as held-for-trading.

Subsequent to initial recognition, these investments are remeasured at fair value. Gains or losses on investments on remeasurement of these investments are recognised in profit and loss account or the revenue account as the case may be.

Held-to-Maturity

At the time of acquisition, investments with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held-to-maturity.

Investments classified as held-to-maturity are subsequently measured at amortized cost, taking into account any discount or premium on acquisition, using the effective interest rate method.

Available-for-Sale

Investments which do not fall in the above category are classified as available-for-sale.

Available-for-sale investments relating to the units assigned to policies of investment linked business and pension business are subsequently measured at their fair values and the difference taken to respective revenue accounts. Other available-for-sale investments are subsequently measured at lower of cost or market value (market value being taken as lower if fall is other than temporary).

5.7 Revenue recognition

- First year individual life premiums are recognized once the related policies have been issued and the premiums received. Renewal premiums are recognized upon receipt of premium provided the policy is still in force. Single premiums are recognized once the related policies are issued against the receipts of premium.
- Group life premiums are recognized when due. A provision for unearned premiums is included in the policyholders' liabilities.
- Reinsurance expense is recognized as a liability in accordance with the pattern of recognition of related premium.
- Interest income on bank deposits is recorded on a time proportion basis.
- Fixed income securities are recorded on a time proportion basis using effective interest rate method.
- Dividend income is recognized when right to receive such dividend is established.

5.8 Acquisition costs

These are costs incurred in acquiring insurance policies, maintaining such policies, and include without limitation all forms of remuneration paid to insurance agents.

Commissions and other expenses are recognized as an expense in the earlier of the financial year in which they are paid and financial year in which they become due and payable, except that commission and other expenses which are directly referable to the acquisition or renewal of specific contracts are recognized not later than the period in which the premium to which they refer is recognized as revenue.

5.9 Employees' retirement benefits - defined contribution plans

- 5.9.1 The Company operates a contributory provident fund for all eligible employees to which equal monthly contributions at the rate of 8.33% of basic salary are made by both the Company and the employees. The contributions are recognised as employee benefit expense when they are due.
- 5.9.2 The Company also operate an approved funded contributory pension scheme, whereby, fixed monthly contributions at the rate of 10% of the basis salary are made by the Company and the employees also have an option to contribute in the fund at the rate of 5%. At the time of retirement, employees are paid in full for their contribution (if any) and Company's contribution accumulated in the fund is paid to employees over the period of time in accordance with the rules of the fund.

5.10 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalized during the current year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences

at the balance sheet date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

5.11 Dividends and other appropriations

Cash dividend to shareholders is recognized as liability in the period in which it is approved. Similarly all other appropriations other than those required by law including reserve for issue of bonus shares are recognized in the period in which they are approved.

5.12 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Company accounts for segment reporting using the classes or sub classes of business (statutory funds) as specified under the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002.

Based on its classification of Insurance contracts issued, the Company has four business segments for reporting purposes namely investment linked business, conventional business, pension business and accident and health business.

5.13 Fixed Assets

Tangible assets

These are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation is calculated so as to write off the depreciable amount of the assets over their expected useful lives at the rates specified in note 19.1 to the financial statements, after taking into account residual value, if any. The useful lives, residual values and depreciation methods are reviewed and adjusted, if appropriate, at each balance sheet date.

Depreciation on additions is charged from the quarter in which an asset is available for use while no depreciation is charged for the quarter in which asset is disposed off.

Subsequent cost are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is possible that the future economic benefit associated with the item will flow to the company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to income currently.

An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain and losses on disposal, if any, of assets are included in income currently.

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable. If any such indications exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

Intangible assets

These are stated at cost less accumulated amortisation and any impairment in value. amortisation on intangible fixed assets is charged to income applying the straight line method at the rates specified in note 19.3 to the financial statements after taking into account residual value, if any.

Amortisation is charged from the quarter the assets are available for use and no amortisation is charged for the quarter in which the asset is disposed off. The useful life and amortisation method is reviewed, and adjusted if appropriate, at each balance sheet date.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable, if any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any.

5.14 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of statement of cash flows, cash and cash equivalents consists of cash in hand, stamps in hand and deposits with banks.

5.15 Foreign currency transactions

5.15.1 Functional and presentation currency

These financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

5.15.2 Foreign currency translations

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gain and losses on translation are taken into income currently. Non monetary-items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

5.16 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

5.17 Financial Instruments

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual right to future cash flows from the asset expire or is transferred along with the risk and reward of the ownership of the asset. Financial liabilities are de-recognised when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial asset and liabilities is recognised in the profit and loss account of the current year.

5.18 Off-setting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to set-off and the Company intends either to settle the assets and liabilities on a net basis or to realise the asset and settle the liability simultaneously.

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any future periods affected.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

	Note
Policyholders' liabilities and underlying actuarial assumptions	5.4, 9 & 28.3
Provision for outstanding claims	5.5 & 12
Classification of investments	5.6 & 17
Taxation and deferred taxation	5.10 & 11
Determining the residual value and useful lives of fixed assets	5.13 & 19

7. 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 as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or interpretation	Effective date (annual periods beginning on or after)
IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting	01 January 2014
IAS 36 – Recoverable Amount for Non-Financial Assets – (Amendment)	01 January 2014
IFRIC 21 – Levies	01 January 2014
IAS 32 – Offsetting Financial Assets and Financial liabilities – (Amendment)	01 January 2014
IFAS 3 – Profit and Loss Sharing on Deposits	12 June 2013

The Company expects that the adoption of the above revision, amendments and interpretation of the standards will not affect the Company's financial statements in the period of initial application.

Improvements to IFRS

In addition to the above amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2013. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

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

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2015
IFRS 10 – Consolidated Financial Statements	01 January 2013
IFRS 11 – Joint Arrangements	01 January 2013
IFRS 12 – Disclosure of Interests in Other Entities	01 January 2013
IFRS 13 – Fair Value Measurement	01 January 2013

In November 2012, the SECP vide its notifications SRO No. 1383/2012 and SRO No 1384 / 2012 published revised draft of insurance accounting regulations and draft amendments in SEC (Insurance) Rules, 2002 respectively. While these regulations and amendments are not yet effective, the Company is currently assessing the full impact of the same on the financial statement for the future period.

8. Share Capital

(Rupees '000)

2013 (Number of Shares)	2012		2013	2012
15 000 000	15 000 000	Ordinary shares of Rs 10 each issued for cash	150 000	150 000
85 000 000	70 000 000	Ordinary shares of Rs 10 each issued as fully paid bonus shares	850 000	700 000
<u>100 000 000</u>	<u>85 000 000</u>		<u>1 000 000</u>	<u>850 000</u>

- 8.1 As of balance sheet date 63 014 648 (2012: 53 292 887) ordinary shares of Rs.10/- each were held by the associated companies.

9. Policyholders' liabilities

(Rupees '000)

	Statutory Funds				Aggregate 2013	Aggregate 2012
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
9.1 Gross of reinsurance						
Actuarial liability relating to future events	42 454 282	360 977	18 946	3 370	42 837 575	33 010 023
Provision for outstanding reported claims payable over a period exceeding twelve months	223 977	74 817	–	–	298 794	269 201
Provision for incurred but not reported claims	59 940	116 962	–	–	176 902	144 764
	<u>42 738 199</u>	<u>552 756</u>	<u>18 946</u>	<u>3 370</u>	<u>43 313 271</u>	<u>33 423 988</u>
9.2 Net of reinsurance						
Actuarial liability relating to future events	42 327 292	221 609	18 907	3 022	42 570 830	32 766 823
Provision for outstanding reported claims payable over a period exceeding twelve months	134 039	17 067	–	–	151 106	143,746
Provision for incurred but not reported claims	48 489	71 597	–	–	120 086	98 805
	<u>42 509 820</u>	<u>310 273</u>	<u>18 907</u>	<u>3 022</u>	<u>42 842 022</u>	<u>33 009 374</u>

10. Reconciliation of statutory funds

(Rupees '000)

	Statutory Funds				Aggregate 2013	Aggregate 2012
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Policyholders' liabilities						
Balance at beginning of the year	32 712 494	276 674	16 802	3 404	33 009 374	23 920 773
Increase / (Decrease) during the year	9 797 326	33 599	2 105	(382)	9 832 648	9 088 601
Balance at end of the year	<u>42 509 820</u>	<u>310 273</u>	<u>18 907</u>	<u>3 022</u>	<u>42 842 022</u>	<u>33 009 374</u>
Retained earnings on other than participating business						
Balance at beginning of the year	558 901	174 842	243	573	734 559	493 436
Surplus for the year	1 182 638	132 641	205	955	1 316 439	1 369 451
Surplus appropriated to shareholders' fund	(1 182 638)	(126 577)	(205)	(947)	(1 310 367)	(1 128 328)
Balance at end of the year (refer note no. 10.1)	<u>558 901</u>	<u>180 906</u>	<u>243</u>	<u>581</u>	<u>740 631</u>	<u>734 559</u>
Balance of statutory funds	<u>43 068 721</u>	<u>491 179</u>	<u>19 150</u>	<u>3 603</u>	<u>43 582 653</u>	<u>33 743 933</u>

- 10.1 The SECP has issued amendments to the SEC (Insurance) Rules, 2002, which includes revision in the solvency margin requirements for life insurers. Keeping in view such future solvency requirements, the Company has retained an aggregate amount of Rs. 726 million (2012: Rs. 726 million) in the Statutory Funds, based on the advice of the appointed actuary.

		(Rupees '000)	
	Note	2013	2012
11. Deferred tax liability			
Deferred tax liability arising in respect of:			
Accelerated tax depreciation		16 300	14 600
12. Outstanding claims			
Investment linked business	12.1	382 182	292 873
Conventional business	12.2	522 741	411 414
Accident and health business	12.4	1 467	838
		906 390	705 125
12.1 Investment linked business			
Outstanding claims at the beginning of the year		292 873	261 847
Cash paid during the year		(2 898 406)	(2 142 056)
Net increase in liabilities due to current year claims		2 987 715	2 173 082
Outstanding claims at the end of the year		382 182	292 873
12.2 Conventional business			
Outstanding claims at the beginning of the year		411 414	359 496
Cash paid during the year		(891 010)	(812 005)
Net increase in liabilities due to current year claims		1 002 337	863 923
Outstanding claims at the end of the year		522 741	411 414
12.3 Pension Business			
Outstanding claims at the beginning of the year		–	–
Cash paid during the year		(1 518)	(1 248)
Net increase in liabilities due to current year claims		1 518	1 248
Outstanding claims at the end of the year		–	–
12.4 Accident & Health Business			
Outstanding claims at the beginning of the year		838	894
Cash paid during the year		(41)	(442)
Net increase in liabilities due to current year claims		670	386
Outstanding claims at the end of the year		1 467	838

13. Other creditors and accruals

(Rupees '000)

	Statutory Funds					Aggregate 2013	Aggregate 2012
	Share holders' Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Staff Bonus payable	–	47 277	3 940	–	20	51 237	47 733
Payable to Workers' Welfare Fund	37 066	–	–	–	–	37 066	36 378
Medical fee payable	–	1 659	138	–	1	1 798	1 786
Sundry creditors payable	–	1 063	89	–	–	1 152	997
Withholding tax payable	–	1 281	107	–	1	1 389	3 526
Others	18	13 077	316	–	2	13 413	4 929
Total	37 084	64 357	4 590	–	24	106 055	95 349

14. Contingencies and commitments

There are no contingencies and commitments as at 31 December 2013.

		(Rupees '000)	
	Note	2013	2012
15. Cash and bank deposits			
Policy stamps in hand		11 779	12 716
Current and other accounts			
Cash at bank - PLS saving accounts	15.1	1 307 574	1 142 440
Cash at Bank - Current accounts		199 694	88 416
		1 507 268	1 230 856
Deposits maturing within 12 months			
Term deposit receipts	15.2	6 095 000	480 000
		7 614 047	1 723 572

15.1 These carry mark-up ranging from 7% to 9.15% (2012: 6% to 9.5%) per annum and include balance of Rs.7.524 million (2012: Rs. 15.281 million) held with JS Bank Limited (a related party).

15.2 These have tenure of one to three months (2012: one to three month) and carry mark-up at the rate 9.00% to 10.40% (2012: 9.75% to 10.50%) per annum and includes term deposit receipts of Rs 2.0 billion (2012: 430 million) held with JS Bank Limited (a related party) which carries mark-up at the rate 10.30% (2012: 10.5%).

16. Loans

		(Rupees '000)	
	Note	2013	2012
To employees - secured	16.1	67 477	45 901
To employees and agents - unsecured	16.2	7 845	14 684
		75 322	60 585

16.1 This represent housing and vehicle loans to employees at the interest rate ranging between 8% to 12.5% (2012: 8% to 12.5%) per annum. These loans are recoverable over a period of one to ten years (2012: one to ten years) and are secured against retirement benefit payable to respective employees and security documents of property / vehicles.

16.2 This represent loans to employees and agents for domestic purposes at the interest rates ranging between 8% to 12.5% (2012: 8% to 12.5%) per annum. These loans are recoverable over a period of one to seven years (2012: one to seven years).

		(Rupees '000)	
	Note	2013	2012
17. Investments			
Government securities	17.1	28 654 916	25 178 107
Other fixed income securities	17.2	1 753 113	3 305 500
Listed equity securities and mutual fund units	17.3	9 177 182	6 244 234
Unlisted equity securities	17.4	508	508
		39 585 719	34 728 349

17.1. Government Securities

(Rupees '000)

	Maturity Year	Coupon Rate per annum %	Shareholders’ Fund	Statutory Funds				Aggregate 2013	Aggregate 2012
				Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Held to maturity (at amortised cost)									
3 Months Treasury Bills	2014	9.4-9.95	540 976	627 578	523 677	–	1 988	1 694 219	929 029
6 Months Treasury Bills	2014	8.9-9.4	426 781	49 741	–	–	2 038	478 560	731 258
12 Months Treasury Bills	2014	9.1-9.33	–	–	–	–	964	964	31 380
3 Years Pakistan Investment Bonds	2014	11.25	–	123 535	–	–	–	123 535	100 750
5 Years Pakistan Investment Bonds	2016	11.5	24 080	216 723	–	–	–	240 803	237 748
10 Years Pakistan Investment Bonds	2014-18	8.0-12	15 015	235 800	98 504	–	–	349 319	358 418
15 Years Pakistan Investment Bonds	2019	9	10 684	–	–	–	–	10 684	10 792
20 Years Pakistan Investment Bonds	2024	10	–	54 570	–	–	–	54 570	54 616
			1 017 536	1 307 947	622 181	–	4 990	2 952 654	2 453 991
Available for sale (at fair value)									
3 Months Treasury Bills	2014	9.4 - 9.95	–	21 486 477	–	5 466	–	21 491 943	1 070 019
6 Months Treasury Bills	2014	8.9-9.4	–	1 012 645	–	–	–	1 012 645	10 820 636
12 Months Treasury Bills	2014	9.19-9.33	–	1 952 103	–	–	–	1 952 103	8 564 755
GOP Ijara Sukuk Bonds	2014-15	8.9-9.9	–	341 326	–	–	–	341 326	265 469
3 Years Pakistan Investment Bonds	2014	11.25	–	426 894	–	–	–	426 894	935 597
5 Years Pakistan Investment Bonds	2016	11.5	–	–	–	–	–	–	177 649
10 Years Pakistan Investment Bonds	2014-18	12	–	23 529	–	1 875	–	25 404	413 180
15 Years Pakistan Investment Bonds	2019	9	–	128 223	–	–	–	128 223	132 802
20 Years Pakistan Investment Bonds	2024	10	–	322 073	–	1 651	–	323 724	344 009
			–	25 693 270	–	8 992	–	25 702 262	22 724 116
			1 017 536	27 001 217	622 181	8 992	4 990	28 654 916	25 178 107

17.1.1 Market value of the government securities carried at amortized cost amounted to Rs. 2,943.996 million (2012: Rs.2,475.493 million).

17.1.2 Government securities includes Rs.115 million (2012: Rs. 108 million) placed with the State Bank of Pakistan, in accordance with Section 29 of the Insurance Ordinance, 2000.

17.2 Other fixed income securities

(Rupees '000)

	Statutory Funds							Aggregate 2013	Aggregate 2012
	Maturity Year	Effective Yield %	Shareholders' Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Held-to-maturity (at amortised cost)									
Term Finance Certificates									
Askari Commercial Bank Limited 2nd Issue	2013	11.1	—	—	—	—	—	—	29 947
Bank Alfalah Limited 3rd Issue	2013	11.04	—	—	—	—	—	—	16 367
Faysal Bank Limited	2013	13.6	—	—	—	—	—	—	2 620
Pakistan Mobile Communication Private Limited. 3rd issue	2013	10.75	—	—	—	—	—	—	10 000
Soneri Bank Limited.	2013	10.95	—	—	—	—	—	—	6 681
Standard Chartered Bank (Pakistan) Limited - 3rd issue	2013	14	—	—	—	—	—	—	6 250
United Bank Limited 2nd issue	2013	9.49	—	—	—	—	—	—	39 412
Allied Bank Limited	2014	12.02	—	—	4 988	—	—	4 988	9 976
Faysal Bank Limited	2014	11.01	—	—	9 998	—	—	9 998	20 116
NIB Bank Limited	2016	11.59	—	—	—	—	—	—	52 022
Azgard Nine Limited 5th Issue	2017	Zero Coupon	—	—	4 321	—	618	4 939	4 939
United Bank Limited 4th Issue	2018	11.42	—	—	—	—	—	—	87 975
Allied Bank Limited 2nd Issue	2019	10	—	24 960	24 960	—	—	49 920	49 940
Azgard Nine Limited PPTFC	2019	10.25			5 549	-	793	6 342	6 253
			—	24 960	49 816	—	1 411	76 187	342 498
Available-for-sale (at fair value)									
Term Finance Certificates									
First Dawood Investment Bank Limited	2012	—	—	—	—	—	—	—	83 470
New Allied Electronics	2012	—	—	6 515	—	—	—	6 515	—
Al-Abbas Sugar Mills Limited	2013	11.26	—	—	—	—	—	—	6 021
Askari Commercial Bank Limited - 1st issue	2013	13.24	—	—	—	—	—	—	160 712
Askari Commercial Bank Limited - 2nd issue	2013	11.1	—	—	—	—	—	—	157 923
Bank Alfalah Limited - 3rd Issue	2013	11.04	—	—	—	—	—	—	110 342
Faysal Bank Limited	2013	13.6	—	—	—	—	—	—	28 422
Hub Power Company Limited	2013	5.92	—	—	—	—	—	—	50 000
Orix Leasing Pakistan Limited PPTFC	2013	13.43	—	—	—	—	—	—	30 516
Pak Arab Fertilizers (Private) Limited	2013	12.03	—	—	—	—	—	—	104 810
Pakistan Mobile Communications (Private) Limited (2nd Issue)	2013	10.75	—	—	—	—	—	—	193 046
Pakistan Mobile Communications (Private) Limited (3rd Issue)	2013	12.38	—	—	—	—	—	—	20 051
Sitara Chemical Industries Limited (Sukuk)	2013	11.18	—	—	—	—	—	—	4 583
Soneri Bank Limited	2013	10.95	—	—	—	—	—	—	35 475
Standard Chartered Bank Pakistan Limited - 3rd Issue	2013	14	—	—	—	—	—	—	21 671
United Bank Limited 2nd issue	2013	9.49	—	—	—	—	—	—	109 066
Allied Bank Limited	2014	12.02	—	128 793	—	—	—	128 793	261 019
Sub Total Carry forward				135 308				135 308	1 377 127

17.2 Other fixed income securities

(Rupees '000)

	Maturity Year	Effective Yield %	Shareholders' Fund	Statutory Funds				Aggregate 2013	Aggregate 2012
				Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Sub Total Brought forward				135 308				135 308	1 377 127
Azgard Nine Limited PPTFC	2014	14.26	–	63 032	–	–	–	63 032	58 244
Engro Rupiya 1st issue	2014	14.50	–	20 072	–	–	–	20 072	20 220
Escort Investment Bank Limited	2014	8.00	–	1 998	–	–	–	1 998	3 997
Faysal Bank Limited	2014	11.01	–	121 696	–	501	–	122 197	247 073
Financial Receivable Securitization Company Limited	2014	11.08	–	5 044	–	–	–	5 044	15 245
Flying Paper Mills	2014	–	–	53 625	–	–	–	53 625	–
Orix Leasing Pakistan Limited	2014	12.21	–	14 033	–	–	–	14 033	41 701
United Bank Limited – 3rd Issue	2014	10.72	–	34 760	–	–	–	34 760	70 684
Bank AL Habib Limited 2nd Issue	2015	11.04	–	251 409	–	–	–	251 409	257 931
Engro Chemical Pakistan Limited	2015	11.36	–	420 446	–	–	–	420 446	266 706
Gharibwal Cement Mills	2016	–	–	23 330	–	–	–	23 330	–
NIB Bank Limited	2016	11.59	–	–	–	–	–	–	183 129
Pakistan Mobile Communications (Private) Limited	2016	12.15	–	40 358	–	–	–	40 358	46 445
Pakistan Mobile Communications (Private) Limited	2016	11.51	–	21 175	–	–	–	21 175	28 235
Agritech Limited 5th Issue	2017	11	–	36 266	–	–	–	36 266	5 668
Azgard Nine Limited 5th issue	2017	Zero Coupon	–	58 191	–	–	–	58 191	58 191
Bank AL Habib Limited PPTFC	2017	15.50	–	78 467	–	–	–	78 467	83 825
Bank Alfalah Limited – 4th Issue	2017	15.00	–	32 163	–	–	–	32 163	32 586
United Bank Limited 4th Issue	2018	11.42	–	–	–	–	–	–	58 151
Agritech Limited	2019	15.02	–	–	–	–	–	–	30 601
Allied Bank Limited 2nd Issue	2019	10	–	47 846	–	–	–	47 846	48 693
Askari Commercial Bank Limited - 3rd Issue	2019	12.09	–	50 664	–	–	–	50 664	55 151
Azgard Nine Limited TFC 2	2019	10.25	–	15 944	–	–	–	15 944	15 944
Bank Alfalah Limited – 5th Issue	2021	10.36	–	15 645	–	–	–	15 645	–
Pakistan Water and Power Development PPTFC	2021	10.48	–	300 000	–	–	–	300 000	–
			–	1 841 472	–	501	–	1 841 973	3 005 547
Less: Provision for impairment in the value of available-for-sale fixed income securities			–	(238 765)	(9 871)	–	(1 411)	(250 047)	(92 545)
			–	1 627 667	39 945	501	–	1 668 113	3 255 500
Certificate of Investment First Habib Modarba	2014	12.25	–	85 000	–	–	–	85 000	50 000
			–	1 712 667	39 945	501	–	1 753 113	3 305 500

17.2.1 Market Value of other fixed income securities carried at amortized cost amounted to Rs. 74.038 million (2012: Rs. 340.359 million).

17.3 Listed equity securities and mutual fund units

							(Rupees '000)
Note	Shareholders' Fund	Statutory Funds				Aggregate 2013	Aggregate 2012
		Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Held-for-trading (at fair value)							
Listed equities	–	1 197 964	–	–	–	1 197 964	843 023
Available-for-sale (at fair value)							
Listed equities	–	6 905 859	–	4 835	–	6 910 694	4 574 557
Open end mutual fund units	–	517 540	–	453	–	517 993	292 536
Available-for-sale (at lower of cost or fair value)							
Listed equities	17.3.2	1 250 559	80 845	73 137	–	1 405 576	1 417 654
Open end mutual fund units		45 279	13 343	15 000	–	73 622	57 812
		1 295 838	8 715 551	88 137	5 288	10 105 849	7 185 582
Less: Provision Impairment in the value of equity securities	17.3.1	(869 419)	(10 239)	(48 349)	–	(928 667)	(941 348)
		426 419	8 705 312	39 788	5 288	9 177 182	6 244 234

17.3.1 Reconciliation of provision

Balance at the beginning of the year	878 957	15 521	46 353	–	517	941 348	1 125 966
Adjustment on disposal / transfer		–				–	(1 484)
(Reversal) / charge for impairment on available-for-sale investments	(9 538)	(5 282)	1, 996	–	143	(12 681)	(183 134)
Balance at the end of the year	869 419	10 239	48 349	–	660	928 667	941 348

17.3.2 Listed equities include investment in EFU General Insurance Limited (a related party) at carrying value of Rs. 572.634 million (2012: Rs. 533.454 million) representing 6.81% (2012: 6.81 %) of the issued capital of the EFU General Insurance Limited.

17.4 This represents investment in ordinary shares of Security General Insurance Company Limited. The breakup value of each ordinary share of Rs. 10 is Rs 109.05 based on the latest audited financial statements available for the year ended December 31, 2013. The Company's holding as at the year end is 0.67% (number of shares: 457,036) {(2012: 0.67%) (number of shares: 457,036)}. The Chief Executive Officer of Security General Insurance Company Limited is Ms. Nabiha Shahnawaz.

17.5 Investments by classification

	(Rupees '000)	
	2013	2012
Held-to-maturity		
Government securities	2 952 654	2 453 991
Other fixed income securities	76 187	342 498
	3 028 841	2 796 489
Available-for-sale		
Government securities (at fair value)	25 702 262	22 724 116
Other fixed income securities (at fair value)	1 926 973	3 055 547
Listed equity securities and mutual fund units (at fair value)	7 428 687	4 867 093
Listed equity securities and mutual fund units (at lower of cost or fair value)	1 479 198	1 475 466
Unlisted equity securities (relating to shareholders' fund)	508	508
	36 537 628	32 122 730
Held-for-trading - listed equities	1 197 964	843 023
Less: Impairment in the value of available-for-sale investments		
Impairment in the value of equity securities	(928 667)	(941 348)
Impairment in the value of fixed income securities	(250 047)	(92 545)
	(1 178 714)	(1 033 893)
Total Investments - net of provision	39 585 719	34 728 349

- 17.6 As per the Company's accounting policy and SECP's accounting regulations for Life Insurance companies certain, available-for-sale investments are stated at lower of cost or market value (market value being taken as lower if the reduction is other than temporary). However, International Accounting Standard (IAS)39, "Financial Instruments: Recognition and Measurements" dealing with the recognition and measurement of financial instruments requires that these investments should be measured at fair value. Accordingly, had these investments been measured at fair value, their carrying value as on December 31, 2013 would have been higher by Rs. 380.94 million (2012: higher by Rs 283.06 million).

18. Investment income accrued

(Rupees '000)

	Shareholders' Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Aggregate 2013	Aggregate 2012
Government securities	1 686	59 001	4 108	82	–	64 877	106 289
Fixed income securities	1 124	73 701	1 653	8	–	76 486	154 637
Dividend receivable	162	15 646	–	5	–	15 813	12 223
	<u>2 972</u>	<u>148 348</u>	<u>5 761</u>	<u>95</u>	<u>–</u>	<u>157 176</u>	<u>273 149</u>

(Rupees '000)

19. Fixed assets

		2013	2012
Tangible assets	19.1	480 663	425 230
Capital work-in-progress (civil work)	19.2	316 491	165 012
Intangible assets (computer software)	19.3	13 081	16 863
		<u>810 235</u>	<u>607 105</u>

(Rupees '000)

19.1 Tangible assets

	Cost			Accumulated Depreciation				Written down value	Depreciation Rate %
	As at 01 Jan 2013	Additions	Disposals	As at 31 Dec 2013	As at 01 Jan 2013	Charge for the year	On Disposal	As at 31 Dec 2013	
Lease hold land	126 505	–	–	126 505	–	–	–	–	–
Office equipment	53 222	4 163	393	56 992	19 192	3 689	213	22 668	10
Computers	55 003	20 456	54	75 405	33 204	9 004	48	42 160	30
Furniture and fixture	221 119	22 256	–	243 375	92 712	14 266	–	106 978	10
Vehicles	202 420	78 594	29 052	251 962	87 931	33 800	19 961	101 770	20
2013	<u>658 269</u>	<u>125 469</u>	<u>29 499</u>	<u>754 239</u>	<u>233 039</u>	<u>60 759</u>	<u>20 222</u>	<u>273 576</u>	

(Rupees '000)

	Cost			Accumulated Depreciation				Written down value	Depreciation Rate %
	As at 01 Jan 2012	Additions	Disposals	As at 31 Dec 2012	As at 01 Jan 2012	Charge for the year	On Disposal	As at 31 Dec 2012	
Lease hold land	126 505	–	–	126 505	–	–	–	–	–
Office equipment	45 222	8 238	238	53 222	16 031	3 307	146	19 192	10
Computers	39 871	15 132	–	55 003	26 069	7 135	–	33 204	30
Furniture and fixture	197 860	23 259	–	221 119	79 553	13 159	–	92 712	10
Vehicles	168 597	50 656	16 833	202 420	72 214	26 141	10 424	87 931	20
2012	578 055	97 285	17 071	658 269	193 867	49 742	10 570	233 039	425 230

19.2 Capital work in progress

During the year, the Company has transferred (at cost) leasehold land and the related construction cost amounting to Rs. 348.097 million comprising of leasehold land of Rs. 126.505 million and other construction related costs amounting to Rs. 221.592 million from the Shareholders' Fund to the Investment Linked Statutory Fund as allowed by the SECP vide its letter dated 13 February 2013.

19.3 Intangible assets

(Rupees '000)

	Cost			Accumulated Amortization				Written down value	Amortization Rate %
	As at 01 Jan 2013	Additions	Disposals	As at 31 Dec 2013	As at 01 Jan 2013	Charge for the year	On Disposal	As at 31 Dec 2013	
Computer Software	36 168	5 728	–	41 896	19 305	9 510	–	28 815	33

(Rupees '000)

	Cost			Accumulated Amortization				Written down value	Amortization Rate %
	As at 01 Jan 2012	Additions	Disposals	As at 31 Dec 2012	As at 01 Jan 2012	Charge for the year	On Disposal	As at 31 Dec 2012	
Computer Software	23 064	13 104	–	36 168	13 666	5 639	–	19 305	33

19.4 Depreciation has been allocated as follows:

(Rupees '000)

	Statutory Funds				Aggregate 2013	Aggregate 2012
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Branch overheads	44 625	1 776	8	12	46 421	39 026
Administration expenses	12 651	1 681	–	6	14 338	10 716
	57 276	3 457	8	18	60 759	49 742

19.5 Disposal of tangible assets

(Rupees '000)

	Original Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (Loss) on Sale	Mode of Disposal	Particulars of Buyer	
Vehicle	604	518	86	350	264	Negotiation	Waqarul Hassan	Karachi
Vehicle	363	272	91	220	129	Negotiation	M. Qasim	Karachi
Vehicle	363	267	96	240	144	Negotiation	Arshad Hassan	Karachi
Vehicle	604	503	101	390	289	Negotiation	Zahid Ali	Karachi
Vehicle	372	262	110	220	110	Negotiation	M. Qasim	Karachi
Vehicle	382	269	113	230	117	Negotiation	Arshad Iqbal	Employee
Vehicle	392	276	116	215	99	Negotiation	Mansoor Raza	Karachi
Vehicle	373	256	117	240	123	Negotiation	Arshad	Karachi
Vehicle	615	492	123	480	357	Negotiation	Kashif Ghani	Karachi
Vehicle	835	709	126	390	264	Negotiation	Mateen Baig	Karachi
Vehicle	490	354	136	300	164	Negotiation	Hyder Imtiaz	Employee
Vehicle	615	476	139	420	281	Negotiation	Ather Shafiq	Karachi
Vehicle	398	251	147	235	88	Negotiation	Syed Ghulam Shah	Karachi
Vehicle	424	276	148	260	112	Negotiation	Kashif Ghani	Karachi
Vehicle	620	466	154	500	346	Negotiation	Shahzad Ghous	Employee
Vehicle	836	669	167	550	383	Negotiation	M. Rafi Malik Awan	Employee
Vehicle	632	465	167	450	283	Negotiation	Faisal Tahir	Employee
Vehicle	494	322	172	275	103	Negotiation	Nasir Anthony	Employee
Vehicle	631	454	177	425	248	Negotiation	Shahzia Shoukat Abbasi	Employee
Vehicle	470	253	217	360	143	Negotiation	Zulekha	Employee
Vehicle	677	453	224	490	266	Negotiation	Kashif Ghani	Karachi
Vehicle	857	618	239	655	416	Negotiation	M. Qasim	Karachi
Vehicle	857	604	253	675	422	Negotiation	Naeemuddin	Karachi
Vehicle	981	708	273	850	577	Negotiation	Zaheeruddin Ghumro	Employee
Vehicle	1506	1170	336	0	(336)	Negotiation	Naseem Chaudhari	Employee
Vehicle	900	547	353	600	247	Negotiation	Arshad Hassan	Karachi
Vehicle	1390	1021	369	1165	796	Negotiation	Kashif Ashraf	Karachi
Vehicle	1506	1131	375	1050	675	Negotiation	S. Ali Raza Zaidi	Employee
Vehicle	1506	1131	375	1175	800	Negotiation	Kashif Ashraf	Karachi
Vehicle	1390	1000	390	1150	760	Negotiation	Tahir Sultan	Employee
Vehicle	1390	1000	390	1000	610	Negotiation	M. Ali Ahmed	Employee
Vehicle	744	289	455	680	225	Negotiation	Syed Naeem Ali	Karachi
Vehicle	607	88	519	607	88	Insurance Claim	EFU General Insurance	Related Party
Vehicle	1389	845	544	1000	456	Negotiation	Kashif Azeem	Employee
Vehicle	1389	845	544	1000	456	Negotiation	Kh. Mujeeb Ur Rehman	Employee
Vehicle	1450	701	749	1075	326	Negotiation	Haris Khan	Karachi

Assets having Written down value less than Rs.50 000

Office equipment	393	213	180	99	(81)	Various
Computers	54	48	6	11	5	Various
2013	<u>29 499</u>	<u>20 222</u>	<u>9 277</u>	<u>20 032</u>	<u>10 755</u>	
2012	<u>17 071</u>	<u>10 570</u>	<u>6 501</u>	<u>11 708</u>	<u>5 207</u>	

20. Branch overheads

(Rupees '000)

	Statutory Funds				Aggregate 2013	Aggregate 2012
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Insurance premium	10 203	486	2	3	10 694	6 103
Printing and stationery	17 215	352	2	4	17 573	19 983
Advertisement and publicity	4 877	–	–	–	4 877	2 513
Postage	4 607	267	–	1	4 875	3 353
Travelling cost	47 921	419	3	4	48 347	9 641
Telephone and electricity	44 444	1 262	7	11	45 724	40 755
Rent, rates and taxes	39 757	97	6	10	39 870	38 919
Conveyance	8 927	14	2	3	8 946	6 591
Repair and maintenance	10 189	132	2	2	10 325	6 420
Entertainment	35 970	794	3	5	36 772	30 093
Depreciation	44 625	1 776	8	12	46 421	39 026
Other expenses	15 500	175	–	1	15 676	12 378
	<u>284 235</u>	<u>5 774</u>	<u>35</u>	<u>56</u>	<u>290 100</u>	<u>215 775</u>

21. Other management expenses

(Rupees '000)

	Statutory Funds				Aggregate 2013	Aggregate 2012
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Insurance premium	4 725	1 144	–	2	5 871	6 670
Telephone and electricity	11 997	1 986	–	5	13 988	12 551
Repair and maintenance	6 286	702	–	3	6 991	12 183
Entertainment	14 903	2 258	–	6	17 167	16 469
Bank charges	8 042	670	–	3	8 715	8 444
Claim investigation fees	3 681	307	–	2	3 990	2 649
Other expenses	36 745	3 466	–	15	40 226	14 076
	<u>86 379</u>	<u>10 533</u>	<u>–</u>	<u>36</u>	<u>96 948</u>	<u>73 042</u>

(Rupees '000)

22. Other revenue

Gain on sale of fixed assets
Interest on loan to employees
Policy surrender income
Others

Note	2013	2012
19.5	10 755	5 207
	9 032	7 763
	–	4 964
	212	2 133
	<u>19 999</u>	<u>20 067</u>

23. Expenses not attributable to statutory funds

Printing and stationery
Advertisement and publicity
Travelling
Legal and professional fee
Workers' welfare fund
Auditors' remuneration
Donations
Others

23.1	1 432	1 272
23.2	1 579	49
	109	97
	939	663
	28 537	28 413
	1 765	1 765
	4 228	551
	136	914
	<u>38 725</u>	<u>33 724</u>

		(Rupees '000)	
	Note	2013	2012
23.1 Auditors' remuneration			
Annual audit		1 000	1 000
Half yearly review		200	200
Review of code of corporate governance		100	100
Other certifications		300	300
Out of pocket expenses		165	165
		<u>1 765</u>	<u>1765</u>
23.2	None of the directors or their spouses have any interest in donees.		
24. TAXATION			
Current		467 500	475 500
Deferred		1 700	2 850
		<u>469 200</u>	<u>478 350</u>
24.1 Relationship between tax expense and accounting profit			
Profit for the year		<u>1 398 314</u>	<u>1 392 468</u>
Tax at applicable rate 34% (2012: 35%)		475 427	487 364
Tax effect of income subject to lower tax rates		(7 411)	(6 075)
Effect of income exempt from tax		731	(2 841)
Others		453	(98)
Tax charge for the year		<u>469 200</u>	<u>478 350</u>
25. Remuneration of chief executive and executives			

Remuneration of Chief Executive and Executives

(Rupees '000)

	2013		2012	
	Chief Executive	Executives	Chief Executive	Executives
Managerial remuneration	16 194	384 545	14 393	303 646
Bonus	4 555	27 154	3 918	15 221
Utilities	1 163	–	192	618
Medical expenses	307	3 854	364	2 935
Leave passage	322	701	148	–
	22 541	416 254	19 015	322 420
Number of persons	1	113	1	82

The Chief Executive is provided with Company maintained cars and furnished accommodation. The Executives are provided with Company maintained cars and in certain cases, household items and furniture in accordance with their terms of employment.

(Rupees '000)

26. Basic and diluted earnings per share

Profit for the year

Weighted average number of ordinary shares

Earnings per share – basic and diluted

2013	2012
929 114	914 118
(Number of Shares)	
1 000 000	1 000 000
(Rupees)	
9.29	9.14

27. Financial instruments and related disclosures**27.1 Financial risk management objectives and policies**

The Company is exposed to a variety of financial risks: market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk and credit risk in relation to the financial statements on its balance sheet.

The Company's overall risk management seeks to minimize potential adverse effects on the Company's financial performance of such risk.

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

27.1.1 Market Risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company is exposed to market risk with respect to its investments and with respect to products other than unit linked products (where the investment risk is passed on to policyholders). The Company limits market risk by maintaining a diversified portfolio and by continuously monitoring developments in government securities, equity and term finance certificates. The Company, along with minimizing market risk by careful diversification in assets, also periodically carries out an Asset Liability management exercise, to match its duration of assets and liabilities.

27.1.1.1 Interest Rate Risk Exposure

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

"The information about Company's exposure to interest rate risk (other than relating to policyholders' liabilities) based on contractual repricing or maturity dates as of December 31, 2013 whichever is earlier is as follows:

(Rupees '000)

2013											
Exposed to yield / interest rate risk											
Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	sub Total	Non- interest bearing financial instruments	Total
On balance sheet financial instruments											
Assets											
Policy stamps in hand	-	-	-	-	-	-	-	-	-	11 779	11 779
Current and other accounts	1 307 574	-	-	-	-	-	-	-	1 307 574	199 694	1 507 268
Deposits maturing within in 12 months	6 095 000	-	-	-	-	-	-	-	6 095 000	-	6 095 000
Loans- secured to employees	2 068	3 968	5 750	9 411	13 724	7 344	9 404	13 114	2 694	67 477	67 477
Loans- unsecured to employees	383	693	971	1 425	1 667	803	1 216	687	-	7 845	7 845
Investments	16 283 308	8 645 421	2 266 555	402 729	1 221 158	327 505	374 770	440 883	445 700	30 408 029	39 585 719
Premiums due but unpaid	-	-	-	-	-	-	-	-	-	51 297	51 297
Amounts due from reinsurer	-	-	-	-	-	-	-	-	-	4 777	4 777
Sundry Receivables	-	-	-	-	-	-	-	-	-	42 838	42 838
Investment income accrued	-	-	-	-	-	-	-	-	-	157 176	157 176
Advances and deposits	2 203	4 217	5 344	7 888	5 992	1 545	759	274	33	28 255	42 991
	23 690 536	8 654 299	2 278 620	421 453	1 242 541	337 197	386 149	454 958	448 427	37 914 180	9 688 242
											47 602 422

(Rupees '000)

2013

	Exposed to yield / interest rate risk											
	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	sub Total	Non-interest bearing financial instruments	Total
Liability												
Outstanding claims	-	-	-	-	-	-	-	-	-	-	906 390	906 390
Premiums received in advance	-	-	-	-	-	-	-	-	-	-	499 086	499 086
Amounts due to reinsurer	-	-	-	-	-	-	-	-	-	-	140 656	140 656
Amounts due to agent	-	-	-	-	-	-	-	-	-	-	410 344	410 344
Accrued expenses	-	-	-	-	-	-	-	-	-	-	342 798	342 798
Unclaimed Dividend	-	-	-	-	-	-	-	-	-	-	8 684	8 684
Other creditors and accruals	-	-	-	-	-	-	-	-	-	-	133 904	133 904
	-	-	-	-	-	-	-	-	-	-	2 441 862	2 441 862
Interest risk sensitivity gap	23 690 536	8 654 299	2 278 620	421 453	1 242 541	337 197	386 149	454 958	448 427	37 914 180	7 246 380	45 160 560
Cumulative interest risk sensitivity gap	23 690 536	32 344 835	34 623 455	35 044 908	36 287 449	36 624 646	37 010 795	37 465 753	37 914 180			

(Rupees '000)

2012

	Exposed to yield / interest rate risk											
	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	sub Total	Non- interest bearing financial instruments	Total
On balance sheet financial instruments												
Assets												
Policy stamps in hand	-	-	-	-	-	-	-	-	-	-	12 716	12 716
Current and other accounts	1 142 440	-	-	-	-	-	-	-	-	1 142 440	88 416	1 230 856
Deposits maturing with in 12 months	-	480 000	-	-	-	-	-	-	-	480 000	-	480 000
Loans- secured to employees	1 251	2 517	3 787	6 319	10 375	5 793	7 316	8 543	-	45 901	-	45 901
Loans- unsecured to employees	491	917	1 314	2 126	3 181	1 723	1 983	2 949	-	14 684	-	14 684
Investments	1 787 416	6 552 788	7 103 963	9 284 862	801 756	812 146	876 626	818 351	445 700	28 483 608	6 244 741	34 728 349
Premiums due but unpaid	-	-	-	-	-	-	-	-	-	-	40 314	40 314
Amounts due from reinsurer	-	-	-	-	-	-	-	-	-	-	3 909	3 909
Sundry Receivables	-	-	-	-	-	-	-	-	-	-	34 611	34 611
Investment income accrued	-	-	-	-	-	-	-	-	-	-	273 149	273 149
Advances and deposits	1 356	2 461	4 581	3 961	3 905	1 032	892	381	-	18 569	57 059	75 628
	2 932 954	7 038 683	7 113 645	9 297 268	819 217	820 694	886 817	830 224	445 700	30 185 202	6 754 915	36 940 117

(Rupees '000)

2012

	Exposed to yield / interest rate risk											
	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	sub Total	Non-interest bearing financial instruments	Total
Liability												
Outstanding claims	-	-	-	-	-	-	-	-	-	-	705 125	705 125
Premiums received in advance	-	-	-	-	-	-	-	-	-	-	475 797	475 797
Amounts due to reinsurer	-	-	-	-	-	-	-	-	-	-	113 252	113 252
Amounts due to agent	-	-	-	-	-	-	-	-	-	-	348 010	348 010
Accrued expenses	-	-	-	-	-	-	-	-	-	-	123 103	123 103
Unclaimed Dividend	-	-	-	-	-	-	-	-	-	-	8 640	8 640
Other creditors and accruals	-	-	-	-	-	-	-	-	-	-	95 349	95 349
	-	-	-	-	-	-	-	-	-	-	1 869 276	1 869 276
Interest risk sensitivity gap	2 932 954	7 038 683	7 113 645	9 297 268	819 217	820 694	886 817	830 224	445 700	30 185 202	4 885 639	35 070 841
Cumulative interest risk sensitivity gap	2 932 954	9 971 637	17 085 282	26 382 550	27 201 767	28 022 461	28 909 278	29 739 502	30 185 202			

The effective interest rate range (per annum) for the financial assets is as follows:

	<u>2013</u>	<u>2012</u>
Saving and other accounts	7% to 9.15%	6% to 9.5%
Deposits	9.00 % to 10.40%	9.75 % to 10.50%
Loans	8% to 12.5%	8% to 12.5%
Investments	8% to 15.5%	5% to 16%
Advances and other receivables	8% to 12.5%	8% to 12.5%

27.1.1.2 Foreign currency risk

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

27.1.1.3 Other Price Risk

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

27.1.1.4 Equity Price Risk

The Company's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity, money market fund and term finance certificates (TFCs). In addition, the Company actively monitors the key factors that affect stock, money market and TFCs market. In the equity portfolio, the top three sectors by exposure are Oil and Gas, Banks and Chemicals.

27.1.2 Credit Risk

Credit risk arises when one party fails to discharge its obligation and cause the other party to incur a financial loss. Concentration of credit risk arises when a number of counter parties have similar types of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet their contractual obligations. The Company is exposed to credit risk on premiums receivable from group clients, commission and claims recoverable from insurers and investment in term finance certificates. The management monitors exposure to credit risk through regular review of credit exposure, assessing credit worthiness of counter parties and prudent estimates of provision for doubtful debts. The Company believes it is not exposed to any major concentration of credit risk.

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

	(Rupees '000)	
	<u>2013</u>	<u>2012</u>
Rating of Banks*		
AA+	7 169 585	1 320 581
AAA	15 942	57 485
A+	7 925	6 658
AA	310 946	301 780
A	94 644	21 564
AA-	3 226	2 788
	<u>7 602 268</u>	<u>1 710 856</u>

*Rating of banks performed by PACRA, JCR-VIS and Standard and Poors.

The credit quality of Company's exposure on TFCs can be assessed with reference to rating issued by rating agency as follows:

(Rupees '000)

<u>Issuer of TFC</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>2013</u>	<u>2012</u>
Allied Bank Limited	AA+	PACRA	231 547	369 628
Al-Abbas Sugar Mills Limited	A+	PACRA		6 021
Askari Bank Limited	AA	PACRA	50 664	403 733
Azgard Nine Limited	NPD	PACRA		134 496
Agritech Limited	NPD	PACRA	18 137	36 269
Bank Alfalah Limited	AA	PACRA	47 808	159 295
Bank AL Habib Limited	AA+	PACRA	329 876	341 756
Engro Chemical Pakistan Limited	AA	PACRA	440 518	286 926
Escort Investment Bank Limited	BBB	JCR-VIS	1 998	3 997
Faysal Bank Limited	AA	PACRA	132 195	298 231
Financial Receivables Securitization Company Limited	A+	PACRA	5 044	15 245
First Habib Modarba (Certificate of investment)	AA+	PACRA	85 000	50 000
First Dawood Investment Bank Limited	Unrated	–	–	–
Hub Power Company Limited	AA+	–	–	50 000
NIB Bank Limited	AA-	PACRA	–	235 151
ORIX Leasing Pakistan Limited	AA	PACRA	14 033	72 217
Pak Arab Fertilizers (Private) Limited	AA-	JCR-VIS	–	104 810
Pakistan Mobile Communication (Private) Limited	AA-	PACRA	61 533	297 777
Pakistan Water and Power Development	AAA	PACRA	300 000	–
Sitara Chemical Industries Limited (Sukuk)	A+	PACRA	–	4 583
Soneri Bank Limited	AA-	PACRA	–	42 156
Standard Chartered Bank (Pakistan) Limited	AAA	PACRA	–	27 921
United Bank Limited	AA+	JCR-VIS	34 760	365 288
			<u>1 753 113</u>	<u>3 305 500</u>

The management monitors exposure to credit risk in premium receivable from group clients through regular review of credit exposure and prudent estimates of provision for doubtful debts. As of December 31, 2013 there was no provision for doubtful premiums as all the premiums receivable were considered good.

27.1.3 Capital risk managements

The Company's objective when managing capital is to safe guard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

Currently the Company has a paid up capital of Rs.1.0 billion against the minimum required paid-up capital of Rs. 500 million set by the SECP for the life insurance companies for year ended December 31, 2013.

In addition, the Company is also required to maintain minimum solvency in accordance with the rules and regulations set by the SECP, which are fully met by the Company.

27.1.4 Fair value

The fair values of all major financial assets are estimated to be not significantly different from their carrying values except for the following:

	2013	
	Carrying value	Fair value
	(Rupees '000)	
Government securities (at amortized cost)	2 952 654	2 943 996
Other fixed income securities (at amortized cost)	76 187	62 882
Listed equity securities and mutual fund units (at lower of cost or market value)	550 531	931 480

28. Insurance Risk

28.1 Insurance contracts

28.1.1 Classification

The Company currently issues contracts that are classified as insurance contracts as they transfer significant insurance risk (against death, disability and sickness) from the policyholder to the Company. In the past the Company has issued contracts where the insurance risk transferred is insignificant, these therefore being classified as investment contracts.

The Company does not issue any contracts which contain a discretionary participation feature, all contracts which include an investment element being unit-linked contracts linked to internal mutual funds.

The Company classifies its business into Individual Life and Group Life businesses, in both cases the form of contract consisting of main plans and supplementary riders (which are generally optional).

Individual life business mainly consists of unit linked products and conventional protection products, in both cases with optional supplementary riders which generally provide protection only. Group Life business consists primarily of protection products only and a relatively small number of unit-linked policies.

28.1.2 Contract details and measurement

The insurance contracts offered by the Company are described below.

28.1.2.1 Individual Life Policies

These consist of the following types of policies:

(a) Unit Linked Products:

These are medium to long term unit-linked plans designed to address a variety of future policyholder needs, such as retirement planning, education planning for children, marriage planning for children, life protection and investments and savings for future. Premiums received from policyholders, after deduction of specified charges including risk charges, are invested in internal unit funds of the Company. The basic plan contains life cover over and above the unit value, with additional protection (for death, disability and sickness) being provided through the addition of optional riders.

Policyholder Liabilities for these plans (excluding attached riders) are measured as the sum of the fair value of units attached and the unearned part of any risk premiums charged.

(b) Conventional Protection Products:

Two types of products are offered under Individual life conventional business, these being medium to long term contracts with level premiums being paid over the policy period. The Company offers a standard term life assurance product that offers protection in event of death as well as a decreasing term life assurance policy that covers outstanding loan balances.

Policyholder liabilities for both products are determined on a net premium basis by determining the present value of benefits less the present value of future net premiums, a theoretical net premium being calculated using conservative assumptions for mortality and the discount rate.

(c) Accident and Health Products:

These consist of long term and short term Accident and Health products providing cover against accidental death, disability, sickness and critical illness, offered both as long term as well as yearly renewable plans.

Policyholder Liabilities for short term contracts are evaluated using the unearned premium reserve method, taking into account the unexpired future period of risk, with a premium deficiency reserve being provided for where the Company's management perceives that the premium being charged is not adequate. For the critical illness long-term contracts, liabilities are evaluated using a net premium method i.e expected present value of benefits payable less expected present value of net premiums receivable.

(d) Other Supplementary Benefits:

The Company also offers a variety of supplementary benefits attached with main plans including, additional term life assurance, income benefits, critical illness, sickness and accidental death and disability related benefits.

The methods used to determine policyholder liabilities differ with the nature and term of these benefits. Most supplementary benefits related to death and critical illness, are identical to some main plans offered in individual life business, the valuation methods used for these being consistent with their related main plans. Measurement of liabilities for benefits related to accident disability, accidental death and sickness are based on unearned premium method.

(e) Reserve for Outstanding Losses (Individual life)

The Company records reported losses as payable upon intimation of any claim. Unpaid claims are assessed from time to time and the liability measured in accordance with management's estimates of whether claims are payable or not.

Claims payable over a duration of more than one year are measured at the discounted value of expected payments.

The Company also provides, as part of policyholder liabilities, a reserve for incurred but not reported claims (IBNR). Due to insufficient claim history of Individual life business, however, the general lag method for IBNR is not used. The Company adopts a methodology based on best estimates of future incurred but not reported claims, as suggested by the appointed actuary of the Company.

28.1.2.2 Group Life Policies

(a) Nature of Contracts:

The Company's group life business, consists of one year term life contracts which provide coverage, in the event of death or disability, to:

- employees of a common employer, benefits payable under these contracts being either fixed, in case of death, or linked to the extent of loss incurred by the policyholder, in case of disability;
- customers of financial institutions, the contracts being issued to financial institutions to protect their customers' outstanding loan balances, such as on personal loan, mortgages and credit cards.

Unit-Linked Group Life policies are similar in nature to Individual-Life unit-linked products.

(b) Policyholder Liabilities:

Policyholder liabilities consist of the following components:

- Net Unearned Premium Reserve

The unearned premium reserve is the portion of premium that had been booked in the current period but pertains to a period that extends beyond the valuation date. The fraction of premium that is to be consumed in the succeeding period is considered to be unearned. The unearned premium is the aggregate for both posted and fluctuations in the unearned premium.

The unearned premium reserve is computed both gross and net of reinsurance, the methodology used for both being similar.

- Unit-Link Group Life Policies

Policyholder Liabilities for these policies are measured as the sum of the fair value of units attached and the unearned part of any risk premiums charged.

- Profit Commission Reserve (accrued for policyholders)

This is the total accrued profit commission that is payable to policy holders at a future date. Profit commission for any policy normally becomes payable at the end of three policy years. However, accrued profit commission is calculated at the end of each policy year to account for the liability that has been created for that year. The sum of all such accrued profit commissions for all schemes is the Profit Commission reserve.

- Profit Commission Reserve (accrued from re-insurer)

This is the total profit commission due from re-insurer on all reinsured schemes. Profit commission rates are applied on insured groups, based on their size. The total profit commission accrued from re-insurer is the sum of profit commissions for each group.

- Premium Deficiency Reserve

The need for premium deficiency reserve arises when the Company expects to incur claims in excess of reserves set aside using conventional methods. The Company analyzed its current portfolio of group contracts and evaluated loss ratios of group business. The Company does not expect excessive claims on any schemes and hence no provision for Premium Deficiency Reserve is set aside.

- Incurred But Not Reported (IBNR) Reserve

The IBNR (incurred but not reported) reserve is an estimate of those claims that might have occurred but not yet reported. This is estimated by using the claim intimation lag from the date of death for the claims that have been reported in the last two years. The system generated IBNR triangle report is used to calculate the ratio of delay to estimate the probable claims pertaining to and not reported up to the valuation date.

28.1.3 Liability Adequacy Test

Liability adequacy test is applied to all those long term contracts where necessary, especially those products where actuarial liability estimation is based on conservative assumptions. Liability adequacy test is carried out using current best estimates of assumptions and future net cash flows, including premiums receivable, benefits payable and investment income from related assets.

To determine the adequacy of liabilities, assumptions must be based on realistic best estimates. At the moment, the Company does not have sufficient mortality data for comparison with assumed life table efu(61-66). The Company compares efu(61-66) with recent mortality studies carried out in South East Asia region. The comparison suggests that current actual mortality experience is better than the experience reflected in efu(61-66). Thus the Company uses a modified version of efu(61-66) as a best estimate of mortality for liability adequacy test.

The investment return currently assumed for valuation is 3.75% per annum. This assumption reflects a long-term conservative return that the Company expects to earn on assets backing these liabilities. On a more realistic view of current financial markets, the Company estimates that a long term return on these assets of 6% is reasonable. Liabilities are re-evaluated at investment return assumption of 6% for Liability Adequacy Test.

The table below compares total policyholder liabilities under existing valuation basis with policyholder liabilities calculated using best estimate assumptions:

Assumption	Policyholder liabilities on existing valuation basis	Policyholder liabilities using best estimate assumptions
Mortality	42 842 022	42 703 199
Investment returns	42 842 022	42 829 036

The liabilities evaluated under these assumptions suggest that recognized liabilities are adequate and no further provision is required.

28.2 Reinsurance contracts held

The Company has entered into reinsurance arrangements, for both its individual and group businesses, in order to manage risks associated with the frequency and severity of claims. These arrangements include cover under treaties as well as on a facultative basis. The terms of reinsurance treaties vary by type of business, the objective being to maintain a reasonable risk profile suiting the risk appetite and overall exposure to adverse movements in mortality or morbidity.

Primarily, reinsurance assets are amounts due from reinsurers with respect to recoveries under claims and profit commission. Reinsurance recoveries are measured according to the terms and conditions of the reinsurance contracts.

Reinsurance liabilities consist of amounts due to reinsurers on account of reinsurance premiums due which are measured according to the terms of the arrangements.

The details related to reinsurance assets and liabilities are shown below:

Reinsurer rating	Amounts due from reinsurers	Amounts due to reinsurers
'A' or above	4 777	140 656

The Company assesses impairment on its reinsurance assets on a regular basis to identify any losses in recoveries. As of now, Company's all reinsurance assets are due from reinsurers with a credit rating of "A or Above". The reinsurers maintain a sound credit history and hence no impairment provision is required for now.

28.3 Accounting estimates and judgments

The Company makes several estimates of assumptions to evaluate its assets and liabilities reported in its financial statements. On the liability side, there are a number of factors that have a direct impact on policyholder liabilities. Assumptions are continually evaluated using internal analysis and monitoring processes to test validity of these assumptions.

28.3.1 Mortality, Disability and Critical Illness

Mortality and disability rates are basic assumptions used in valuation of policyholder liabilities. For mortality, life table efu(61-66) is being currently used. The life table was published more than 40 years ago and may not reflect mortality improvements. In absence of any updated mortality study of Pakistan's insured population, efu (61-66) is used with some adjustment to reflect current mortality trends. For reserving purposes, a 10% mortality loading is used over efu (61-66) rates to build in conservatism. An analysis of past mortality experience, reveals that 10% mortality loading for reserving purposes is appropriate to ensure prudence.

Sudden adverse experience in mortality might occur due to epidemics, causing deaths on a mass scale due to incurable contagious illnesses. Mortality may also deteriorate over a period of time, due to wide-scale changes in living life styles, eating and health habits.

Sensitivity test with respect to mortality is carried out and impact on policyholder liabilities is observed. When mortality rates increase by 10%, policyholder liabilities increase by 0.11%. Likewise, when mortality rates decrease by 10%, policyholder liabilities decrease by 0.11%.

In absence of credible disability and critical illness incidence rates, the Company uses reinsurance rates for actuarial liability valuation of disability and critical illness benefits.

28.3.2 Investment income

Investment income is an important assumption for valuation of long-term conventional plans. This is the rate at which future expected benefits and expected premiums are discounted. Currently, the valuation assumption used for investment income is 3.75% per annum.

Sensitivity test with respect to investment income is carried out and its impact on policyholder liabilities observed. When investment rate is increased by 10%, policyholder liabilities decrease by 0.01%. Likewise, when investment income rate is decreased by 10%, policyholder liabilities increase by 0.01%.

28.4 Frequency and Severity of claims

Frequency and severity can have a significant impact on total claims paid out by the Company. High frequency of claims could occur due to adverse experience of mortality or disability. Adverse mortality experience, in short-term, could be due to a wide-range spread of fatal contagious disease, an epidemic. Over a longer term, overall health practices, eating and living habits could potentially have an adverse effect on mortality.

About 90% of Company's business is concentrated in the provinces of Sindh and Punjab. This concentration is largely in line with the population of these provinces relative to country's total population. The Company's diversified portfolio of contracts helps limit the frequency and severity of claims. However, in event of large number of deaths or disabilities, Company does face the risk of paying out excessive claims. To manage and mitigate this exposure, arrangements in form of reinsurance and catastrophe cover are in place.

In Group life business, frequency and severity of claims can be affected by concentration of business in a specifically risky class of industry. Claim frequency can rise substantially from businesses in industries that are more prone to accidents due to the nature of work they perform. Likewise, severity of claims can also be associated with business concentration in a specific class of industry. The Company continually monitors its concentration risk and takes measures to keep its business portfolio well diversified.

Contracts in group life, are mainly one year term life contracts, where premium rates are generally guaranteed for one year only. The Company retains the right of changing premium rates by incorporating the claim experience of a group insured, thereby allowing the Company to charge a specific group in line with its claim experience.

The Company regularly carries out an exercise to monitor time lags between intimation and settlement claim dates. The study reveals that a significant portion of claims are settled within twelve months of claim intimation.

28.5 Sources of uncertainty in estimation of future benefit payments and premium receipts

The uncertainty with respect to future premiums and benefits may arise due to unexpected changes in mortality or disability experience. Adverse mortality experience will result in excess benefit payments, and reduced future premium income.

Likewise, unexpected changes in surrenders and lapses could also have a significant impact on future realized premiums. Estimates of lapses and surrenders are based on internal experience studies carried out annually. Factors that could affect policyholder behavior include, market factors such as interest rates, policyholder preferences in terms of the monetary value that a policyholder relates with the insurance policy, the frequency of premium payments and the age of the individual.

28.6 Process used to decide on assumptions

Assumptions used to determine policyholder liabilities include, mortality/disability/critical illness rates, investment returns for conventional business, investment returns for investment linked business, expenses and mortality loading.

Mortality assumptions should in principle reflect adequate conservatism in liabilities. The Company considers efu (61-66) life table to be appropriate for actuarial valuation of policyholder liabilities.

Disability and Critical illness rates used for liability valuation are the reinsurance rates provided by the reinsurer. Due to lack of sufficient claim experience for these disabilities and critical illnesses, the Company considers this as the best estimate available.

The Company uses an investment return assumption of 3.75% per annum to evaluate actuarial liabilities of its conventional plans. Liabilities of conventional products should in principle reflect a long term conservative interest rate, to reflect adequate conservatism. An investment return of 3.75% per annum is hence considered appropriate.

For Unit Linked products where the death benefit is paid in form of annuity, the Company uses a discount rate of 6% to evaluate present value of future stream of cash flows. In principle, the interest rate assumption set to discount cash flows should reflect the expected returns on assets backing these liabilities. The Company expects to earn atleast a 6% return on assets backing these unit-linked liabilities.

In valuation of unearned premium reserve for unit-linked plans a loading of 10% is applied on rates from efu (61-66). In opinion of Company's management and appointed actuary this assumption is prudent.

The Company also allows for mortality fluctuation reserve, an extra 0.033% of an individual policy's Retained Sum at Risk to allow for adverse deviation in mortality experience. In opinion of Company's management and appointed actuary this assumption is prudent.

The Company reserves for any increase in actuarial liability resulting from the possible reinstatement of lapsed policies. The current liability valuation also takes into account cash value of units pertaining to policies lapsed in last 2 years. A unit-linked policy lapses when the second annual premium of policy is not received. In principle, cash value of a lapsed policy is not surrenderable, as per provisions and conditions, unless the second premium is paid and policy is reinstated. However, the Company recognizes the possibility of these lapsed policies to be reinstated and hence carries out periodic studies to determine expected renewals. In opinion of the Company's management and appointed actuary assumptions used to set aside a liability against these lapsed policies is prudent.

For the purpose of liability adequacy tests the Company makes assumptions relating to expenses. For this purpose regular expense analyses are carried out based on actual expenses and transaction volumes.

28.7 Sensitivity Analysis

The basic assumptions used in valuation of liabilities are mortality, disability, critical illness rates and investment returns assumed in discounting future cash flows. The table below presents sensitivity results with respect to above mentioned factors, with their impact observed on policyholder liabilities:

<u>Sensitivity variable</u>	<u>% change in sensitivity variable</u>	<u>% change in policyholder liabilities</u>
Worsening of mortality and critical illness rates	10%	0.11%
Improvement in mortality and critical illness rates	10%	-0.11%
Increase in investment returns	10%	-0.01%
Decrease in investment returns	10%	0.01%

28.8 Management of insurance, financial and other risks

28.8.1 Insurance Risk

The risk that Company faces is due to randomness in occurrence of insured events. In principle, the Company faces the risk that total claims exceed the reserves set aside at any point in time.

The occurrence of any single claim and amount paid on a single claim is a random event. However, as the number of contracts and independent lives increase, the estimated claim amounts and the number of claims get closer to the actual figures. This phenomenon is observed when pool of contracts is large enough and lives are independent. To manage this risk, Company monitors its concentration risk, on several parameters, and maintains diversity in its portfolio of insurance contracts.

In order to maintain this diversification, the Company takes a number of steps to manage the overall insurance risk of its portfolio of insurance contracts. The risk of an individual life is broadly assessed in light of its: medical condition, which include living habits, physical health and medical history; occupational condition, which assesses an individual's job profile and whether any characteristics of the job could have a significant impact on that individuals mortality; financial condition, which determines the individuals ability and affordability to purchase and maintain an insurance contract over the long-term.

The Company identifies and defines parameters in its underwriting strategy to clearly identify individuals (sub-standard lives) which could potentially increase the overall risk of insurance portfolio. Based on certain parameters, such individuals pay an extra charge called Extra Mortality Premium, in order to compensate for extra risk added to existing pool of insured individuals. These measures allow the Company to charge an individual life in line with the risk contributed to its insurance portfolio. These underwriting measures also discourage accumulation of sub-standard lives in the insured pool, thereby managing the overall insurance risk of Company in the long-term.

The Company also manages its geographical concentration of risk. Currently the Company's geographical concentration of risk for its Individual Life sales force business as at 31 December 2013 is as follows:

	Diversification of Risk Portfolio	
	Before Reinsurance	After Reinsurance
Azad Kashmir	2.07%	2.59%
Baluchistan	4.70%	5.86%
Gilgit Baltistan	0.20%	0.29%
Khyber Pakhtunkhwa	3.22%	3.79%
Punjab	44.44%	44.80%
Sindh	45.36%	42.67%

For Group Life business, the Company's geographical concentration of risk as at 31 December 2013 is as follows:

	Diversification of Risk Portfolio	
	Before Reinsurance	After Reinsurance
Sindh	71.32%	65.71%
Punjab	28.68%	34.29%

The Company also has reinsurance arrangements with its reinsurance partners, to whom the Company passes any excess insurance risk beyond its retention levels. Limits are continually monitored and kept in line with the overall risk tolerance. This allows the Company to retain the risk according to its risk capacity and minimizes excessive claim payouts. Currently, the total risk retained on individual life products is Rs. 1,200,000 per life for the death risk and Rs. 600,000 for risks associated with critical illness plans. For Group Life, the Company currently retains Rs. 500,000 of total life risk on each life and Rs. 50,000 per life on critical life cover.

The Company also has arrangements for claims in event of a catastrophic scenario under an Excess of Loss Catastrophe cover which is triggered in event of excessive claims, limiting total amount of claims paid out if such an event occurs.

28.8.2 Other risks

The Company faces a number of financial risks in its assets and liabilities, apart from insurance risk. These risks can be broadly categorized as expense risk, lapse risk, market risk, credit risk and liquidity risk. This section describes these risks on the Company level and identifies and describes the processes and strategy of management to manage these risks.

28.8.3 Expense risk

The risk that the Company faces is that future expenses may be higher than those used in pricing of products causing an expense overrun. The Company mitigates this risk by incorporating a certain level of acceptable conservatism in building future policy expense factors in pricing and expects to maintain its actual expenses within these limits. Regular monitoring of expenses allows the Company to adjust its pricing in time to account for higher than expected expenses.

The Company closely monitors its expenses by regularly carrying out an expense analysis for its business. The assumptions for future policy expense levels are determined from the Company's most recent annual expense analysis, with an extra margin built-in to account for variability in future expenses. A review of product pricing is carried out each year based on the latest available expense factors. Constant monitoring of expenses enables the Company to take corrective actions in time.

Based on the results of expense analysis, the company apportions its management expenses to different lines of business.

28.8.4 Lapse risk

The risk the company faces is that future persistency rates may be lower than assumed in pricing, thus impacting the emergence of profit from its portfolio of individual life policies. The Company however is confident that this risk is insignificant as the company places tremendous emphasis on quality customer services and retention of clients by making persistency standard an integral part of the sales force culture. The Company has been consistently maintaining good levels of persistency and will continue a similar trend in future.

The Company has robust systems in place to regularly monitor the lapse experience. Regular focus on persistency is embedded in the Company culture and is an integral part of the monitoring of the sales force performance and remuneration.

28.8.5 Market risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company is exposed to market risk in relation to its investments with respect to products other than unit linked products (in unit linked products, investment risk is borne by the policyholder). The Company limits market risk by maintaining a diversified portfolio and by continuously monitoring developments in government securities, equity and term finance certificates. The company, along with minimizing market risk by careful diversification in assets, also periodically carries out an Asset Liability management exercise, to match its duration of assets and liabilities.

28.8.6 Credit risk and concentration of credit risk

Credit risk arises when one party fails to discharge its obligation and cause the other party to incur a financial loss. Concentration of credit risk arises when a number of counter parties have similar types of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet their contractual obligations. The Company is exposed to credit risk on premiums receivable from group clients, commission and claims recoverable from insurers and investment in term finance certificates. The management monitors exposure to credit risk through regular review of credit exposure, assessing credit worthiness of counter parties and prudent estimates of provision for doubtful debts. The Company believes it is not exposed to any major concentration of credit risk.

28.8.7 Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its funding requirements, without incurring a material loss in disposing off its illiquid assets. To guard against this risk, the company maintains a healthy balance of cash and cash equivalents and readily marketable securities. Liquidity is monitored regularly and assets are frequently rebalanced to maintain a certain level of liquidity at all times. Going forward, the company also plans to set up a contingency plan, whereby alternate sources of liquidity will be identified and assets would be analyzed and ranked in their liquidity order, to determine which assets would need to be disposed off first in case of a liquidity crisis.

The expected payouts in liabilities along with maturity profile of assets and liabilities are monitored to ensure that adequate liquidity is maintained within the company, to avoid the need of liquidating assets below their actual market value.

The following extract, classifies the assets and liabilities of the Company by type of product in each Statutory Fund as at 31st December 2013. The table below also presents details of assets under Shareholder's Fund:

	(Rupees '000)			
2013	Investment Linked Products (All unit main linked plans)	Conventional Products (Individual, Group Life, Riders)	Shareholders' Fund	Total
Available for sale:				
- Government securities	25 702 262	–	–	25 702 262
- Other fixed income securities	1 688 208	–	–	1 688 208
Held to maturity:				
- Government securities	1 307 947	627 171	1 017 536	2 952 654
- Other fixed income securities		64 905	–	64 905
Available for sale:				
- Listed equities and mutual funds	8 244 170	107 257	121 980	8 473 407
- Unlisted equities and mutual funds	65 614	–	508	66 122
Investment in associates	316 414	17 308	304 439	638 161
Loans and receivables:				
- Insurance receivables	–	51 297	–	51 297
Reinsurance assets	–	4 777	–	4 777
Cash and cash equivalents	6 289 364	1 288 819	35 864	7 614 047
Other assets	148 443	583 263	1 116 713	1 848 419
Total assets	43 762 422	2 744 797	2 597 040	49 104 259

	(Rupees '000)			
2013	Investment Linked Products (All unit main linked plans)	Conventional Products (Individual, Group Life, Riders)	Shareholders' Fund	Total
Long-term insurance contracts and investment contracts:				
Fixed term	29 247 033	146 047	–	29 393 080
Whole of life	12 815 320	–	–	12 815 320
Short-term insurance contracts	–	300 561	–	300 561
Riders	–	333 061	–	333 061
Retained earnings on other than participating business	–	740 631	–	740 631
Equity	–	–	2 533 372	2 533 372
Other liabilities	1 700 069	1 224 497	63 668	2 988 234
Total liabilities	43 762 422	2 744 797	2 597 040	49 104 259

29. Segment reporting

Class of Business wise assets, liabilities and operating results have been disclosed in the Balance sheet and Profit and Loss account and revenue account prepared in accordance with the requirements of Insurance Ordinance 2000 and the SEC (Insurance) Rules, 2002.

30. Number of employees

Number of employees as at 31 December 2013 is 1,280 (2012: 1108).

31. Related party transactions

The related parties comprise of directors, key management personnel, associated undertakings, and entities with common directors and retirement benefit fund. The transactions with related parties, other than those disclosed elsewhere in these financial statements and remuneration of key management personnel (disclosed in note 25) are as follows:

	(Rupees '000)	
	2013	2012
Associated companies (due to common directorship)		
Transactions		
Premium written	23 924	20 325
Premium paid	25 267	20 289
Claims paid	24 601	15 745
Claims received	811	1 400
Travelling expenses	–	272
Services hired	–	3 223
Commission paid	98 435	91 391
Dividend paid	313 679	344 738
Dividend received	50 293	31 936
Balances		
Bank balances	7 524	15 281
Balance payable	34	68
Balance receivable	325	61
Key management personnel transactions		
Loan to employees	1 500	–
Loan recovered	944	–
Employees' funds		
Transactions		
Contribution to provident fund	16 893	14 733
Contribution to pension fund	12 888	11 020

32. Date Of Authorisation For Issue

These financial statements were authorized for issue by the Board of Directors in their meeting held on February 14, 2014.

33. General

- 33.1 Figures in these financial statements have been rounded off to the nearest thousand of rupees, unless otherwise stated.
- 33.2 Certain prior year's figures have been reclassified for the purpose of comparison. However, there are no major reclassifications to report.
- 33.2 The Board of Directors has proposed a cash dividend of Rs. 5/- per share (2012:Rs. 4/- per share) amounting to Rs. 500 million (2012: Rs. 340 million) at its meeting held on February 14, 2014 for the approval of the members at the Annual General Meeting to be held on April 05, 2014. These financial statements do not reflect this appropriation as explained in note 5.11.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Statement by Appointed Actuary

I have reviewed the Balance Sheet and Revenue Account and related notes prepared by the Company for the year ending December 31, 2013. In my opinion:

- (a) the policyholder liabilities included in the balance sheet have been determined in accordance with the provisions of the Insurance Ordinance, 2000 ("the Ordinance"); and
- (b) each statutory fund set up by the Company, after accounting for the capital contribution, complies with the solvency requirements of the Ordinance.

OMER MORSHED, FCA, FPSA, FIA
Appointed Actuary

Statement by Directors

(As per the requirement of section 46(6) and section 52(2)(c) of the Insurance Ordinance, 2000).

Section 46(6)

- a. In our opinion the annual statutory account of EFU Life Assurance Ltd. set out in the forms attached to the statement have been drawn up in accordance with the Ordinance and any rules made there under.
- b. EFU Life Assurance Ltd. has at all times in the year complied with the provision of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements, and
- c. As at December 31, 2013 EFU Life Assurance Ltd, continues to be in compliance with the provisions of the Ordinance and rules made there under relating to paid-up capital, solvency and reinsurance arrangement.

Section 52(2)(c)

- d. In our opinion each statutory fund of EFU Life Assurance Ltd. complies with the solvency requirement of the Insurance Ordinance, 2000 and the Insurance Rules, 2002.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Number of Shareholders	Shareholdings		Holding Shareholders
	From	To	
166	1	100	5 508
357	101	600	99 394
188	501	1 000	149 956
397	1 001	5 000	1 038 264
88	5 001	10 000	621 873
39	10 001	15 000	479 434
12	15 001	20 000	205 726
10	20 001	25 000	229 908
5	25 001	30 000	137 329
3	30 001	35 000	93 840
4	35 001	40 000	149 936
2	40 001	45 000	82 469
5	45 001	50 000	240 294
1	50 001	55 000	53 337
4	55 001	60 000	226 398
3	60 001	65 000	186 875
3	65 001	70 000	201 768
1	75 001	80 000	80 000
2	80 001	85 000	165 852
3	85 001	90 000	266 390
1	90 001	95 000	90 294
3	95 001	100 000	298 800
1	100 001	105 000	103 997
1	105 001	110 000	106 061
2	120 001	125 000	247 646
3	125 001	130 000	383 701
1	145 001	150 000	146 817
1	155 001	160 000	156 354
1	165 001	170 000	167 000
1	175 001	180 000	176 063
1	180 001	185 000	182 428
2	245 001	250 000	499 994
1	325 001	330 000	328 794
1	330 001	335 000	332 000
1	355 001	360 000	356 329
1	390 001	395 000	391 222
1	405 001	410 000	406 123
1	430 001	435 000	433 873
3	495 001	500 000	1 499 865
1	675 001	680 000	676 470
1	710 001	715 000	714 756
1	795 001	800 000	800 000
3	830 001	835 000	2 502 000
1	890 001	895 000	894 438
1	945 001	950 000	948 229
1	950 001	955 000	952 621
1	1 005 001	1 010 000	1 007 140
1	1 285 001	1 290 000	1 288 835
1	1 290 001	1 295 000	1 292 518
1	3 380 001	3 385 000	3 382 367
1	3 480 001	3 485 000	3 482 596
1	3 515 001	3 520 000	3 519 981
1	4 500 001	4 505 000	4 501 489
1	20 045 001	20 050 000	20 047 708
1	42 965 001	42 970 000	42 966 940
1 338			100 000 000

Categories of Shareholders	Number	Shares Held	Percentage
Associated Companies, Undertaking & Related Parties	4	63 015 408	63.02
NIT & ICP	3	1 918	0.00
CEO, Directors their Spouse and minor children	11	9 676 006	9.68
Banks Development Financial Institutions, Non Banking	5	936 633	0.94
Financial Institutions, Insurance Co.	2	89 235	0.09
Modarabas & Mutual Funds	1	5 784	0.01
Foreign Investors	9	4 090 402	4.09
Individuals/ Others	1303	22 184 614	22.18
Total	1338	100 000 000	100.00

Information as required under the Code of Corporate Governance

Categories of Shareholders	Shareholders	Shares Held
Associated Companies, Undertaking & Related Parties		
Jahangir Siddiqui & Co. Limited*	1	20 047 708
EFU General Insurance Limited*	1	42 966 940
EFU Life Assurance Ltd. Emp. Prov. Fund	1	760
NIT & ICP		
ICP A/C. Mr. Noman Farooq	1	471
ICP A/C. Col M.A. Sheikh	1	1 331
IDBP (ICP Unit)	1	116
CEO, Director their spouses and minor children		
Saifuddin N. Zoomkawala	1	500 000
Taher G. Sachak	1	675 928
Jahangir Siddiqui	1	28 000
Heinz Walter Dollberg	1	588
Rafique R. Bhimjee	1	3 482 596
Muneer R. Bhimjee	1	3 519 981
Hasanali Abdullah	1	124 646
Mrs.Lulua Saifuddin W.o Saifuddin N. Zoomkawala	1	55 432
Mrs.Naila Bhimjee W/o Rafique R. Bhimjee	1	1 288 835
Shareholders holding 10% or more voting interest (reported above)*		

Acquisition cost	Expenses incurred by the company for acquisition of insurance business. These mainly include expenses relating to the distribution channels.
Administration Expenses	Expenses of the company other than the acquisition cost.
Authorized Share Capital	The maximum value of shares that a Company can issue.
Balance Sheet	An accounting term referring to a listing of a company's assets, liabilities and surplus as of a specific date.
Cash Value	The cash value of an insurance contract, also called the cash surrender value or surrender value, is the cash amount offered to the policyholder by the life insurer upon cancellation of the insurance policy.
Claims	The amount payable under a contract of insurance arising from occurrence of an insured event.
Commission	Remuneration to an insurance intermediary for services such as selling and servicing of insurance products
Death Claim	Insurance claims paid to beneficiaries when the insured person dies during the period of insurance
Disability Claim	Insurance claims paid to the insured person in case of a defined disability during the periods of insurance
Dividend Yield	A financial ratio that shows how much a company pays out in dividends each year relative to its share price. In the absence of any capital gains, the dividend yield is the return on investment for a stock.
Earnings per Share	The portion of the company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability.
Gross Premium	Total premium of the company for all lines of business including individual life new business, individual life renewal premium, Group business and single premium
Maturity Claim	Insurance claim paid to the insured person in case of maturity of the insurance policy.
Net Premium	Gross premium less the reinsurance premiums ceded
Outstanding Claims	Claims incurred and reported but not paid as on the date of the financial statements
Paidup capital	The amount paid or contributed by shareholders in exchange for shares of a company's stock.
PAT	Gross profit for the year net of the tax for the year, as mentioned in the Profit and Loss Account.
Policyholders' liabilities	It is the value of the obligation of the insurer to its policyholders. A major portion of this is policyholder reserves, which is the amount representing actual or potential liabilities kept by an insurer to cover policyholders benefits.
Premium	Financial cost of obtaining an insurance cover, paid as a lump sum or in installments during the duration of the policy
Reinsurance	Reinsurance premiums are premiums paid to other insurance companies pursuant to the reinsurance agreements mainly for the purpose of diversification of risks of high value policies.
Retention	The part of insurance risk that the reinsurer retains before passing on the excess to a reinsurer.
Return on Equity	Return on equity measures a company's profitability by revealing how much profit a company generates with the money shareholders have invested. ROE is expressed as a percentage and calculated as: $\text{Return on Equity} = \frac{\text{Net Income}}{\text{Shareholder's Equity}}$

Shareholders Fund	A fund that is established in the records of a life insurance company and which contains that part of the assets and liabilities of a life insurer which is attributed to it and is not attributed to any statutory fund maintained by that life insurer
Shareholders' Equity	This is the total of Paidup capital, accumulated surplus and any general reserves.
Solvency	Having sufficient assets-capital, surplus, reserves-and being able to satisfy financial requirements to be eligible to transact insurance business and meet liabilities.
Statutory Fund	A fund that is established in the records of a life insurer and which relates solely to the life insurance business of that life insurer or a particular part of that life insurance business
Surrender Claim	Insurance claims paid to the insured person in case an insurance policy is terminated before end of its term
Underwriting	The process of assessing and selecting risks for insurance and classifying them according to their degrees of insurability so that and appropriate price may be assigned. The process also includes rejection of those risks that do not qualify.

Faisalabad

2nd Floor, Ajmal Centre 289
Batala Colony, Faisalabad
Phone: (041) 8555987
Imran Yaqub, Marketing Manager

Islamabad

3rd Floor, Al-Malik Centre
70W, Jinnah Avenue
Blue Area, Islamabad
Phone: (051) 2825271, 2803385
Noor-ur-Rehman, Regional Manager
Khurram Aftab, Marketing Manager
Maria Mahsud, Senior Marketing Executive

Karachi

37-K, Block 6, PECHS, Karachi
Phone: (021) 34535071-77
Adeel H. Jaffery, Sales Director - South
Hasan Aamir, Regional Sales Director
S. Afsar Raza, Chief Marketing Manager
Naveed-ul-Haq Bhatti, Chief Marketing Manager
Anila Hassan Riaz, Marketing Manager
Farrukh Ansari, Marketing Manager

Lahore

87-B-III, Gulberg Scheme No. 3, Lahore
Phone: (042) 35870801-03
S.A.R. Zaidi, Executive Director
Fazal Mehmood, Regional Sales Director
Zaheer Aslam, Group Manager
Faisal Masud, Chief Marketing Manager
Mubashir Ahmed, Chief Marketing Manager
Tasleem Iqbal, Senior Marketing Manager
Saad Farooqi, Senior Marketing Executive

Multan

1st Floor, Rajput Commercial Centre
Tareen Road, Near Gul Tax, Multan
Phone: (061) 4500919
Zafar Abbas Chughtai, Senior Marketing Executive

Faisalabad

25 Waheed Center, Kohinoor Town College Road,
Opp. Hockey Stadium, Faisalabad

Phone: (041) 8503370,71,72,73 / 8503338,39

Ejaz A. Baig, Area Head

Shafqat Ali, Area Head

Islamabad

3rd Floor, Al Malik Centre

70-W, Jinnah Avenue

Blue Area, Islamabad

Phone: (051) 2803385-88

Tahir Sultan, Regional Head

Mariam Mani, Area Head

Karachi

Plot No. 225-1 K, Block 2

PECHS, Karachi

Phone: (021) 34541740, 34304560 34304514,
34304516-7, 34304565

Husein Sachak, Head of Bancassurance

Syed Saulat Hussain Naqvi

Deputy Head of Bancassurance

Ali Asghar Khanwala, Regional Head

Waheed Yaqoob, Area Head

Syed Amir Iqbal, Area Head

Lahore

Office No. 101, Mezzanine Floor

Rehman Business Centre

Near Firdos Market

Gulberg III, Lahore

Phone: (042) 35710744, 35772665 35772605,
35772624

Fayyaz Mehmood Tahir

Group Regional Head

Hafiz Muhammad Babar Rafique

Regional Head

Nadia Khurshid, Regional Head

Syed Zamin Ali, Area Head

Multan

2nd Floor, Golden Heights Plaza

Opp. High Court, Multan Cantt

Phone: (061) 4587120, 30,40,50

Peshawar

2nd Floor, NWR Plaza

Khyber Supermarket

Near Qayyum Stadium, Bara Road

Peshawar Cantt

Phone: (091) 5252129, 5606002

Fawad Farooqui, Area Head

ABBOTTABAD

Abbottabad Branch

1st Floor, Al-Fateh Shopping Center
Opp. Radio Station, Mansehra Road
Abbottabad
0345-8577740, 0992-334254
Mr. Zuhra Khan, Branch Manager

ATTOCK

Attock Branch

Sheikh Jaffar Plaza
1st Floor, Siddiqui Road
Attock City
0321-9508027, 057-2701957
Mr. Amjid Hussain Shah, Unit Manager

AZAD KASHMIR

Bagh AK Unit Office

Poonch Road, Opp. Gulistan Plaza
Rathor Plaza, Kotli, AK
0346-5212797
Mr. Ghulam Mustafa, Senior Unit Manager

Bhimber Unit Office

Heaven Palace, Meer Pur Chowk
Bhimber, A.K.
0344-4442903
Mr. Mohammed Saeed, Unit Manager

Kotli Branch

2nd Floor, Rathor Plaza
Opp. Gulistan Hotel, Pindi Road, Kotli, AK
0345-3973972
Mr. Sardar Zakaullah Khan, Branch Manager

City Branch

2nd Floor, Altaf Fazal Market
Opp. Valley View Hotel, Near MCB
Pindi Road, Kotli, AK
0345-3902193
Mr. Gul Nazar, Assistant Branch Manager

Mirpur AK Branch

Nishat Center Opp. DHQ Hospital
Allama Iqbal Road, Mirpur, AK
0321-2415420
Mr. Hafiz Sajid Ahmed
Assistant Branch Manager

Sohawa Unit Office

2nd Floor, Muhammadi Plaza
Naangi, Opp. Jabeer Hotel
Mirpur, AK
0333-6321954
Mr. Asif Iqbal, Unit Manager

BAHAWALPUR

Ahmed Pur East Branch

Opp. Canal Rest House
Katchery Road, Ahmed Pur East
0345-8173520
Mr. Mehboob Ahmed Tareen
Senior Unit Manager

Bahawalpur Branch

88-A, Noor Mahal Road
Near Iqbal Hospital, Bahawalpur
0313-6502524
Mr. Abdul Jabbar, Group Manager

Cantt Branch

88-A, Noor Mahal Road
Near Iqbal Hospital, Bahawalpur
0300-8683445, 062-2740659
Mr. Junaid Masud, Group Manager

City Branch

88-A, Noor Mahal Road
Near Iqbal Hospital, Bahawalpur
0300-6801309, 0301-8688098
062-2740046
Mr. Kashif Azeem
Regional Manager
Mr. Naeem Akhtar Chaudhari
Branch Manager

Garden Branch

88-A, Noor Mahal Road
Near Iqbal Hospital, Bahawalpur
0300-6869166
Mr. Mohammad Tayyab
Assistant Branch Manager

Lodhran Unit Office

Room No. 22-24, 1st Floor
Al Noor Plaza, Super Chowk, Lodhran
0345-8776454
Mr. Jaffar Muhammad, Senior Unit Manager

Dunya Pur Unit Office

1st Floor, Railway Road
Dunya Pur, Bahawalpur
0346-8801312
Mr. Mohammed Aslam, Unit Manager

BUREWALA

Burewala Unit Office

House No. 1, New Model Town
Near Residence of Dr. Captain Yousuf
Burewala
0300-2869571
Mr. Imran Mehfooz
Assistant Branch Manager

CHISTIAN

Arifwala Branch

EFU Life Assurance, M-Block
Pakpattan Road Arifwala
0302-3333951
Mr. Altaf Hussain, Branch Manager

City Branch

EFU Life Assurance, M-Block
Pakpattan Road, Arifwala
0333-7038218
Mr. Ahsaan Talib, Assistant Branch Manager

Bakhshan Khan Unit Office

13, Gajyani Road, Chishtian
0334-6458464
Mr. Aman Ullah, Unit Manager

Chishtian Branch

13, Gajyani Road, Chishtian
0300-8687337
Mr. Muhammad Rashid Latif
Senior Branch Manager

City Branch

13, Gajyani Road, Chishtian
0300-4355730
Mr. Muhammed Kashif, Branch Manager

DAHARKI

City Branch

Near Khushali Bank Ltd
Main Road, Daharki, District Ghotki
0333-7266610, 0723-642424
Mr. Mumtaz Ali Mahar, Branch Manager

Civic Branch

Near Khushali Bank Ltd
Main Road, Daharki, District Ghotki
0333-7253655, 0334-7832364
Mr. Mohammed Nadeem
Assistant Branch Manager

Mirpur Mathelo Unit Office

Mathelo Road, Near Ghanta Ghar
Mirpur, Mathelo
0333-7253655
Ali Hassan Rajput, Unit Manager

DERA ALLAYAR

Dera Allahyar Unit Office

Main Quetta Road
Jaffarabad, Dera Allahyar
0302-3171080
Mr. Amir Baksh Buledi, Senior Unit Manager

DERA GHAZI KHAN

Dera Ghazi Khan Branch

Jampur Road, 1st Floor
Habib Metropolitan Bank, D.G. Khan
0300-4049237, 0333-4094309
Mr. Syed Hasnain Mehdi, Branch Manager

Rajanpur Branch

Ramzan Kareem Complex
D.G. Khan Road, Rajanpur
Mr. Falak Sher Buzdar, Senior Unit Manager

Bhakkar Unit Office

1st Floor, Ubaid Plaza
Near MCB Bank, Behal Road, Bhakkar
0336-7601001
Mr. Mujahid Khan, Senior Unit Manager

Dera Ismail Khan Branch

1st Floor, Najeeb Centre
East Circular Road, Dera Ismail Khan
0333-9983366, 0966-734002
Mr. Muhammed Zafar Sohail
Senior Unit Manager

FAISALABAD

Faisalabad Branch

2nd Floor, Ajmal Centre
289, Batala Colony, Faisalabad
0300-8652494, 0333-6519135
Mr. Muhammad Ihsan-ul-Haq
Senior Branch Manager

Central Branch

Hamza Plaza, 1st Floor
Plot No. 340-B, People's Colony
Satyana Road, Faisalabad
0300-6728180
Mr. Sikander Arshad
Senior Branch Manager

Chenab Branch

2nd Floor, Ajmal Centre
289, Batala Colony, Faisalabad
0300-8653627, 041-8555985
Mr. Tajamal Khan, Branch Manager

City Branch

2nd Floor, Ajmal Centre
289, Batala Colony, Faisalabad
0333-6500724, 041-8555986
Mr. Syed Bashrat Ali
Assistant Branch Manager

Toba Tek Singh Branch

Upper Storey, JS Bank, Farooq Road
Toba Tek Singh
0300-6707312
Mr. M. Salman Zaheer
Assistant Branch Manager

GWADAR

Gwadar Unit Office

Near Habib Bank Limited
Airport Road, Gwadar
0321-8091617
Mr. Zafar Ali, Unit Manager

GHOTKI

Ghotki Branch

Shadani Shopping Center
Near Police Station, Ghotki
0301-8312030, 0723-682423
Mr. Mahesh Kumar, Branch Manager

Ubauro Branch

Near Medical Center, G.T. Road
Dist. Ghotki
0333-7106116, 0305-8311847
Mr. Adil Mahmood Samejo
Senior Branch Manager

GILGIT BALTISTAN

Baltistan Unit office

Near MCB Bank, Main Bazar
Skardu, Baltistan
0344-5519937
Mr. Mubashir Hassan, Senior Unit Manager

Gilgit Baltistan Branch

Block-B, Dar Plaza
Madina Market, Gilgit
0333-5434873
Mr. Amjad Wali, Branch Manager

Hunza Nagar Unit Office

Gurman Ali Abad, Hunza District
Gilgit, Baltistan
0344-5949858
Mr. Sajjad Haider, Senior Unit Manager

GUJRANWALA

Ali Pur Chatha Unit Office

Gujranwal Road
Opp. Bank of Punjab, Ali Pur Chatha Tehsil
Wazirabad Distt Gujranwala
0334-4564526
Mr. Zubair Ahmed, Unit Manager

Gujranwala Branch

Upside 1st Women's Bank Ltd
2nd Floor, AWR Plaza
Near General Bus Stand, Gujranwala
0300-8649914
Mr. Nasir Ahmed Anjum
Senior Unit Manager

Hafizabad Branch

Vanikey Chowk, 1st Floor
Upper Al Baraka Bank
Ali Pur Road, Hafizabad
0306-6889989
Mr. Hafiz Muhammad Amjad
Assistant Branch Manager

GUJRAT

Gujrat Branch

Dhakar Plaza
Rehman Shaheed Road, Gujrat
0321-7777100, 0322-6428068
Mr. Ali Rizwan, Senior Branch Manager

Kotla A.A Khan Branch

Near Nadra Office
Main Road, Kotla A.A. Khan
0344-4442904
Mr. Javid Iqbal, Assistant Branch Manager

Lalamusa Branch

Shayan Center, 1st Floor
G.T. Road, Lalamusa
0314-4536626
Mr. Adnan Ghazanfar, Senior Unit Manager

HAROONABAD

Bahawal Nagar Unit Office

Urdu Road, Near Haroon Laboratory
Bahawal Nagar
0334-7006646
Mr. Hamid Bilal, Senior Unit Manager

Haroonabad Branch

Milad Chowk
Baldia Road, Haroonabad
0333-6804321
Mr. Mushtaq Ahmad
Assistant Branch Manager

Hasilpur Unit Office

Opp. Allama Iqbal Park
Eid Gah Road, Hasilpur
0344-7416163
Mr. M. Kaleem Iqbal Anjum, Unit Manager

Pak Pattan Unit Office

Near Fatima Masjid Bypass Road
Kameer Chungi, Pak Pattan
0300-8683966
Mr. Mohammad Shahbaz, Unit Manager

HUB CHOWKI

Hub Chowki Branch

Main R.C.D. Road, Hub
Distric Lasbella, Hub Chowki
0300-3825009
Mr. Sham Kumar Nagdev
Senior Unit Manager

HYDERABAD

Autobahn Branch

B-15/9, RECHS
Opp. Latifabad Unit No-3
The Autobahn, Hyderabad
022-3814234, 0300-3301680
Mr. Bhesham Kumar
Assistant Branch Manager

Cantt Branch

3rd Floor, Abdullah Chambers
Near Hotel Faran, Saddar, Hyderabad
0334-2638855, 022-2780815
Mr. Zaheeruddin Baber
Senior Branch Manager

City Branch

B -15/9, RECHS
Opp. Latifabad Unit No-3
The Autobahn, Hyderabad
0300-8371468, 022-3820205
Mr. Dileep Nenwani
Senior Branch Manager

Indus Branch

B-15/9, RECHS
Opp. Latifabad Unit No-3
The Autobahn, Hyderabad
0300-3301680
Mr. Suresh Kumar, Branch Manager

Mehran Branch

3rd Floor, Abdullah Chambers
Near Hotel Faran, Saddar, Hyderabad
0300-9373774, 0300-9373715
022-2784629
Mr. Syed Sajid Ali, Branch Manager

New City Branch

Office No. 8 & 9, Shelter Shopping Mall
Saddar, Cantt, Hyderabad
0300-9377061, 022-2720550
Mr. Syed Sabir, Senior Unit Manager

Prime Branch

3rd Floor, Abdullah Chambers
Near Hotel Faran, Saddar, Hyderabad
0332-2638119, 022-2780453
Mr. Mohammed Farhan Ali
Assistant Branch Manager

Tando Adam Unit Office

1st Floor, Near Bank Alfalah
Hyderabad Road, Tando Adam
0300-3825009
Mr. Jagdeesh Kumar Pahooja
Branch Manager

ISLAMABAD

Islamabad Branch

3rd Floor, Al-Malik Centre, 70-W
Jinnah Avenue (Blue Area), Islamabad
0345-8555230, 051-2803367
Mr. Kashif Khan, Branch Manager

City Branch

2nd Floor, Dodhy Plaza
Jinnah Avenue, Blue Area, Islamabad
0321/0300-8562109
Mr. Atif Khan, Senior Branch Manager

JACOBABAD

Jacobabad Branch

1st Floor, National Autos
Main Quaid-e-Azam Road, Jacobabad
0300-0333110
Mr. Faqir Muhammad Shaikh
Assistant Branch Manager

Thull City Branch

Main Kandhkot Road, Thull
Near Jungal Mor
Taluka Thull, District Jacobabad
0301-3860553
Mr. Niaz Ali, Assistant Branch Manager

JHELUM

Jhelum Branch

Karim Arcade M.M. No. 03
Jada Road, Jhelum
0321-2415420, 0544-628751
Mr. Nadeem Shakeel, Senior Unit Manager

KANDHKOT

Kandhkot Unit Office

1st Floor, Microfinance Bank
Near Khushal Hotel, Clock Tower
Kandhkot
0332-5081358
Mr. Adnan M. Samejo, Senior Unit Manager

KARACHI

Askari Branch

Nafees Arcade, 3rd Floor, Off. No. 301
Plot SC-14, KDA Scheme No. 7
Chandni Chowk, University Road, Karachi
0302-3232135
Mr. Abdul Ghani, Senior Unit Manager

Ayesha Manzil Branch

APWA Complex, 1st Floor
F-2, 67/A, Garden Road, Karachi No.3
0332-2524287
Mr. Shehzad Pyarali, Senior Unit Manager

Bin Qasim Branch

1st Floor, C-15, Phase # 1
Gulshan-e-Hadeed, Bin Qasim, Karachi
0346-3883394
Mr. Abid Hussain
Assistant Branch Manager

Cantt Branch

Nafees Arcade, 3rd Floor
Off. No. 301, Plot SC-14
KDA Scheme No. 7, Chandni Chowk
University Road, Karachi
0300-2496359, 021-34854675
Mr. Zahoor Ahmed Khuhr
Senior Branch Manager

Central Branch

A-34, 1st Floor, Hafeez Centre
KCHSU, Shahrah-e-Faisal, Karachi
0321-2010680, 021-34559126
Mr. Syed Arif Raza, Senior Branch Manager

City Branch

A-34, Ground Floor, Hafeez Centre
KCHSU, Shahrah-e-Faisal, Karachi
0300-2187464, 021-34320611
Mr. Malik Zafarullah Khan
Assistant Branch Manager

Crescent Branch

A-34, 1st Floor, Hafeez Centre, KCHSU
Shahrah-e-Faisal, Karachi
0332-3612141
Mr. Faisal Maniar, Assistant Branch Manager

Faisal Branch

41-1/E, Block-6, PECHS
Karachi
0333-3521468
Mr. Shahzaman Shaikh
Assistant Branch Manager

Galaxy Branch

Room No. 620, 6th Floor, EFU House
M.A. Jinnah Road, Karachi
0300-3811787
Mr. Kantesh Kumar, Group Manager

Garden Branch

APWA Complex, 1st Floor
F-2, 67/A, Garden Road, Karachi No.3
0300-8230833
Mr. Nadim Iqbal Hasni, Branch Manager

Gulshan Branch

Nafees Arcade, 3rd Floor, Off. No. 301
Plot SC-14, KDA Scheme No.7
Chandni Chowk, University Road, Karachi
0300-2832018
Mr. Abdul Wahab Shaikh
Assistant Branch Manager

Gulshan-e-Hadeed Branch

1st Floor, C-15, Phase # 1
Gulshan-e-Hadeed, Bin Qasim, Karachi
0332-8233018, 021-34721574
Mr. Ghulam Shabbir Mirani
Branch Manager

Indus Branch

A-1, Anarkali Apartment, Block-7
Near Aga Khan Maternity Home
Ayesha Manzil, F.B. Area, Karachi
0321-2010390
Mr. S. Shahid Hussain Zaidi
Branch Manager

Karsaz Branch

41-1/E, Block-6, PECHS, Karachi
0300-8291060, 021-34302322
Mr. Ayoob Khan, Branch Manager

Mehran Branch

A-3 4, 1st Floor, Hafeez Centre
KCHSU, Shahrah-e-Faisal, Karachi
0300-2434820
Mr. S. Samar Raza Zaidi
Assistant Branch Manager

Merewether Branch

A-34, Ground Floor, Hafeez Centre
KCHSU, Shahrah-e-Faisal, Karachi
0300-9237876, 021-34320621
Mr. Rehan Anwar, Group Manager

Model Branch

Nafees Arcade 3rd Floor, Off. No. 301
Plot SC-14, KDA Scheme No. 7
Chandni Chowk, University Road, Karachi
0300-2655060
Mr. Bheroo Mal, Senior Unit Manager

New City Branch

41-1/E, Block-6, PECHS
Karachi
0343-2611750, 021-34320621
Mr. Rabnawaz Ghumro
Senior Branch Manager

Pioneer Branch

A-34, 1st Floor, Hafeez Centre
KCHSU, Shahrah-e-Faisal, Karachi
0321/0300-8247479, 021-34320667
Mr. Nasir Rashid Bhatti
Senior Branch Manager

Saddar Branch

A-34, Ground Floor, Hafeez Centre
KCHSU, Shahrah-e-Faisal, Karachi
0333-3528970, 021-34320613
Mr. Mubashar Qayyum
Assistant Branch Manager

Shaheen Branch

APWA Complex, F-6, 67/A
Garden Road, Karachi No. 3
0334-3996925
Mr. Muzaffar Ahmed Bhugio
Assistant Branch Manager

West Branch

A-34, Ground Floor, Hafeez Centre
KCHSU, Shahrah-e-Faisal, Karachi
0333-2102297, 021-34540389
Mr. Nadeem Alam Ansari, Branch Manager

Thatta Unit Office

Shah Kamal Mohallah, Ward No. 4
Near Al Hamd Book Center
Opp. Star Press, Thatta
0301-2724698, 0298-550106
Mr. Haji Ahmed, Unit Manager

KHAIRPUR

Khairpur Branch

Kutchery Road, Khairpur
0300-3115945, 0243-714336
Mr. Jamaluddin, Branch Manager

Kumb Unit Office

Kutchery Road, Khairpur
0300-3100930
Mr. S. Piya Hussain Shah
Senior Unit Manager

KHANPUR

Khanpur City Branch

Model Town B
Near DSP Office, Khanpur
0301-8676636
Mr. Waqar Habib
Assistant Branch Manager

LAHORE

Cantt Branch

43-L, 1st Floor, M.M. Alam Road
Gulberg-II, Lahore
0300-9479910, 042-35871238
Mr. Shoukat Ali, Senior Unit Manager

Capital Branch

18-C, 3rd Floor, Commercial Zone
Liberty Market, Gulberg-III, Lahore
0321-9472018, 042-35772623
Mr. Iftikhar Hassan, Branch Manager

Central Branch

18-C, 1st Floor, Commercial Zone
Liberty Market, Gulberg-III, Lahore
0321-4252592
Mr. Imran Saleem, Senior Unit Manager

City Branch

18-C, 3rd Floor, Commercial Zone
Liberty Market, Gulberg-III, Lahore
0321-8487365, 042-35711273
Mr. Shahid Iqbal Bhatti, Group Manager

Civic Branch

43-L, 1st Floor, M.M. Alam Road
Gulberg-II, Lahore
0300-8419716, 042-35716076
Mr. Mahmood Ahmed, Branch Manager

Crescent Branch

147-D, 1st Floor, Main Boulevard
Allama Iqbal Town
Near Scheme Mor, Lahore
0321-8403660
Mr. Malik Azhar, Assistant Branch Manager

Defence Branch

43-L, 1st Floor, M.M. Alam Road
Gulberg-II, Lahore
0300-8403448, 0321-4026868
042-35711560
Mian Kashif Naseer, Branch Manager

Fort Branch

18-C, 1st Floor, Commercial Zone
Liberty Market, Gulberg-III, Lahore
0300-8492902
Mr. Moazzam Bashir
Assistant Branch Manager

Gulberg Branch

18-C, 2nd Floor, Commercial Zone
Liberty Market, Gulberg-III, Lahore
0300-4325363
Mr. Syed Mehdi Raza Zaidi
Assistant Branch Manager

Metropolitan Branch

18-C, 1st Floor, Commercial Zone
Liberty Market, Gulberg-III, Lahore
0300-8471022, 042-35789551
Mr. Zahid Ali Raza, Branch Manager

Model Branch

18-C, 1st Floor, Commercial Zone
Liberty Market, Gulberg-III, Lahore
0305-4055995, 0300-8474574
Mr. Raheel Pirzada, Senior Unit Manager

Pioneer Branch

18-C, 3rd Floor, Commercial Zone
Liberty Market, Gulberg-III, Lahore
0321-4422412
Mr. Syed Abuzer Gilani
Senior Unit Manager

Premier Branch

43-L, 1st Floor, M.M. Alam Road
Gulberg-II, Lahore
0321-8433252, 042-35716076
Mr. Atif Jamal, Assistant Branch Manager

Ravi Branch

43-L, 1st Floor, M.M. Alam Road
Gulberg-II, Lahore
0300-8480866, 0300-8492902
042-35716075
Mr. Tanveer Ahmed Khan
Group Manager

Shadman Branch

14-C, 2nd Floor, Commercial Zone
Liberty Market Gulberg-III, Lahore
0333-4291029
Mr. S.M. Raza Zaidi, Branch Manager

Shaheen Branch

18-C, 1st Floor, Commercial Zone
Liberty Market, Gulberg-III, Lahore
0300-8386686, 042-35772775
Mr. Kh. Mujib-Ur-Rehman
Regional Manager

OKARA

Okara Unit Office

1st Floor, Bank Islamia
M.A. Jinnah Road, Okara
0300-6951902
Mr. Muhammad Qazzafi, Unit Manager

Deepalpur Unit Office

Basir Pur Road, Deepalpur
0300-6807721
Mr. Ishfaq Hussain Mughal
Branch Manager

LARKANA

Larkana Branch

1st Floor, Bukhari Shopping Centre
Station Road, Larkana
0301-8315880, 074-4057434
Mr. Shahzad Mal, Branch Manager

Pioneer Branch

1st Floor, Bukhari Shopping Centre
Station Road, Larkana
0300-3403630
Mr. Ramesh Lal, Senior Unit Manager

LAYYAH

Fateh Pur Unit Office

Multan Road, Fateh Pur
Tehsil Karor Lal Eson, Distt Layyah
0308-8761964
Mr. Ghulam Abu Talib, Unit Manager

Layyah Branch

EFU Life Assurance Ltd
Opp. Paracha Petroleum, Layyah
0300-8630022
Mr. Shafquat Ali Rao, Branch Manager

MANDI BAHAUDDIN

Dinga Branch

Fazil Plaza, 1st Floor, Dalan Chowk
Main Dinga City
0346-6485700, 053-7400338
Mr. Qaiser Abbas, Branch Manager

Kharian Unit Office

1st Floor, Al Muqet Center
Near Kwik CNG, G.T. Road, Kharian
0346-6826475
Mr. M. Shoaib Hameed, Unit Manager

Malakwal Unit Office

Old Ghalla Mandi, 1st Floor
Off. Ch. Illahi Sons Plaza
Tehsil Malakwal Dist. Mandi Bahauddin
0332-8014350
Mr. Khizer Hayat, Senior Unit Manager

Mandi Bahauddin Branch

1st Floor, Ayub Plaza
Upper National Bank of Pakistan
Katchary Road, Mandi Bahauddin
0321-7747714, 0322-6614004, 520956
Mr. Faisal Tahir, Group Manager

MIRPURKHAS

Digri Unit Office

Near Govt. Girl's High School
Digri, Mirpurkhas
0300-8371468
Mr. Latif Ur Rehman
Assistant Branch Manager

Mirpurkhas City Branch

APWA House, Opp. Gama Stadium
Main Hyderabad Road, Mirpurkhas
0331-3586411, 863157
Mr. Sharwan Kumar
Assistant Branch Manager

Mirpur Khas Tharparker Branch

Opp. Gama Stadium
Main Hyderabad Road
Mirpurkhas-69000
0312-3501115, 0334-2553008
0233-863159
Mr. Fawad Faisal, Branch Manager

MORO

Moro Branch

Dadu Road, Moro Distt
Naushero Feroze
0300-2765404
Mr. Sarfraz Ahmed Qureshi
Assistant Branch Manager

MULTAN

City Branch

2nd Floor, Rajput Commercial Centre
Tareen Road, Multan
0321-6326249, 061-4500911
Mr. Mohammad Kashif Riffat
Group Manager

Cantt Branch

1st Floor, Rajput Commercial Centre
Tareen Road, Multan
0321-6344472, 061-4500911
Mr. Mohammad Abid Raza Shah
Branch Manager

Capital Branch

2nd Floor, Golden Heights Plaza
Opp. High Court, Multan Cantt
0300-8770080
Mr. Imtiaz Hussain, Group Manager

Central Branch

1st Floor, Rajput Commercial Centre
Tareen Road, Multan
0321-6326930, 061-4500915
Mr. Abid Masood Qureshi, Branch Manager

Khanewal Unit Office

Chak Shahna Road
Opp. Jangla Wali Kothi
Near TCS Office, S.P. Chowk, Khanewal
0300-8614293
Mr. Mujahid Raza
Assistant Branch Manager

Mian Channu Unit Office

1st Floor, Al Saeed Plaza, Mughal Bazar
Near Markazi Imam Bargah, Mian Channu
0312-9632211
Mr. Khurram Abbas Bhutta
Senior Unit Manager

Muzaffargarh Unit Office

House # 02, Opp. NIB
Social Security Hospital Road
Muzaffargarh
0300-4769947
Mr. Rana Saleem Ahmed, Unit Manager

Pioneer Branch

3rd Floor, Rajput Commercial Centre
Tareen Road, Multan
0300-9638555, 0321-6343555
061-4500915
Mr. Kashif Aslam, Senior Unit Manager

NAUSHERO FEROZE

Naushero Feroze Branch

DCO Office, Main Road
Naushero Feroze
0300-2532928
Mr. Jumun Khan Wagon
Senior Unit Manager

NAWABSHAH

Nawabshah Branch

Plot No. B-599, 1st Floor
Opp. Al Karim Hotel
Katchery Road, Nawabshah
0300-3216011, 365033
Mr. Abdullah M. Ghumro
Branch Manager

Sanghar Unit Office

Near Sui Gas Office
Chaudhry Corner, Sanghar
0333-2915046
Mr. Imtiaz Muhammad
Senior Unit Manager

PESHAWAR

Peshawar Branch

NWR Plaza No. 02, Kyber Supermarket
Bara Road, Peshawar Cantt
0331-5021118, 091-5606624
Mr. Muhammad Afzal Siddiqui
Senior Branch Manager

City Branch

Suite No. 1,2,3, Azam Tower
2nd Floor, Arbab Road
Stop Jamrood Road, Peshawar
0321-9590129
Mr. Arbab Rukh Niaz, Senior Unit Manager

QUETTA

Chilton Branch

1st Floor, Shaheen Views, Model Town
Hali Road, Quetta
0321-8005505, 081-2841618
Mr. Muhammad Javed, Branch Manager

Model Branch

1st Floor, Shaheen Views, Model Town
Hali Road, Quetta
0333-7866010
Mr. Anand Lal Kataria
Assistant Branch Manager

Quetta Branch

Zarghoon House, 1st Floor
Jinnah Road, Quetta
0333-7878691, 2836537
Mr. Imran Ahmed, Branch Manager

Zarghoon Branch

1st Floor, Near Bank Alfalah
M. A. Jinnah Road, Quetta
0321-8005772
Mr. Amir Muhammad Jan
Assistant Branch Manager

RAHIM YAR KHAN

Rahim Yar Khan Branch

Upper Story, J.S. Bank
Near Neaz Clinic, City Chowk
Model Town, Rahim Yar Khan
0300-8670844
Mr. Mukhtar Ahmed Tabbasum
Assistant Branch Manager

Sadiqabad Branch

Katchehry Chowk
Sadiqabad
0334-7305031
Mr. Khalid Javid, Unit Manager

RAWALPINDI

Rawalpindi Branch

20-B, 2nd Floor, North Star Plaza
Rehmanabad, Rawalpindi
0300-5007751, 4842002
Mr. Shahid Mehmood Awan
Branch Manager

Rawalpindi Rawal Branch

128-B, 1st & 2nd Floor, Din Plaza
Main Murree Road, Rawalpindi
0333-5101353
Ms. Ayesha Afzal, Branch Manager

Wah Cantt Unit Office

Office # A-8, First Floor, Din Plaza
Main G.T. Road, Taxila
0300-5050579
Mr. Munawar Khan, Senior Unit Manager

SAHIWAL

Sahiwal City Branch

49/B-VII, Old Civil Lines
Girl's College Road, Sahiwal
0300-9681617
Mr. Prince Khurram Inayat Ali
Senior Unit Manager

SARGODHA

Sargodha Branch

1st Floor, 66-Civil Lines, Court Road
Khan Arcade, Sargodha
0321-6017659, 3725517
Mr. Akhtar Hasnain Akhtar
Assistant Branch Manager

SIALKOT

Sialkot Branch

2nd Floor, Shareef Plaza
Paris Road, Sialkot
0300-8711388, 0321-4499596
Mr. Zahid Khan, Branch Manager

City Branch

Shayan Center, 1st Floor
G.T. Road, Lalamusa
0300-6213257
Syed Imtiaz Hussain Shah, Branch Manager

SUKKUR

Pano Aqil Unit Office

Khushali Bank, Baiji Road
Pano Aqil
0306-3104458
Mr. Shafi Muhammed Ghoto, Unit Manager

Ranipur Unit Office

National Highway Ranipur
Opp. RHC Ranipur, Tehsil Sobodero
District Ranipur
0300-2702916, 0306-7437791
Mr. Safdar Hussain Qureshi, Unit Manager

Shikarpur Unit Office

Marri Shopping Centre
Old Saddar, Shikarpur
0301-3845901
Mr. Sanjay Kumar, Senior Unit Manager

Sukkur Branch

Near Qasim Park, Opp. Queen's
Garden Queen's Road, Sukkur
0300-3409302, 5627068
Mr. Zaheer-ud-din Ghumro
Regional Manager

City Branch

Near Qasim Park, Opp. Queen's
Garden, Queen's Road, Sukkur
0300-8310604, 5627997
Mr. Sher Zaman Khan, Branch Manager

TURBAT

Turbat City Branch

1st Floor, Allah Wala Market
Main Road, Turbat
0322-2201343
Mr. Ikhtlaq Ahmed
Assistant Branch Manager

VEHARI

Vehari Unit Office

Vehari Branch, Club Road
Upper TCS Office, Vehari
0345-8733418
Mr. Khalid Imran, Unit Manager

YAZMAN

City Branch

Bahawalpur Road, Mandi Yazman
0300-8683772
Mr. Muhammad Boota
Assistant Branch Manager

Yazman Branch

Bahawalpur Road, Mandi Yazman
0300-8683772
Mr. Khalid Maqsood, Branch Manager



EFU LIFE ASSURANCE LTD

Form Of Proxy

I/We _____
of _____
being a member of EFU LIFE ASSURANCE LTD hereby appoint
Mr. _____
of _____
or failing him _____
of _____

as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Saturday April 05, 2014 at 11:00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2014.

WITNESSES:

1. Signature: _____
Name: _____
Address: _____
CNIC Or
Passport No: _____

2. Signature: _____
Name: _____
Address: _____
CNIC Or
Passport No: _____

Revenue
Stamp

Signature of Member(s)

Shareholder's Folio No. _____
and/or CDC
Participant I.D.No. _____
and Sub Account No. _____

Important:

This form of Proxy, duly completed, must be deposited at the Company's Registered Office at Al-Malik Centre, 70 W, F-7/G-7 Jinnah Avenue (Blue Area) Islamabad not later than 48 hours before the time appointed for the meeting.

CDC Shareholders and their Proxies are each requested to attach attested photocopy of their Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.

CDC Shareholders or their Proxies are requested to bring with them their Original Computerized National Identity Card or Passport alongwith the Participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.

AFFIX
POSTAGE

**The Company Secretary
Al-Malik Centre,
70 W, F-7/G-7
Jinnah Avenue (Blue Area)
Islamabad.**

Fold Here

Fold Here

Fold Here

Fold Here



UNRAVELLING KAMAL KI KAHANI





A quick look at historic tales of triumph reveals a common thread; when a man does something epic, the world rises happily to celebrate his ascent. Picking up on the historic Hero figure, EFU Life went a step farther in telling the modern-day story of triumph with a hero who is truly laudable; a man called Kamal who lives up to his name.

2013 has seen us launch our 360-degree media campaign titled "Kamal ki Kahani." Our campaign celebrates an ordinary man who does a 'kamal' in his life. Owing to his 'kamal' our hero enjoys the applause and recognition of his immediate circle, as well as the world at large.

The grand 'kamal' behind his success is the fact that this man took that first brave step towards securing his family's future with EFU Life's stellar policies. In doing so, our hero reminds the world that we need not be crippled by the insecure and tumultuous era we live in. Kamal reminds us of a message that is intrinsic to our being; a message that the rigors of daily life make us forget and EFU Life refreshes in our hearts and minds. The message is simply and always this: Life mein kamal karna zaroori hai!

Take the attached DVD for a spin and experience a Kamal ki life.



Unravelling Kamal ki Kahani



LIFE
Zaroori Hai



LIFE
Zaroori Hai