

ANNUAL REPORT

2014

EFU Life
presents

THE FUTURE...

...BELONGS
TO
THOSE
WHO
CREATE
IT



m.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

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Seeing it Through

As we aspire to give life to insurance, our future is one where our goals are met while we provide the best financial solutions to all our customers. We are committed to providing a means to achieving prosperity.

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



The Intelligence Enterprise

By providing the best diversified range of financial products & solutions, we have created a means to meet our Strategic Objectives effectively and systematically. With a structured guideline to meet success, we are continuously analysing and assessing the means to reach our goals.

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 optimisation across the organisation.

A Coded Matrix

Our values provide us the code to deliver excellence in all that we offer. It is this fine-tuning and programming that guides us to achieve a standard that is undeniable.

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.

The Binary Spine

Rs. 2.83 Billion
shareholders' equity

30%
gross premium growth

75%
cash dividend

Rs. 9.51
earning per share

Rs. 67.2 Billion
strong asset base

34%
return on equity

Rs. 1.64 Billion
total claims paid

Rs. 951 Million
profit after tax



Innovative Pioneers

EFU Life is a pioneer in providing new and innovative products and financial solutions that meet the specific needs of our customers. From conceptualising unit-linked products; those that cater to the needs of child financial planning, personal savings & investment and a secured retirement, EFU Life is committed to serving the needs of all. When practicality meets functionality, we know our customers will remain happy.

Efficiency at the Core

We believe in the culture of efficiency. With a trained and diligent team working with the finest technology, our services are aided by robust systems, speedy processes and the latest system for a paperless environment. We are certain that we will achieve success at every level.



Embracing Technology

The new generation demands an alternative means of delivery of products and financial solutions. From creating convenience and accessibility via Point of Sale System, two way SMS service and an interactive mobile website, EFU Life is committed to creating a better life for all its partners through technologically advanced and customised services.



With a vast array of services provided to our customers through sophisticated distribution channels, we are committed to providing our customers the best, wherever and whenever required. Our extensive branch network, partnership with leading banks and dedicated team for group clients help us offer an infinite number of services with ease.

An Intricate Network



Advancing Responsibly

EFU Life is constantly looking at ways to celebrate the value of life and all that it has to offer. As we invest in the future through our Health and Education initiatives, we believe in a world that is driven by responsibility.

Programming Success

An abstract graphic composed of numerous overlapping, semi-transparent geometric shapes in various shades of brown and tan. These shapes, including rectangles, squares, and lines, are arranged in a circular, fan-like pattern that radiates from the center-left towards the right. The overall effect is a sense of depth and complex, layered structure.

The thirst to deliver excellence results in success. Our vision speaks through as we continue to receive recognition from highly reputable organisations of the country for our management practices, financial strength, operations, customer services and brand equity. Yet, our greatest reward will always remain to serve our clients so they may succeed.



Integration is Intrinsic

The EFU Life team is what keeps the motor running and the machine moving. Our team is built upon the pillars of trust, character and commitment.

With this, we continue to provide the best services and deliver outstanding performance. By integrating the merit of all our employees, we remain committed to succeed.

A year of accomplishments

The year 2014 was a well-rounded one, with the company receiving various accreditations such as:

Insurers Financial Strength (IFS) rating of 'AA' (Double A) rating reaffirmed by JCR-VIS Credit rating company, with Outlook on the assigned rating 'Stable'.

'Consumer Choice Award 2013' for Best Life Insurance Company in Pakistan for the 6th consecutive time from Consumer Association of Pakistan (CAP), for excellence in management practices and service quality.

'Brand of the Year Award 2013' for Best Life Insurance Company by Brands Foundation, based on current year's market standing and consumer preference.

'Best Corporate Report Award 2013' in Non-Banking Financial Institutions Category by Institute of Chartered Accountants of Pakistan (ICAP), and Institute of Cost & Management Accountants of Pakistan (ICMAP) for best presented accounts, improvement in transparency, accountability, and governance.

'Certificate of Merit' by South Asian Federation of Accountants (SAFA) for Best Presented Accounts 2013 in the insurance sector, within the South Asian countries.

'Certificate of Excellence' in Banks & Insurance category by Management Association of Pakistan (MAP) for 6th consecutive time, for excellence in management practices.

'Corporate Excellence Award' by Institute of Cost & Management Accountants of Pakistan (ICMAP), for Company's commitment to quality, maintenance of highest professional standards and the passion to achieve excellence in all spheres of its activity.

'CSR Business Excellence Award 2013' for 2nd consecutive time in International CSR Summit by National Forum for Environment and Health (NFEH).



Fostering life for a brighter tomorrow



This year was about making a difference to help provide a better life to many. EFU Life launched a mass social media campaign 'Life', to create awareness and generate funds for organisations working in avenues of creating better education and healthcare opportunities. For every individual that commented 'LIFE' on any of the posts on the EFU Life Facebook page during the month of Ramadan, a donation of Rs. 20 was made by EFU Life to the organisation being supported that week.

As promoters of better education for underprivileged children, EFU Life continued to contribute Rs. 50 to TCF on every education policy sold through any of its distribution channels.

Apart from monetary assistance, we believe in improving the lives of the people by playing a pivotal role through non-monetary means, such as volunteer work. The organisation's employees continued to participate and volunteer in the TCF Rahbar mentorship programme aimed to inspire young students and to provide them with the head start they need to become productive members of the society.

Additionally, to mark the Blood Donor Day, we organised a blood donation drive with Omair Sana Foundation to encourage employees to donate blood and to raise awareness on the need for safe blood and blood products.



Technology leading the way for excellence in customer services



Advancements in technology have played a vital role in leading customer services this year. From launching the mobile website providing accessibility with a user friendly mobile interface, to connecting with our clients through a two way SMS service, all have been integral in bridging the gap between us and our customers.

To enhance the customer experience, the Company rolled out the Point of Sale system at more partner banks, allowing significant reduction in overall time involved in underwriting and processing of insurance policies.

EFU Life further invested in the Enterprise Content Management Technology to digitalise paper documents and automate its business processes and operational workflows. Automating content through the use of Business Process Management has been the key enabling factor in improving process efficiency, business agility, continuous process improvement, process quality and eventually customer satisfaction.



Directors' Profile



Rafique R. Bhimjee

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.

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

Mr. Rafique Bhimjee 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. He is also a Director of Allianz EFU Health Insurance Ltd. and EFU Services (Pvt.) Ltd. and Director of International Foundation Garments (Pak) Pvt. Ltd.



Taher G. Sachak

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

He is also 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

Mr. Saifuddin N. Zoomkawala has been associated with EFU Group since 1964. 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 of 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 Chairman of SAARC CCI Council on Financial Services & Insurance; Member, Executive Committee, SAARC Chamber of Commerce & Industry; Member, Board of Investment (Government of Pakistan); Member, Community Development Board-Planning & Development Department (Government of Sindh); IBA Advisory Council; and Aga Khan Resource Committee. He is on the Board of Governors of Shaukat Khanum Memorial Trust and Research Centre; Burhani Hospital; Sindh Institute of Urology and Transplantation; and Fakhr-e-Imdad Foundation.



Jahangir Siddiqui

Mr. Jahangir Siddiqui established JS Group in 1970 and grew it 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 group companies. With JS Group, he was responsible for establishing joint ventures with leading global firms including those in investment banking 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. Mr. Siddiqui has served as President of the Karachi Stock Exchange for two terms.

He dedicates a significant amount of time and his wealth to philanthropic activities. In addition to his own charitable family foundations, he works with a number of other philanthropic organisations. As Chairman of the Board of Trustees of the Endowment Fund Trust for Preservation of the Heritage of Sindh, he is responsible for the preservation of heritage and culture in Sindh province.

He holds a Bachelor's Degree in Commerce from the University of Sindh.



Muneer R. Bhimjee

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

Mr. Hasanali Abdullah qualified as Chartered Accountant in 1973 and is also a "Certified Director" from Pakistan Institute of Corporate Governance.

Mr. Hasanali has been associated with EFU General Insurance Ltd. since 1979 and was appointed as Managing Director & Chief Executive of EFU General Insurance Ltd. in July 2011.

He is also the Director of two other companies of EFU Group i.e. Allianz EFU Health Insurance Ltd. and EFU Services (Private) Ltd.

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 of National Committee of Pakistan of Aga Khan University Foundation, Geneva and Chairman of Pakistan Insurance Institute.

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



Heinz Dollberg

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. He 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.

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 in China-South Western University of Chengdu, as well as the Tongji University of Shanghai.



Mr. Kamal Afsar

Mr. Kamal Afsar holds a post-graduate degree in Economics and International Studies and is a "Certified Director" from Institute of Corporate Governance. He was Chairman, State Life Insurance Corporation of Pakistan, Chairman and CEO, Pakistan Reinsurance Company Limited, and Chairman and CEO, Pakistan Automobile Corporation Limited. He has also served as the Managing Director, Karachi Electric Supply Corporation Limited (now named as K-Electric Limited) and CEO, National Tanker Company.

Mr. Afsar has held the position of Federal Commerce Secretary where he was involved in decision making at the highest level in matters concerning Pakistan's economy. He remained Consul General of Pakistan at Hong Kong for over 5 years, gathering hands-on experience in international trade and diplomacy.

He also sits on the Boards of Karachi Stock Exchange, Central Depository Company of Pakistan and Bank Islami.



Mr. Syed Salman Rashid

Mr. Syed Salman Rashid holds a Bachelor's Degree from Karachi University and is a "Certified Director" from Pakistan Institute of Corporate Governance.

He has worked with EFU Group for over 30 years and presently serves as Deputy Managing Director of EFU General Insurance Ltd., looking after the largest Marketing and Sales Division of the Company.

Parallel to his professional services, he has also served on the Board of JS Investments Bank Limited and Power Cement Limited.



1. Mustafa Hussain Ali
National Sales Director
Sales Force

3. Taher G. Sachak
Managing Director &
Chief Executive

2. Zain Ibrahim
Chief Operations Officer &
Executive Director

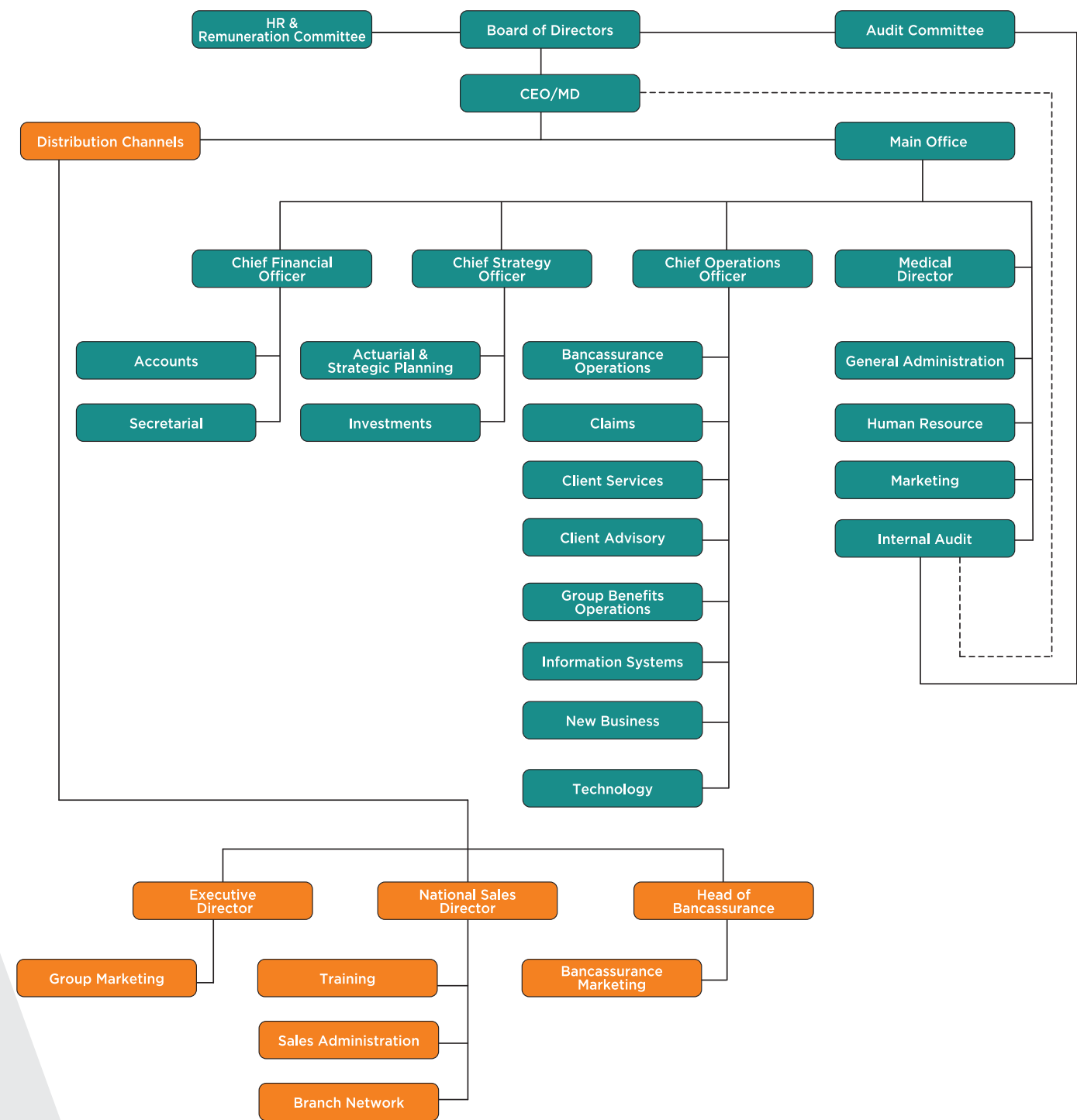


4. S. Shahid Abbas
Chief Financial Officer &
Executive Director

6. S. Ali Raza Zaidi
Executive Director
Group Benefits

5. Mohammed Ali Ahmed
Chief Strategy Officer &
Executive Director

7. Husein Sachak
Head of Bancassurance



Managing Director & Chief Executive

Taher G. Sachak

Executive Directors

Mohammed Ali Ahmed
S. Shahid Abbas
Zain Ibrahim

Deputy General Managers

Arshad Iqbal
Ashfaque Ahmed

Assistant General Managers

Adeel Ishaque
Aman Hussain
Dr Naila Salman
Mohammad Asim Khan
Mohammad Faisal
S. Mohammad Owais

Medical Director

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

Chief Managers

Dr Ali Murtaza Khan
Evelyn D. Abrogena
M. Fawad Habib
M. Hasan Shaikh
M. Rehan Siddiqui
Nilofer Sohail

Senior Managers

Abida Hasanali
Ammar Qamar
Asim Maqbool
Burhan Zahid Chughtai
Dr. AsadulHadi Siddiqui
Fahd Saifuddin Syed
Mariam Ahmed
Mohammad Abbas
Mohammad Zubair
Naseeruddin Ahmed
S. Mohammad Amer
S. Muhammad Athar
Sajjad Husain Khan

Managers

Akbar Husain Qazilbash
Ameer Abbas Mohammadi
Ann Aonica Zenobia
Dr Ammara Moazzum
Faisal Zahir
Farah Mushtaq
Farrukh Kidwai
Irfan Abbas Hameer
Irfan Junejo
Irfan Qadir Malik
Jibran Masood Khan
M. Jawaid Mughal
M. Rafi Malik
Madiha Farid
Majid Aziz
Mohammad Danish
Mohammad Faisal
Mushtaq Ali
Ramesh Kumar
S. Abdul Mujeeb
Sajid Mahmood Butt
Sheikh Irfan Zafar
Usman Lodi
Wasim Qaiser

Distribution Channels

Sales Force

Mustafa Hussain Ali
National Sales Director

Group Benefits

S. Ali Raza Zaidi
Executive Director

Bancassurance

Husein Sachak
Head of Bancassurance

Takaful Operations

Head of Window Takaful Operations

Rehman Fayyaz Khan

Shariah Advisor

Mufti Muhammad Ibrahim Essa

Shariah Compliance Officer

Adeel Ishaque

Audit Committee

Hasanali Abdullah
Saifuddin N. Zoomkawala
Muneer R. Bhimjee
Kamal Afsar

Investment Committee

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

Underwriting Committee

Taher G. Sachak
Dr. Tajuddin A Manji
Zain Ibrahim
Arshad Iqbal
Dr. Naila Salman
Hasan Sheikh

Compliance Committee

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

IT Steering Committee

Zain Ibrahim
S. Shahid Abbas
Ashfaq Ahmed
Adeel Ishaque

Claim Settlement Committee

Taher G. Sachak
Zain Ibrahim
Arshad Iqbal
Dr. Naila Salman
Dr. Ali Murtaza

Reinsurance Committee

Taher G. Sachak
Omer Morshed
Mohammed Ali Ahmed
Usha Nenwani

ERM Committee

Taher G. Sachak
Omer Morshed
Mohammed Ali Ahmed
S. Shahid Abbas
Zain Ibrahim

HR & Remuneration Committee

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

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
Syed Salman Rashid
Kamal Afsar

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

KPMG Taseer Hadi & Co.
Chartered Accountants, Karachi.

Rating

Rating Agency: JCR-VIS
Insurer Financial Strength Rating: AA
Outlook: Stable

Registrar

Technology Trade (Pvt.) Ltd.
Dagia House 241-C
Block-2, P.E.C.H.S.
Off Shahrāh-e-Quaideen
Karachi.
Ph: (92-21) 34391316-17 & 19, 34387960-61
Fax: (92-21) 34391318

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.

Statement of Ethics

All Directors and Staff are required to:

- 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.
- Entrepreneurship. 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). In 2014, the technology was further implemented in our Client Services Department.

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. Additionally, in line with this objective we have focused on centralized printers which are more energy efficient and environmental compliant.

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, Flex Technology, 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 help 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 has also maintained 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 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.

Key sources of uncertainty

The Key sources of uncertainty in estimation of future benefit payments and premium receipts are as follows:

- Adverse Mortality and Morbidity experience
- Unexpected changes in Lapses and Surrenders
- Expense overruns
- Interest rate movements

Institutional Investors

The Company convenes Annual General Meeting in accordance with the Companies Ordinance, 1984. The Company's financial reports are published every quarter and are also placed on Company's website for the 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 22 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 Company was granted the license to operate as a Window Takaful Operator on January 19, 2015 and has launched its Window Takaful Operations on February 6, 2015.

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 31 March	Announced on	28-Apr-14
Half year ended 30 June 2014	Announced on	21-Aug-14
Third quarter ended 30 September	Announced on	28-Oct-14
Year ended 31 December 2014	Announced on	14-Feb-15

Dividend

Interim (2014)	Announced on	21-Aug-14
	Amount	15%
	Entitlement date	3-Sep-14
	Paid on	12-Sep-14

Final cash (2014)	Announced on	14-Feb-15
	Amount	60%
	Entitlement date	2-Apr-15
	Statutory limit up to payable	25-May-15

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	26-Mar-14
	Paid on	10-Apr-14

Issuance of Annual Report	20-Mar-15
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23rd Annual General Meeting	10-Apr-15
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Notice of Meeting

Notice is hereby given that the 23rd Annual General Meeting of the Shareholders of EFU Life Assurance Ltd. will be held at Kamran Centre, 1st Floor, 85 East, Blue Area, Jinnah Avenue, Islamabad on April 10, 2015 at 11.30 a.m. to:

A . ORDINARY BUSINESS:

1. confirm the minutes of the 22nd Annual General Meeting held on April 5, 2014.
2. confirm the minutes of the Extra-Ordinary General Meeting held on June 20, 2014 and July 9, 2014
3. receive, consider and approve the Audited Financial Statements for the year ended December 31, 2014 together with the Directors' and Auditors' reports thereon.
4. consider and if thought fit to approve the payment of Final Cash Dividend at the rate of Rs.6/- per share i.e. 60% for the year ended December 31, 2014 as recommended by the Board of Directors and also approve the interim dividend of Rs 1/50 i.e. 15% already paid to shareholders, thus making a total of Rs 7/50 per share i.e. 75% for the year ended December 31, 2014
5. appoint Auditors for the year 2015 and fix their remuneration.
6. transact any other matter with the permission of the Chair.

Attached to this notice of meeting being sent to the members is a statement under Section 160(1) (b) of the Companies Ordinance 1984 setting forth:

Status of previous approval of investment in associated company.

Karachi February 14, 2015

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 April 3, 2014 to April 10, 2015 (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 April 2, 2015 will be considered in time to attend and vote at the meeting and for the entitlement of Dividend .
4. Members are requested to notify / submit the following, in case of book entry securities in CDS to respective CDS participants and in case of physical shares, to the Company's Share Registrar, if not earlier provided/ notified:-
 - a. Change in their addresses;
 - b. Valid and legible photocopies of Computerized National Identity card (CNIC) for Individuals and National Tax Number (NTN) both for individual & corporate entities; and
 - c. Consent Form to receive Annual Financial Statements through e-mail. The Securities & Exchange Commission of Pakistan (SECP) through its Notification SRO 787(1)2014 of September 8, 2014 has allowed companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail.

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

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

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 10, 2015.

Status of previous approval for investment in associated company.

As required under clause 4(2) of SRO No. 27(1)/2012 dated January 16, 2012 the status of investment in our associated Company EFU General Insurance Ltd., against approval obtained by the Company in Annual General Meeting held on April 5, 2014 is as under:

- a) **total investment approved;**

Rs. 100 million approved by the shareholders at Annual General Meeting of April 5, 2014 to be invested within a period of two years.
- b) **amount of investment made to date;**

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

The period in which the investment is to be made as approved by the share holders is two years i.e. till April 4, 2016.
- d) **and material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.**

Since the date of passing the resolution by the shareholders of the Company on April 5, 2014 the shareholders equity of the investee company has increased to Rs. 13,111 million from Rs. 11,907 million due to increase in Reserves of Rs. 1,203 million.

Directors' Report

The Directors of your Company are pleased to present to you the Twenty Third Annual Report of the Company for the year ended December 31, 2014.

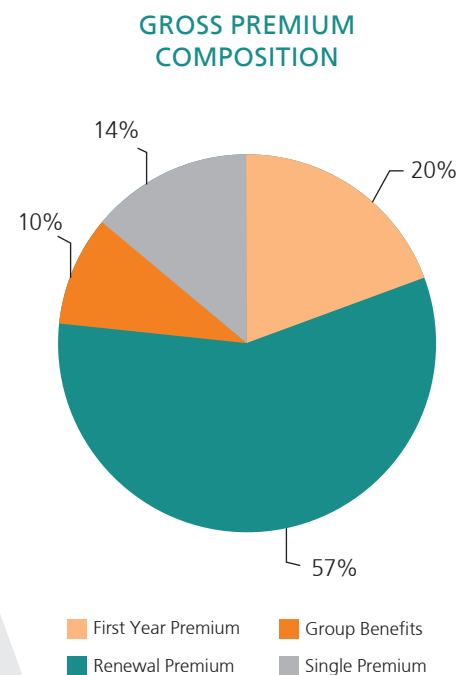
A review of the industry:

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 22 year history of successful insurance operations. In 2013, the life insurance gross premium crossed the Rs. 100 Billion mark, registering a 5 year annualized growth of 25%. As has been the trend in the last 5 years, bancassurance has fueled the growth momentum, with a more prominent impact in the private life insurance sector.

The regulatory environment for life insurance remained conducive to growth, with the Securities and Exchange Commission of Pakistan taking a lead on many fronts in engaging with the industry.

Business Performance:

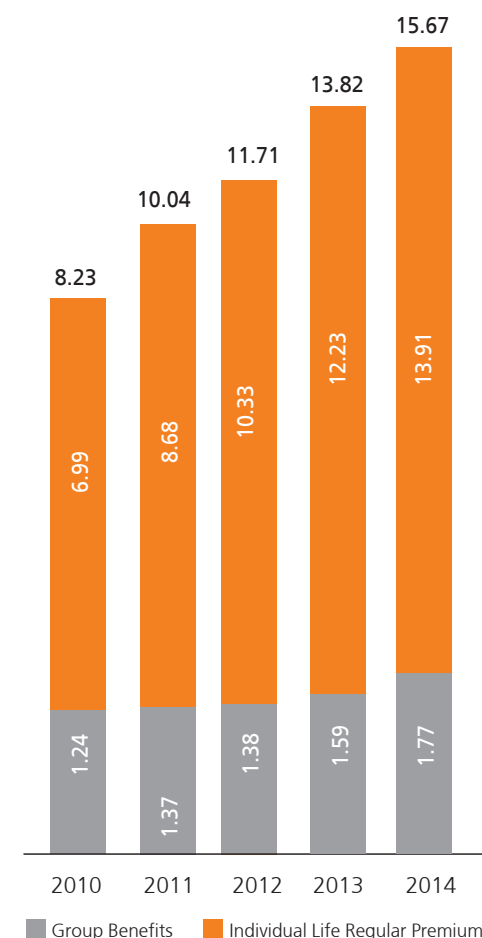
Your Company's gross premium increased to Rs. 18.22 billion (2013: Rs. 14.06 billion), an increase of 30% over 2013. The gross premium composition in 2014 was as follows:



Individual Life regular premiums increased by 13.7% reaching a total premium of Rs.13.9 billion (2013: Rs. 12.23 billion). New business premium increased by 13.2% and was Rs.3.59 billion (2013: Rs. 3.17 billion), while the renewal premium base increased to Rs. 10.3 billion (2013: Rs. 9.06 billion), a growth of 13.8%. 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 was 84.3%.

The Group Benefits line of business achieved a gross premium of Rs. 1.76 billion (2013: Rs 1.58 billion), registering a growth of 10.8%.

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



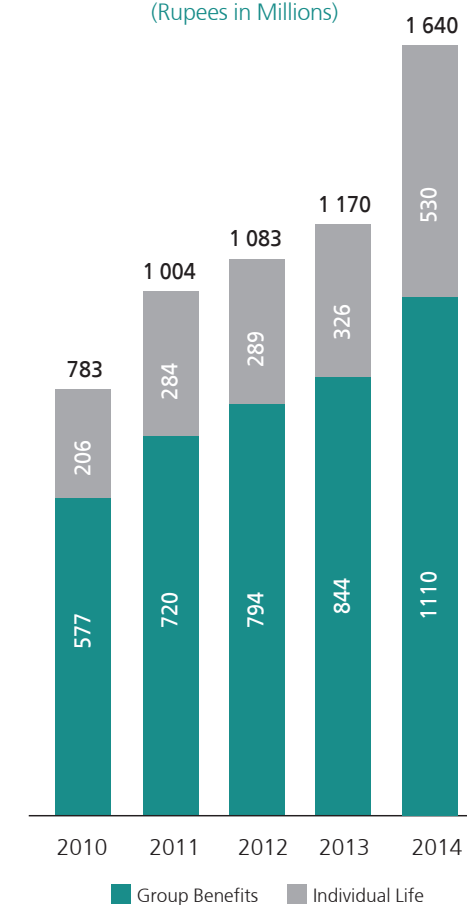
Single Premium has done exceptionally well this year, recording a premium of Rs. 2.55 billion (2013: 234 million). This is mainly due to the huge success of a single premium product with a bank partner who has been very aggressive in its distribution strategy for this product.

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. 1.64 billion with individual and group life claims amounting to Rs. 530 million and Rs. 1.110 billion, respectively in 2014.

**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. 42.8 billion to Rs. 60 billion in 2014, a growth in size of 40%.

The Managed Growth Fund is the largest unit linked fund of the Company and its net asset value increased to Rs. 57.24 billion (2013: 40.88 billion) The fund has provided consistently good returns to our clients over the medium to long term. The annualized return (net of all charges) is 13.46% since inception of the fund. The annualized return over the last 5 years is 13.7%, and the one year return on the fund was 20.16%.

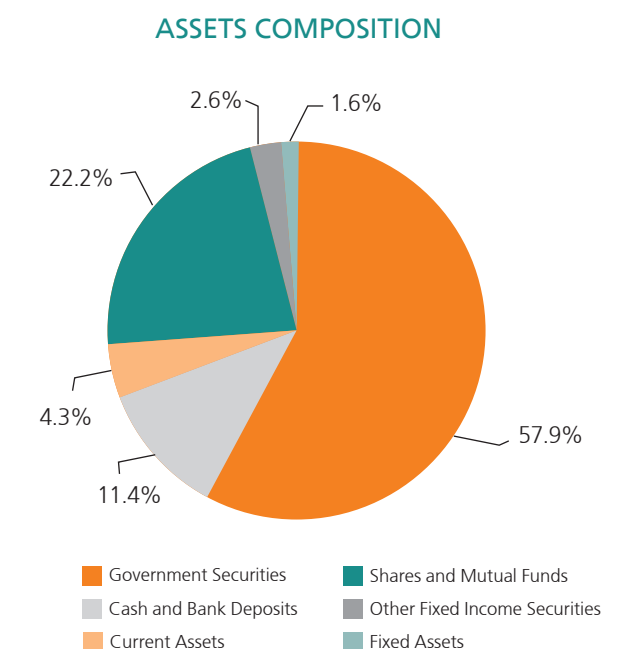
The performance of the other unit linked funds, which have their specific investment strategies, are as follows:

Aitemad Growth Fund - interest free investments, and has provided an annualized return (net of all charges) of 14.33% over 2014.

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 8.73% over the last three years.

The Company has a strong balance sheet size with total assets increasing by 30% during the year at Rs. 67.2 billion (2013: Rs. 49.1 billion). The composition of assets is as follows:



Profitability:

During the year, the Company's statutory funds generated a surplus of Rs. 1.531 billion (2013: Rs. 1.316 billion) an increase of 16.33%.

Out of this surplus, Rs. 973.083 million was transferred to the Profit & Loss Account after retaining the amount necessary to meet 100% Solvency Margin requirement. After including the performance of the Shareholders' fund, your Company made an after tax profit of Rs. 950.901 million.

Earnings Per Share

The earnings per share for the year was Rs 9.51 (2013: Rs 9.29)

Appropriation and Dividend:

The Company made a profit before tax of Rs.1,423.373 million in the year ending 2014 as compared to Rs.1,398.314 million in 2013. The After tax profit was Rs.950.901 million as compared to Rs.929.114 million in 2013.

Your Directors have pleasure in recommending a dividend of Rs 6/- (60%) per share to the Shareholders of the Company whose names appear in the Share Register of the Company at the close of business on 2nd April, 2015.

This cash dividend is in addition to interim cash dividend of Rs.1.50 per share (15%) declared during the year.

	Rupees '000	
The amount available for appropriation is		
Amount brought forward from previous year		282,872
Profit after tax for the year		950,901
Amount available for appropriation		1,233,773
The Directors recommend that this amount be appropriated in the following manner		
Less Appropriation		
Interim Dividend 2014 @ 15% (2013 :15%)	150,000	
Proposed final cash dividend 2014 @60 % (2013 :50%)	600,000	
Transfer to general reserve	199,500	949,500
Carry forward to next year		284,273

Market Share

Based on the available published financial statements as of September 30, 2014 the Company has a market share of 37.9% in the private life insurance sector companies based on the gross premium income and 48.3% 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 14 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 2014, an improvement was seen in the overall industrial and corporate sector of the country resulting in a good growth in the Group Benefits premium.

Takaful:

In May 2014, the Sindh High Court lifted the stay order against the implementation of Takaful Rules 2012, paving the way for start of window takaful operations in the industry. Your Company was the first and only life insurance company to apply to the Securities and Exchange Commission of Pakistan for license to operate as a Window Takaful Operator in 2014. The approval to operate as a window takaful operator was granted by SECP on January 19, 2015, making your company the first window

family takaful operator in Pakistan. The Company launched its window takaful operations on February 6, 2015.

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 is AA (Outlook: Stable) by JCR VIS Credit Rating Agency. 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 rating is also 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 2014:

- Karachi Stock Exchange Top Companies Award 2013 for EFU Life Assurance based on a comprehensive criteria, which includes Dividend Payout, Capital Efficiency, profitability, Free Float of Shares, Transparency & Investors Regulation and Compliance with Listing and SECP regulations.
- 'Brand of the Year Award 2013' for Best Life Insurance Company by Brands Foundation, based on company's market standing and consumer preference.

- 'Consumer Choice Award 2013' for Best Life Insurance Company in Pakistan for the 6th consecutive time from Consumer Association of Pakistan, for excellence in management practices and service quality.
- 'Best Corporate Report Award 2013' -“The Power of Strings” - in Non Banking Financial Institutions Category by ICAP, and ICMAP for best presented accounts, improvement in transparency, accountability, and governance.
- 'Certificate of Merit' by South Asian Federation of Accountants (SAFA) for Best Presented Accounts 2013 in the insurance sector, within the South Asian countries.
- 'Corporate Excellence Award' by Institute of Cost & Management Accountants of Pakistan (ICMAP), for Company's commitment to quality, maintenance of highest professional standards and the passion to achieve excellence in all spheres of its activity.
- 'Certificate of Excellence' in Banks & Insurance category by Management Association of Pakistan for 6th consecutive time, for excellence in management practices.
- CSR Business Excellence Award 2013 for 2nd consecutive time in International CSR Summit by National Forum for Environment and Health (NFEH)
- Revalidation of ISO-9001:2008 Certification

Technology:

In 2014, the Company continued to further expand 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 is also available on the mobile technology platform.

A two way SMS facility, 9898, was launched in 2013, and during 2014 its usage was further expanded for lead generation and distribution channels.

Keeping in view the ever increasing requirements for managing huge volumes of data, and also considering the future demand based on the business expansion plans, the

Company has upgraded its Data Centre with the latest hardware technology consisting of IBM Flex Servers and SAN/NAS storage devices. At the same time, the LAN data links have been further strengthened by deploying 1 GB connectivity within the Head Office and Fiber optic links in our branches.

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 updated periodically 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 and has been further expanded to Client Servicing function during 2014. 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 2014 of Rs. 7.67 billion (2013: Rs. 7.61 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.

Risks to business:

Business risks and mitigation factors are described in detail on note 29 to Notes to the Financial Statements.

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 productive members of the society.

A blood donation drive was carried out under the slogan "Safe Blood for Saving Mothers" 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. EFU Life also participated in the Thalassemia awareness walk organized by Omair Sana foundation.

For Women's Day EFU Life partnered with Smile Again Foundation to generate awareness and funds for supporting Acid victims across Pakistan.

In addition to the above activities during the year, EFU Life supported various organizations through donations focused on health and education sector.

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.622 million to the national exchequer in the form of Income Tax, Federal Excise Duty, Sales Tax, stamp duty 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 Extra Ordinary General Meeting held on June 20, 2014 for a term of three years expiring on June 21, 2017.

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

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

Board Committee

Your Company maintains the following two Board Committees.

Audit Committee

The Board is responsible for effective implementation of a sound internal control system including compliance with control procedures. The Audit Committee is assisted by the Internal Auditor in reviewing the adequacy of operational

controls and in monitoring and managing risks so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Company and to add value and improve the Company's operations by providing independent and objective assurance. The principal responsibility of the Internal Auditor is to conduct periodic audit to ensure adequacy in operational controls, consistency in application of policies and procedures, compliance with the laws and regulations. The Committee comprises of the following members:

- 1. Hasanali Abdullah (Chairman)
- 2. Muneer R Bhimjee
- 3. Saifuddin N Zoomkawala
- 4. Kamal Afsar

Human Resource and Remuneration Committee

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

- 1. Rafique R Bhimjee
- 2. Saifuddin N Zoomkawala
- 3. Taher G Sachak

Management Committee

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

Underwriting Committee

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

Claim Settlement Committee

The Committee is responsible for directing the overall claim strategy of the Company. It is kept updated on the status

of all large and important claims, particularly claims falling under catastrophic events. The Committee oversees claims analysis and also ensures that adequate measures are taken to combat fraudulent claims. In addition, the Committee also decides on how to manage claims landing in courts/ Insurance Ombudsman/ Insurance tribunal and decides the way forward.

Reinsurance Committee

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

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, 2014 were the following.

Provident Fund	Rs. 232 Million
Pension Fund	Rs. 147 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:

	No. of Shares
Purchase of Shares	Nil
Sale of Shares:	Nil

- k) The statement of shareholding in the Company as at December 31, 2014 is included with the Report.

Our Auditors Messrs. KPMG Taseer Hadi Chartered Accountants, retire and willing to continue are recommended for reappointment as Auditor of the Company for the year 2015 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 few years. The Company expects this growth momentum to continue in the near future. Primarily the main driving force for this growth is the increased penetration of distribution channels, and the investment by companies to explore alternative channels. Productivity of existing channels is also expected to improve. Focus on IT will continue, especially adopting new trends in technology, and 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.

The Company expects several insurers to start window takaful operations during 2015 which can make a visible impact on the takaful landscape of the country.

Acknowledgments:

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 Munich Re of Germany who are your Company's main reinsurers and who continue to provide full support to your Company.

Our gratitude is 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

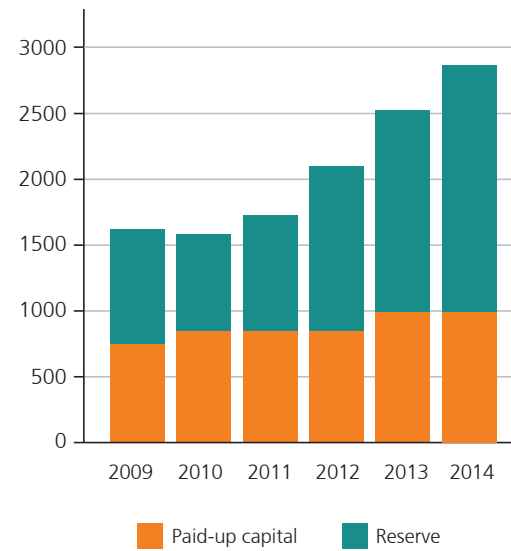
TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

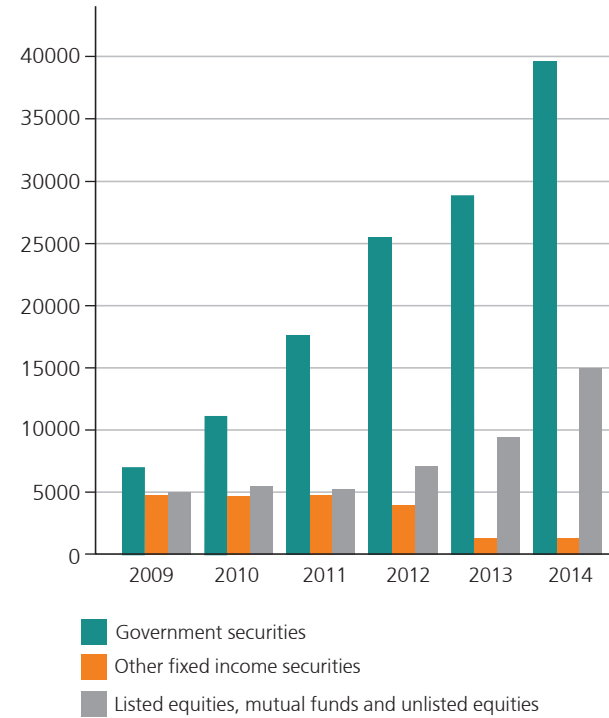
Karachi February 14, 2015

Graphical Presentation

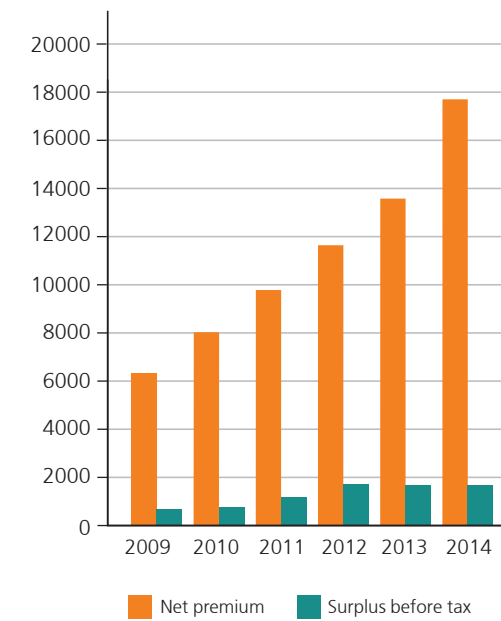
SHARE HOLDER'S EQUITY (Rupees in million)



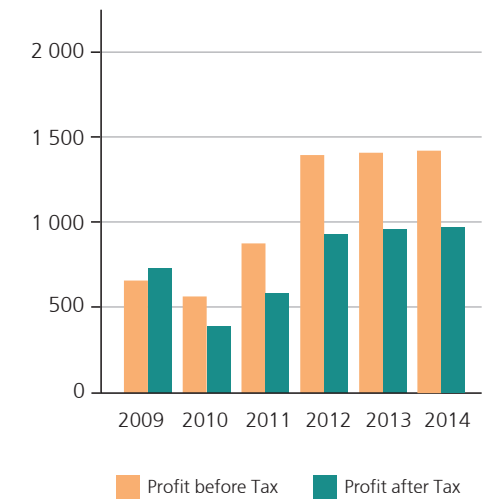
INVESTMENTS (Rupees in million)



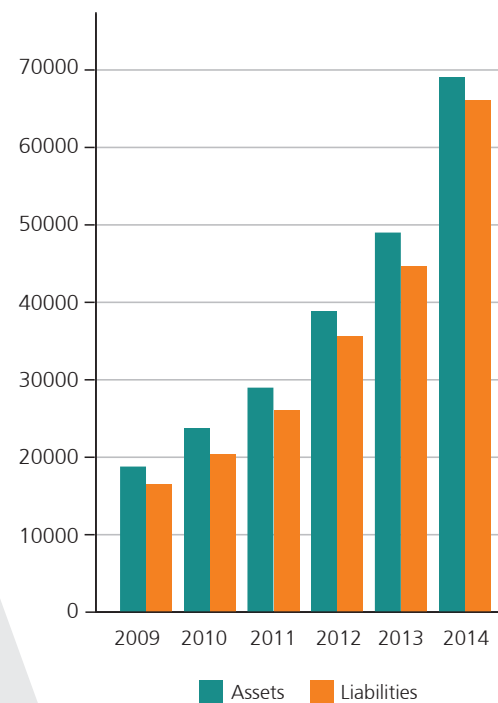
NET PREMIUM & SURPLUS BEFORE TAX (REVENUE ACCOUNT) (Rupees in million)



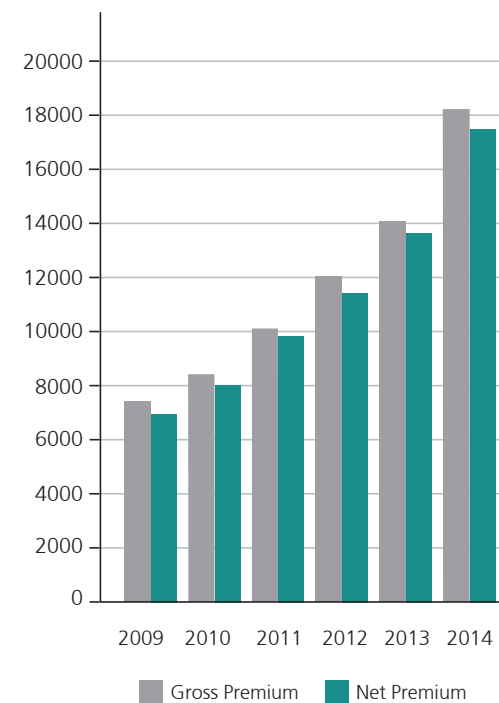
PROFITABILITY (Rupees in million)



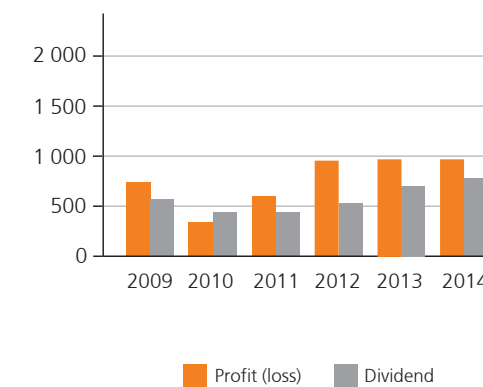
ASSETS & LIABILITIES (Rupees in million)



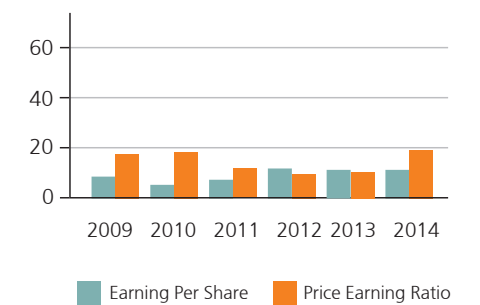
GROSS / NET PREMIUM (Rupees in million)



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



EARNING PER SHARE & PRICE EARNING RATIO



Key Financial Data for The Last Six Years

Share Price Sensitivity Analysis

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

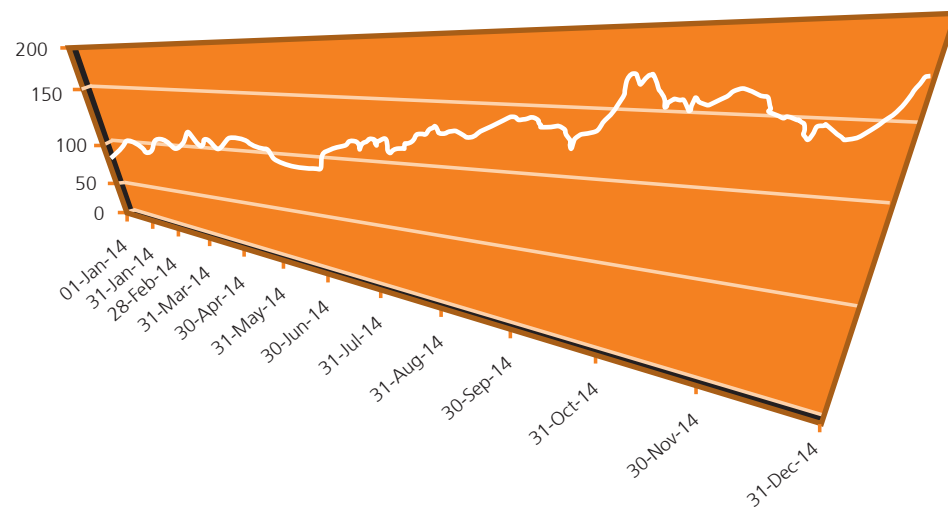
Introduction of new Products - This could lead to positive earnings growth which in return affects share prices

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

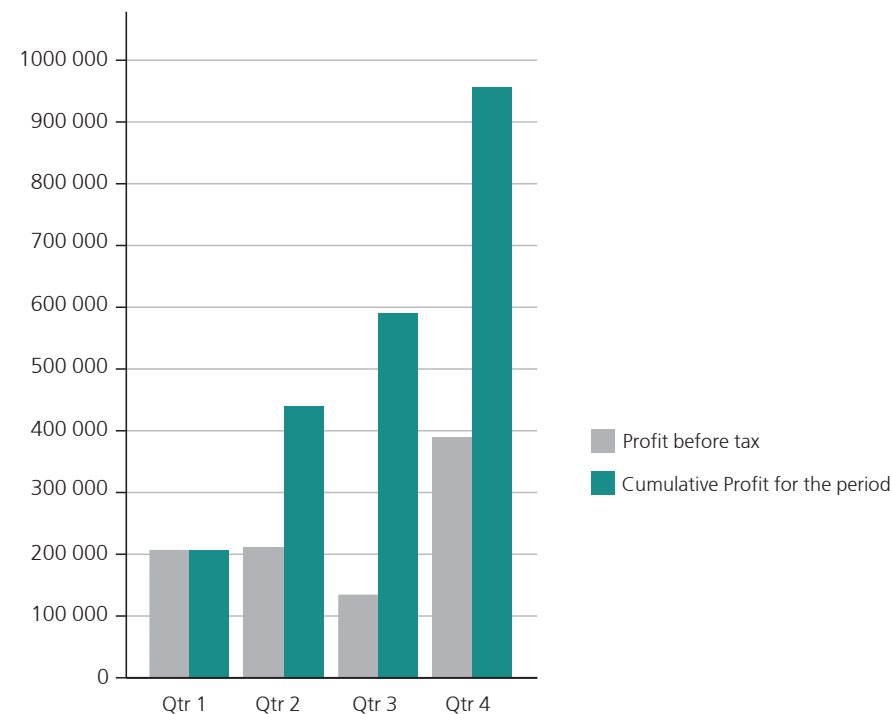
Industry specific performance - Any changes in Government policies toward Insurance industry may result in movement of stock prices

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

Announcement of Dividends - Expected distribution from earning could increase in share prices in expectations of realization of profits on investments.



Analysis Of Variation In Results Reported In Quarterly Accounts



(Rupees '000)

Gross Premium

REVENUE ACCOUNT

Premium-net of reinsurance

Interest and other Income

Claims less reinsurance

Commission and Expense

Provision for Appreciation/
(depreciation) on investments

Write back / (Provision) for doubtful debts
on available for sale fixed income securities

Write back / (Provision) for Impairment for
available for sale Equity Investments

Capital contribution from Shareholders' fund

Changes in statutory Funds

Profit before tax

Provision for Taxation

Profit after tax

BALANCE SHEET

Investments

Cash & Bank balances

Other Assets

Fixed Assets

Issued Subscribed and paid-up capital

Accumulated surplus

General Reserve

Balance of Statutory Funds

Other liabilities

	2014	2013	2012	2011	2010	2009
Gross Premium	18 219 910	14 058 930	11 873 842	10 129 599	8 375 515	7 226 876
REVENUE ACCOUNT						
Premium-net of reinsurance	17 595 939	13 365 479	11 301 615	9 597 263	7 920 022	6 769 079
Interest and other Income	6 796 578	4 748 784	3 949 224	2 817 408	1 667 882	1 604 864
	24 392 517	18 114 263	15 250 839	12 414 671	9 587 904	8 373 943
Claims less reinsurance	4 714 369	3 483 942	2 625 301	2 360 779	1 837 151	1 299 861
Commission and Expense	4 727 382	4 274 210	3 438 858	3 309 327	2 962 020	2 651 068
Provision for Appreciation/ (depreciation) on investments	3 699 382	1 028 649	1 361 453	(235 264)	60 106	1 603 394
Write back / (Provision) for doubtful debts on available for sale fixed income securities	65 379	(160 407)	(9 075)	(40 501)	13 932	6 712
Write back / (Provision) for Impairment for available for sale Equity Investments	347 560	12 681	183 134	(39 257)	(213 721)	(185 168)
Capital contribution from Shareholders' fund						
Changes in statutory Funds	17 639 714	9 838 720	9 329 724	5 548 728	4 098 015	5 200 231
Profit before tax	1 423 373	1 398 314	1 392 468	880 815	551 035	647 721
Provision for Taxation	(472 472)	(469 200)	(478 350)	(302 450)	(187 800)	63 938
Profit after tax	950 901	929 114	914 118	578 365	363 235	711 659
BALANCE SHEET						
Investments	55 534 580	39 585 719	34 728 349	25 133 535	19 711 968	15 053 389
Cash & Bank balances	7 666 369	7 614 047	1 723 572	1 141 457	826 325	1 365 803
Other Assets	2 943 929	1 094 258	835 281	1 304 662	1 203 567	1 078 081
Fixed Assets	1 083 604	810 235	607 105	450 410	420 875	350 208
	67 228 482	49 104 259	37 894 307	28 030 064	22 162 735	17 847 481
Issued Subscribed and paid-up capital	1 000 000	1 000 000	850 000	850 000	850 000	750 000
Accumulated surplus	1 083 773	1 032 872	1 011 758	650 140	496 775	646 040
General Reserve	750 500	500 500	232 500	232 500	232 500	232 500
Balance of Statutory Funds	61 222 367	43 582 653	33 743 933	24 414 209	18 865 481	14 767 466
Other liabilities	3 171 842	2 988 234	2 056 116	1 883 215	1 717 979	1 451 475
	67 228 482	49 104 259	37 894 307	28 030 064	22 162 735	17 847 481

Key Operating and Financial Data

Six years summary Financial Ratios		2014	2013	2012	2011	2010	2009
Profitability Ratios							
Profit / (Loss) Before Tax / Gross Premium	%	8%	10%	12%	9%	7%	9%
Profit / (Loss) Before Tax / Net Premium	%	8%	10%	12%	9%	7%	10%
Profit / (Loss) After Tax / Gross Premium	%	5%	7%	8%	6%	4%	10%
Profit / (Loss) After Tax / Net Premium	%	5%	7%	8%	6%	5%	11%
Gross Yield on Earning Assets	%	8%	8%	9%	11%	10%	9%
Net Claims / Net Premium	%	27%	26%	23%	25%	23%	19%
Commission / Net premium	%	14%	17%	17%	22%	25%	27%
Acquisition Cost / Net premium	%	21%	25%	25%	29%	32%	34%
Administration Expenses / Net premium	%	5%	6%	6%	5%	5%	5%
Change in PHL / Net Inflow	%	61%	52%	55%	44%	43%	53%
Net investment income / Net Premium	%	59%	41%	46%	26%	21%	46%
Return On Capital Employed	%	16%	15%	24%	17%	11%	26%
Return on Equity	%	34%	37%	44%	33%	23%	44%
Liquidity Ratio							
Current Ratio		3.35	2.91	1.24	1.30	1.18	1.69
Quick Ratio		3.35	2.91	1.24	1.30	1.18	1.69
Cash to Current Liability	%	242%	255%	84%	61%	48%	94%
Investment / Market Ratio							
Breakup Value Per Share	Rupees	28.34	25.33	24.64	20.384	18.58	21.71
Earnings / (loss) per share (pre tax) Diluted	Rupees	14.23	13.98	13.92	10.36	6.48	8.64
Earnings / (loss) per share (after tax) Diluted	Rupees	9.51	9.29	9.14	6.80	4.27	9.49
Price Earning Ratio -PAT	Times	17.86	8.80	10.20	11.00	17.67	14.49
Mkt price per share at end of the year	Rupees	169.85	81.71	93.23	74.8	75.44	137.5
Mkt price per share - Highest during the year	Rupees	177.99	96.45	97.00	79.80	143.40	338.92
Mkt price per share - Lowest during the year	Rupees	80.60	68.01	62.00	50.70	51.25	98.00
Cash Dividend per Share	Rupees	7.50	6.5	5.5	5	5	5.5
Price to book ratio		0.25	0.17	0.21	0.23	0.29	0.66
Cash Dividend %	%	75%	65%	55%	50%	50%	55%
Dividend Yield	%	4%	8%	6%	7%	7%	4%
Dividend Payout	%	78.87%	69.97%	60.18%	73.53%	117.10%	57.96%
Dividend Cover		1.41%	1.89%	2.05%	1.36	0.85	1.73
Stock Dividend per share	Times	—	—	1.75	—	—	0.1
Bonus Share %	%	—	—	17.64%	—	—	13%
Capital Structure Ratio							
Return on Asset	%	2%	3%	4%	3.14%	2%	4%
Earning Asset to total asset	%	96%	97%	96%	93.51%	93%	91%
Total Liabilities / Equity	Times	20.30	15.52	17.56	15.18	13.03	9.96
Paid-up Capital / Total Asset	%	1.49%	2.04%	2.24%	3.03%	4%	4%
Equity/ total Asset	%	4%	5%	6%	6.18%	7%	9%

Comments:

Profitability Ratios:

Net profit after tax have increased from 929 million to 950 million, however decline in profitability ratios are mainly due to the retention of surplus in statutory funds to meet the solvency requirements. The Company has managed to underwrite 18.2 billions of business (new and subsequent) in 2014.

Liquidity Ratio

EFU Life's liquidity position had always been very strong. Steep increase in cash 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 better performance and earning of the company. Company has announced 60% final dividend and 15% intrin dividend (which sum up to 75% total dividend for 2014).

Capital Structure Ratio

EFU Life's paid up capital is now 1 Billions 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. Total assets of the company has increased from 49 Billion to 67 Billion making an increase of 36%.

Revenue Application

Revenue

Premium
Investment
Other

Cost

Acquisition Cost
Employee Benefits
Other

Policy Holders

Claims and surrenders
Policy Holders Movements

Government

Income & other Taxes
WWF

Shareholders

Dividend
Bonus

Society

Donations

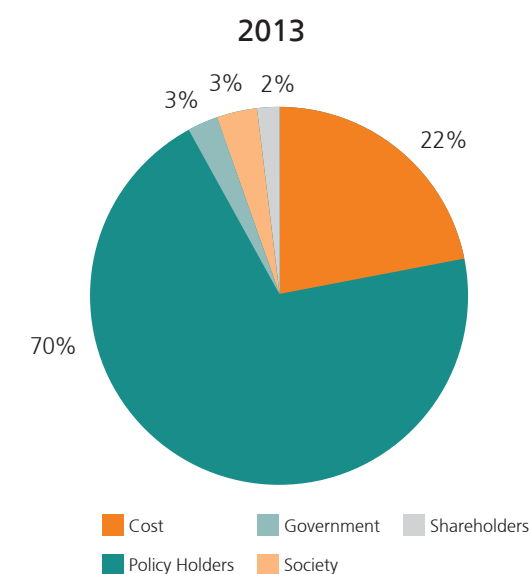
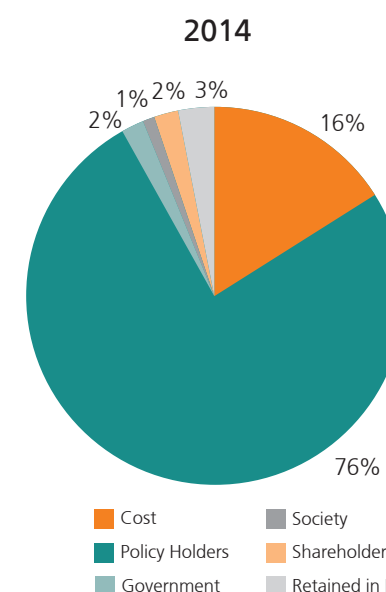
Retained in Business

Reserve unappropriated profit
Depreciation / Amortization
Statutory Reserves - Solvency Margin

Revenue

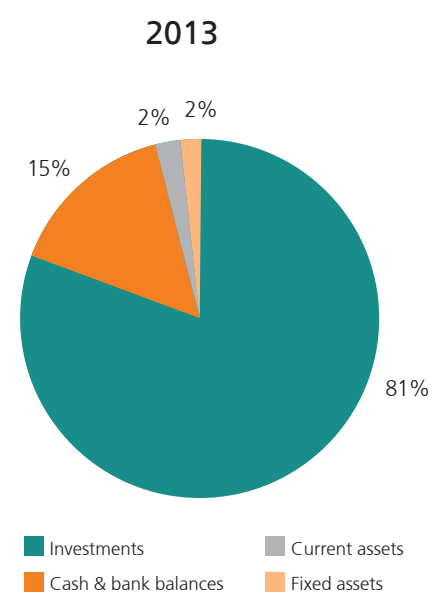
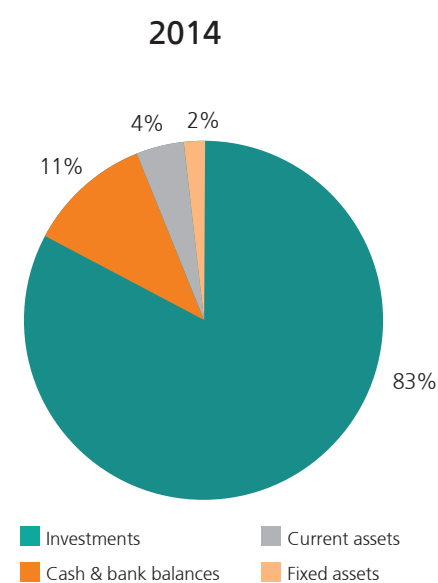
(Rupees in '000)

	2014	2013
Revenue		
Premium	17 595 939	13 365 479
Investment	10 891 479	5 609 708
Other	17 420	19 999
	<u>28 504 838</u>	<u>18 995 186</u>
Cost		
Acquisition Cost	3 736 547	3 390 140
Employee Benefits	381 519	346 636
Other	492 412	434 400
	<u>4 610 478</u>	<u>4 171 176</u>
Policy Holders		
Claims and surrenders	4 714 369	3 483 942
Policy Holders Movements	17 081 238	9 832 648
	<u>21 795 607</u>	<u>13 316 590</u>
Government		
Income & other Taxes	472 472	469 200
WWF	29 048	28 537
	<u>501 520</u>	<u>497 737</u>
Shareholders		
Dividend	650 000	490 000
Bonus		150 000
	<u>650 000</u>	<u>640 000</u>
Society		
Donations	6 857	4 228
	<u>6 857</u>	<u>4 228</u>
Retained in Business		
Reserve unappropriated profit	300 901	289 114
Depreciation / Amortization	80 999	70 269
Statutory Reserves - Solvency Margin	558 476	6 072
	<u>940 376</u>	<u>365 455</u>
	<u>28 504 838</u>	<u>18 995 186</u>

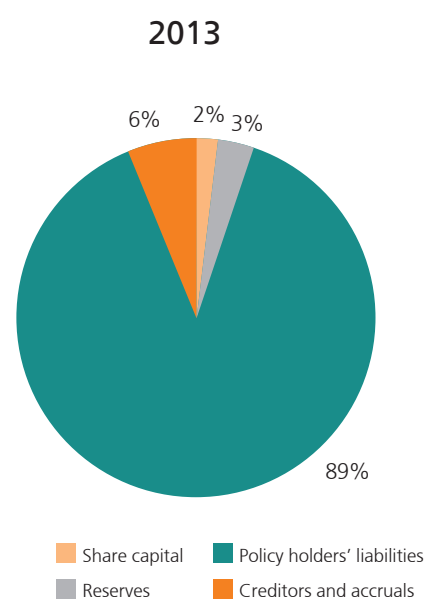
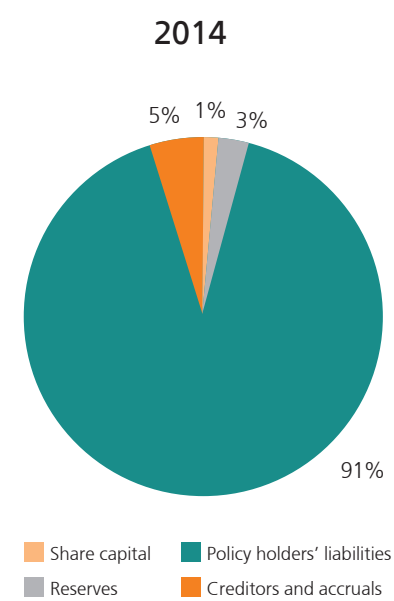


Balance Sheet

ASSETS

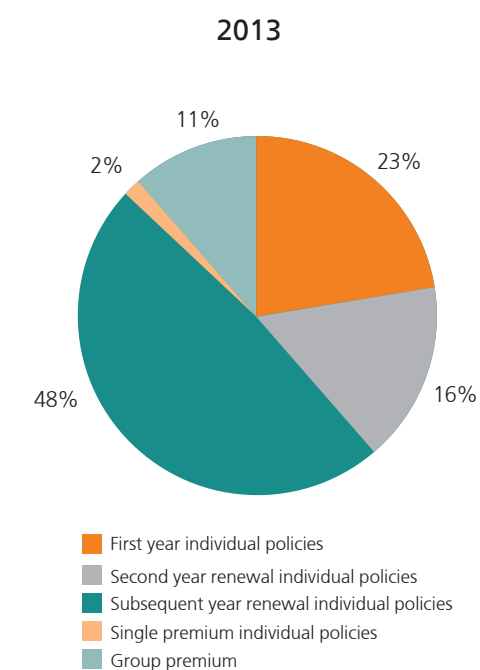
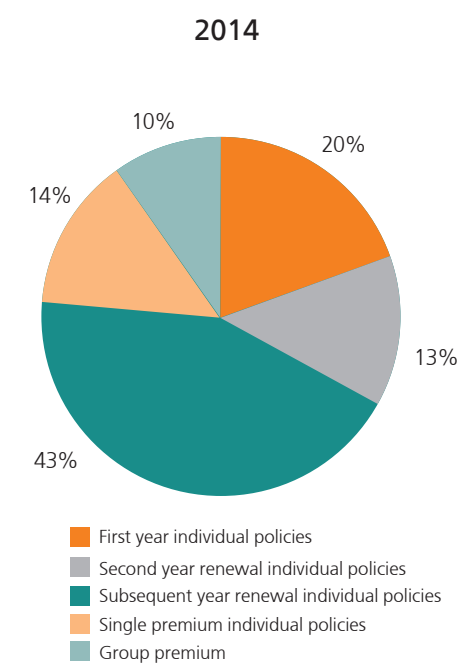


SHARE CAPITAL & RESERVES AND LIABILITIES

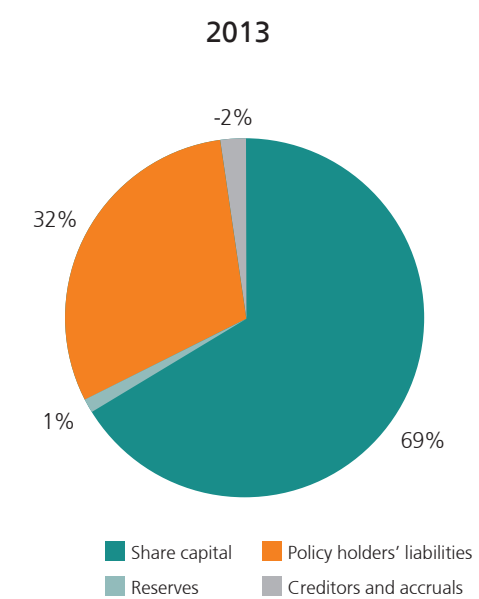
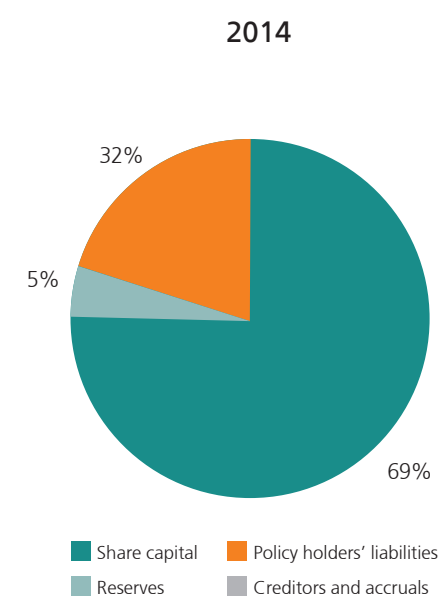


Profit & Loss / Revenue Account

GROSS PREMIUM

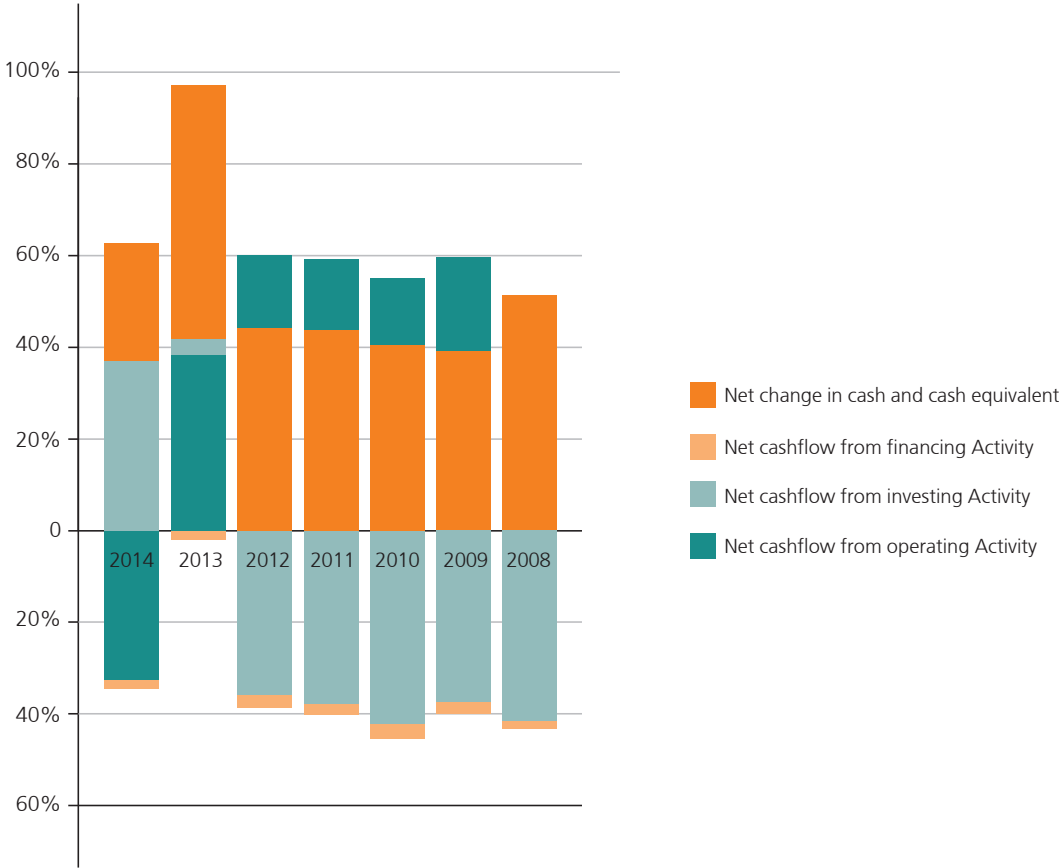


INVESTMENT INCOME



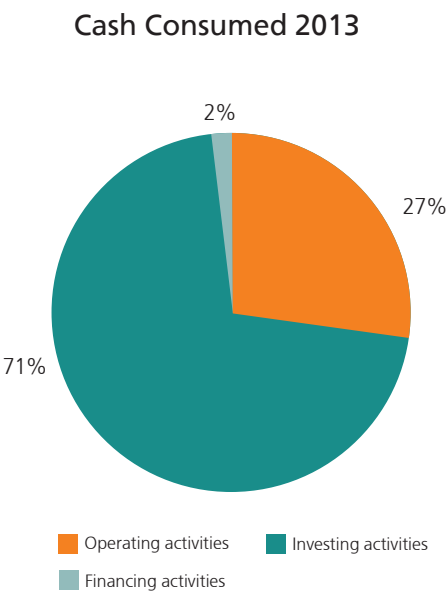
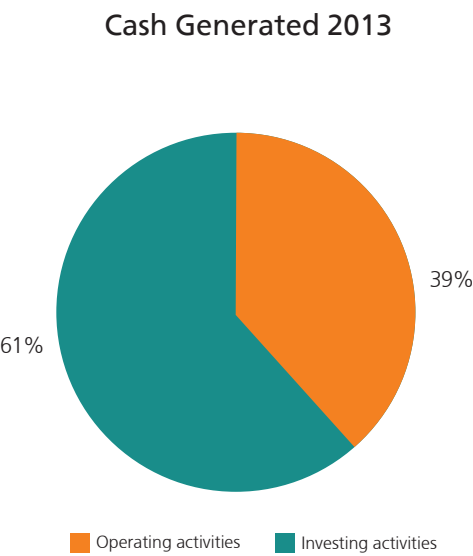
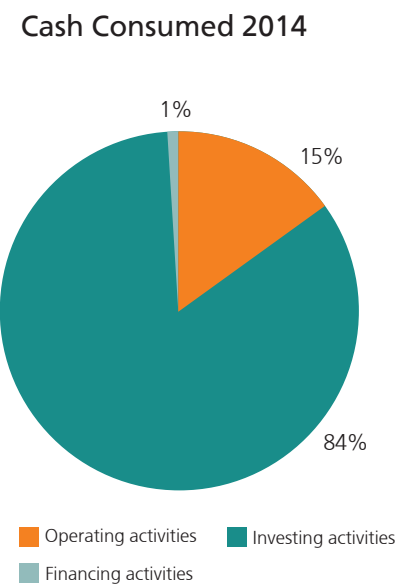
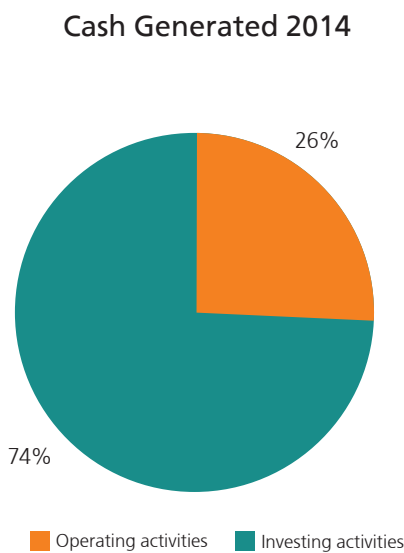
Summary of cashflow statement year ended 31 December 2014

Cashflow	2014	2013	2012	2011	2010	2009	2008
Net cashflow from operating Activity	7 939 450	5 765 564	5 045 710	3 938 800	3 217 244	2,815 026	2 804 917
Net cashflow from investing Activity	(7 237 128)	614 911	(3 911 095)	(3 198 668)	(3 344 222)	(2 537 147)	(2 178 959)
Net cashflow from financing Activity	(650 000)	(490 000)	(552 500)	(425 000)	(412 500)	(337 500)	(150 000)
Net change in cash and cash equivalent	7 666 369	7 614 047	1 723 572	1 141 457	826 325	1 365 803	1 425 424



Cash Flow

CASH GENERATED / UTILIZED



Vertical Analysis

Balance Sheet

	2014		2013	
	Rupees in '000	%	Rupees in '000	%
Net Equity	2 834 273	4.22	2 533 372	5.16
Statutory Fund	61 222 367	91.07	43 582 653	88.76
Current Liabilities	3 171 842	4.72	2 988 234	6.09
Total Equity & Liabilities	67 228 482	100	49 104 259	100
Total non-current assets	1 083 604	1.61	810 235	1.65
Investments	55 534 580	82.61	39 585 719	80.62
Current assets	10 610 298	15.78	8 708 305	17.73
Total assets	67 228 482	100	49 104 259	100

Revenue & Profit & Loss Account

Net Income	28 504 838	100	18 995 186	100
Claims, Expenditures and Policy-holders Liabilities	(26 522 989)	(93.05)	(17 590 800)	(92.61)
Solvency Margin	(558 476)	(1.96)	(6 072)	(0.03)
Profit before Tax	1 423 373	4.99	1 398 314	7.36
Income Tax expense	(472 472)	(1.66)	(469 200)	(2.47)
Profit after tax for the year	950 901	3.34	929 114	4.89

2012		2011		2010		2009	
Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
2 094 258	5.53	1 732 640	6.18	1 579 275	7.13	1 628 540	9.12
33 743 933	89.05	24 414 209	87.10	18 865 481	85.12	14 767 466	82.74
2 056 116	5.43	1 883 215	6.72	1 717 979	7.75	1 451 475	8.13
37 894 307	100	28 030 064	100	22 162 735	100	17 847 481	100
607 105	1.60	450 410	1.61	420 875	1.90	350 208	1.96
34 728 349	91.65	25 133 535	89.67	19 711 968	88.94	15 053 389	84.34
2 558 853	6.75	2 446 119	8.73	2 029 892	9.16	2 443 884	13.69
37 894 307	100	28 030 064	100	22 162 735	100	17 847 481	100
16 786 351	100	12 099 649	100	9 448 221	100	9 798 881	100
(15 152 760)	(90.27)	(11 017 049)	(91.05)	(8 881 294)	(94.00)	(9 148 701)	(93.36)
(241 123)	(1.44)	(201 785)	(1.67)	(15 892)	(0.17)	(2 459)	(0.03)
1 392 468	8.30	880 815	7.28	551 035	5.83	647 721	6.61
(478 350)	(2.85)	(302 450)	(2.50)	(187 800)	(1.99)	63 938	0.65
914 118	5.45	578 365	4.78	363 235	3.84	711 659	7.26

Horizontal Analysis

Balance Sheet

	2014	2013	2012	2011
	Rupees in '000	Rupees in '000	Rupees in '000	Rupees in '000
Net Equity	2 834 273	2 533 372	2 094 258	1 732 640
Statutory Fund	61 222 367	43 582 653	33 743 933	24 414 209
Current Liabilities	3 171 882	2 988 234	2 056 116	1 883 215
Total Equity & Liabilities	67 228 482	49 104 259	37 894 307	28 030 064
Total non-current assets	1 083 604	810 235	607 105	450 410
Investments	55 534 580	39 585 719	34 728 349	25 133 535
Current assets	10 610 298	8 708 305	2 558 853	2 446 119
Total assets	67 228 482	49 104 259	37 894 307	28 030 064

Revenue & Profit & Loss Account

Net Income	28 504 838	18 995 186	16 786 351	12 099 649
Claims Expenditures and Policy-holders Liabilities	(26 522 989)	(17 590 800)	(15 152 760)	(11 017 049)
Solvency Margin	(558 476)	(6 072)	(241 123)	(201 785)
Profit before Tax	1 423 373	1 398 314	1 392 468	880 815
Income Tax expense	(472 472)	(469 200)	(478 350)	(302 450)
Profit for the year	950 901	929 114	914 118	578 365

% increase / (decrease) over preceding year

2010	2009	2014	2013	2012	2011	2010	2009
Rupees in '000	Rupees in '000						
1 579 275	1 628 540	11.88	20.97	20.87	9.71	-3.03	29.83
18 865 481	14 767 466	40.47	29.16	38.21	29.41	27.75	54.35
1 717 979	1 451 475	6.14	45.33	9.18	9.62	18.36	27.76
22 162 735	17 847 481	58.50	95.46	68.27	48.74	24.18	49.25
420 875	350 208	33.74	33.46	34.79	7.02	20.18	13.58
19 711 968	15 053 389	40.29	13.99	38.18	27.50	30.95	55.43
2 029 892	2 443 884	21.84	240.32	4.61	20.50	-16.94	24.41
22 162 735	17 847 481	95.87	287.77	77.57	55.03	24.18	49.25
9 448 221	9 798 881	50.06	13.16	38.73	28.06	-3.58	259.22
(8 881 294)	(9 148 701)	50.78	16.09	37.54	24.05	-2.92	200.93
(15 892)	(2 459)	9097.56	-97.48	19.50	1169.73	546.28	-5.06
551 035	647 721	1.79	0.42	58.09	59.85	-14.93	305.65
(187 800)	63 938	0.70	-1.91	58.16	61.05	-393.72	140.42
363 235	711 659	2.34	1.64	58.05	59.23	-48.96	250.41

Statement of Compliance with the Code of Corporate Governance

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. During the year the Company has increased the strength of the Board from Seven to Nine members as approved in the Board Meeting held on 28 April, 2014. At present the Board includes:

Category	Names
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
Independent Director	Mr. Salman Rashid
	Mr. Kamal Afsar

2. The Directors have confirmed that none of them is serving as a Director in more than seven listed companies including this Company.
3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the year.
5. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of CEO have been taken by the board/shareholders.
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 17 October 2014 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. Seven out of nine Board members of the Company qualify for exemption under the provision of the Code. The Company will however, arrange training program for all directors by 2016.

10. There was no change of CFO, Company Secretary during the year. During the year, the Board has appointed a new Head of Internal Audit. The remuneration and terms and conditions of employment of 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. However, the Chairman is not an independent director.
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 an 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.
23. We confirm that all other material principles enshrined in the Code of Corporate Governance have been complied with.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Karachi February 14, 2015

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors ("the Board") of EFU Life Assurance Limited ("the Company") for the year ended 31 December 2014 to comply with the requirements of 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 of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2014.

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi February 14, 2015

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 2014 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 above said 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;
- (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 2014, and of the profit, its cash flows and changes in equity for the year then ended in accordance with Approved Accounting Standards as applicable in Pakistan and give the information required to be disclosed by the Insurance Ordinance, 2000 and the 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.

The financial statements of the Company for the year ended December 31, 2013 were audited by another firm of chartered accountants who have expressed an unmodified opinion thereon dated February 14, 2014.

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq
Karachi February 14, 2015

Financial Statements



Balance Sheet As At 31 December 2014

(Rupees '000)

		Statutory Funds						
	Note	Shareholders' Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Aggregate 2014	Aggregate 2013
Share capital and reserves								
Authorised share capital [150 000 000 ordinary shares (2013: 100 000 000) of Rs. 10 each]		1 500 000					1 500 000	1 000 000
Issued, subscribed and paid up share capital	8	1 000 000					1 000 000	1 000 000
Accumulated surplus		1 083 773					1 083 773	1 032 872
General reserve		750 500					750 500	500 500
Net shareholders' equity		2 834 273					2 834 273	2 533 372
Balance of statutory fund [including policyholders' liabilities Rs. 59 923 million (2013: Rs. 42 842 million)]	10		60 533 346	663 535	22 361	3 125	61 222 367	43 582 653
Deferred tax liability	11	14 900					14 900	16 300
Creditors and accruals								
Outstanding claims	12		589 981	526 667	–	796	1 117 444	906 390
Premiums received in advance			579 603	35 431	65	81	615 180	499 086
Amounts due to reinsurers			58 144	23 986	261	599	82 990	140 656
Amounts due to agents			394 362	14 733	10	59	409 164	410 344
Accrued expenses		2 000	387 867	17 907	2	28	407 804	342 798
Unclaimed dividend		12 216	–	–	–	–	12 216	8 684
Other creditors and accruals	13	38 285	81 530	5 499	–	35	125 349	106 055
Inter- fund payable		–	245 529	109 972	1 494	29 800	386 795	557 921
Total liabilities		52 501	2 337 016	734 195	1 832	31 398	3 156 942	2 971 934
Contingencies and commitments	14							
Total equity and liabilities		2 901 674	62 870 362	1 397 730	24 193	34 523	67 228 482	49 104 259

The annexed notes 1 to 34 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

Karachi February 14, 2015

(Rupees '000)

Statutory Funds							
Note	Shareholders' Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Aggregate 2014	Aggregate 2013
Cash and bank deposits							
15							
		13 622	437	–	–	14 059	11 779
	143 205	1 922 022	302 050	6 062	28 971	2 402 310	1 507 268
	–	5 100 000	149 000	1 000	–	5 250 000	6 095 000
	143 205	7 035 644	451 487	7 062	28 971	7 666 369	7 614 047
Loans							
16							
	61 631	–	–	–	–	61 631	67 477
	9 669	–	–	–	–	9 669	7 845
	71 300	–	–	–	–	71 300	75 322
Investments							
17							
	922 914	37 248 081	657 986	11 020	4 999	38 845 000	28 654 916
	–	1 728 914	24 950	–	–	1 753 864	1 753 113
	764 486	14 121 137	43 726	5 629	230	14 935 208	9 177 182
	508	–	–	–	–	508	508
	1 687 908	53 098 132	726 662	16 649	5 229	55 534 580	39 585 719
Current assets - others							
	–	–	70 332	–	–	70 332	51 297
	–	223	102 399	–	–	102 622	4 777
	–	23 295	1 980	–	12	25 287	20 422
	23 909	29 306	2 301	–	14	55 530	42 838
	43 670	1 918 844	36 718	482	260	1 999 974	157 176
	157 368	–	–	–	–	157 368	113 259
	–	68 833	5 851	–	37	74 721	71 246
	386 795	–	–	–	–	386 795	557 921
	611 742	2 040 501	219 581	482	323	2 872 629	1 018 936
Fixed assets							
19							
	–	126 505	–	–	–	126 505	126 505
	381 315	–	–	–	–	381 315	354 158
	–	569 580	–	–	–	569 580	316 491
	6 204	–	–	–	–	6 204	13 081
	387 519	696 085	–	–	–	1 083 604	810 235
Total assets							
	2 901 674	62 870 362	1 397 730	24 193	34 523	67 228 482	49 104 259

The annexed notes 1 to 34 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

Karachi February 14, 2015

Profit and Loss Account For The Year Ended 31 December 2014

(Rupees '000)

Note	2014	2013
Investment income not attributable to statutory funds		
Return on government securities	104 937	67 136
Return on other fixed income securities and deposits	6 447	1 269
Dividend income	28 089	30 879
	139 473	99 284
(Loss) on disposal of available-for-sale investments	–	(2 149)
Reversal of impairment in the value of available for sale investments	336 522	9 538
Net investment income	475 995	106 673
Other revenue	22 17 420	19 999
	493 415	126 672
Expenses not attributable to statutory funds	23 (43 125)	(38 725)
	450 290	87 947
Surplus transferred from statutory funds	973 083	1 310 367
Profit before tax	1 423 373	1 398 314
Taxation	24 (472 472)	(469 200)
Profit after tax	950 901	929 114
Earnings per share - basic and diluted (Rupees)	26 9.51	9.29

The annexed notes 1 to 34 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

Karachi February 14, 2015

Statement of Changes in Equity For The Year Ended 31 December 2014

(Rupees '000)

	Share Capital	General Reserve	Accumulated Surplus	Total
Balance as at 1 January 2013	850 000	232 500	1 011 758	2 094 258
Total Comprehensive Income for the year				
Profit for the year ended 31 December 2013	–	–	929 114	929 114
Transaction with owners of the company				
Transfer to General Reserve	–	268 000	(268 000)	–
Bonus Shares 2012 at the rate of 3 shares for every 17.64 shares	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)
Balance as at 31 December 2013	1 000 000	500 500	1 032 872	2 533 372
Total Comprehensive Income for the year				
Profit for the year ended 31 December 2014	–	–	950 901	950 901
Transaction with owners of the company				
Transfer to General Reserve	–	250 000	(250 000)	–
Dividend for the year 2013 at the rate of Rs. 5.00 per share	–	–	(500 000)	(500 000)
Interim Dividend for the year 2014 at the rate of Rs. 1.50 per share	–	–	(150 000)	(150 000)
Balance as at 31 December 2014	1 000 000	750 500	1 083 773	2 834 273

The annexed notes 1 to 34 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

Karachi February 14, 2015

Statement of Cash Flows For The Year Ended 31 December 2014

(Rupees '000)

	Shareholders' Fund	Investment Linked Business	Statutory Funds Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Aggregate 2014	Aggregate 2013
Operating cash flows							
a) Underwriting activities							
Premiums received		16 569 911	1 744 634	808	1 616	18 316 969	14 071 236
Reinsurance premiums paid		(124 297)	(172 121)	(11)	(361)	(296 790)	(145 999)
Claims paid		(451 230)	(1 184 287)	—	(991)	(1 636 508)	(1 186 429)
Surrenders paid		(3 336 053)	—	(555)	—	(3 336 608)	(2 604 546)
Commissions paid		(2 502 975)	(272 869)	(47)	(494)	(2 776 385)	(2 396 009)
Net cash generated from / (used in) underwriting activities		10 155 356	115 357	195	(230)	10 270 678	7 738 253
b) Other operating activities							
Income tax paid	(517 981)	—	—	—	—	(517 981)	(423 141)
General management expenses paid	(42 725)	(1 608 496)	(167 228)	(85)	(529)	(1 819 063)	(1 538 521)
Other operating payments	—	(614 695)	—	—	—	(614 695)	(190 371)
Other operating receipts	506 415	—	100 879	1 020	28 578	636 892	201 132
Loans advanced	(26 613)	—	—	—	—	(26 613)	(91 916)
Loan repayments received	30 635	—	—	—	—	30 635	77 179
Other payments on operating assets	(20 377)	—	—	—	(26)	(20 403)	(7 051)
Net cash (used in) / generated from operating activities	(70 646)	(2 223 191)	(66 349)	935	28 023	(2 331 228)	(1 972 689)
Total cash generated from / (used in) all operating activities	(70 646)	7 932 165	49 008	1 130	27 793	7 939 450	5 765 564
Investment activities							
Profit / return received	80 668	2 457 697	68 194	1 118	328	2 608 005	3 249 216
Dividends received	28 089	556 374	1 066	302	—	585 831	585 927
Payments for investments	(6 271 879)	(55 079 173)	(49 320)	(930)	16	(61 401 286)	(21 932 598)
Proceeds from disposal of investments	6 364 956	44 920 553	31 743	—	—	51 317 252	18 975 010
Fixed capital expenditure	(365 045)	—	—	—	—	(365 045)	(282 676)
Proceeds from disposal of fixed assets	18 115	—	—	—	—	18 115	20 032
Total cash (used in) / generated from investing activities	(145 096)	(7 144 549)	51 683	490	344	(7 237 128)	614 911
Financing activities							
Surplus appropriated to shareholders' fund	973 083	(951 672)	(19 682)	(184)	(1 545)	—	—
Dividends paid	(650 000)	—	—	—	—	(650 000)	(490 000)
Total cash (used in) financing activities	323 083	(951 672)	(19 682)	(184)	(1 545)	(650 000)	(490 000)
Net cash generated from / (used in) all activities	107 341	(164 056)	81 009	1 436	26 592	52 322	5 890 475
Cash at beginning of the year	35 864	7 199 700	370 478	5 626	2 379	7 614 047	1 723 572
Cash at end of the year	143 205	7 035 644	451 487	7 062	28 971	7 666 369	7 614 047
Reconciliation to profit and loss account							
Operating cash flows						7 939 450	5 765 564
Depreciation						(72 787)	(60 759)
Amortization						(8 212)	(9 510)
Profit on disposal of fixed assets						7 438	10 755
Other revenue						9 982	9 244
Investment revenue						5 026 652	3 709 926
Appreciation in market value of investments						3 798 069	1 078 117
Reversal of impairment in the value of available for sale equity investments						347 560	12 681
Provision for impairment in the value of available for sale fixed income securities						65 379	(160 407)
Profit on sale of investments						1 653 819	969 391
Increase in assets other than cash						6 873	374 950
Increase in liabilities						(17 823 322)	(10 770 838)
Profit after taxation						950 901	929 114

The annexed notes 1 to 34 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

Karachi February 14, 2015

Revenue Account For The Year Ended 31 December 2014

(Rupees '000)

	Note	Investment Linked Business	Statutory Funds Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Aggregate 2014	Aggregate 2013
Income							
Premiums less reinsurances		16 231 449	1 361 781	1 322	1 387	17 595 939	13 365 479
Net investment income		10 304 883	107 388	2 745	468	10 415 484	5 503 035
Total net income		26 536 332	1 469 169	4 067	1 855	28 011 423	18 868 514
Claims net of reinsurance recoveries		3 882 825	830 992	529	23	4 714 369	3 483 942
Management expenses		4 237 210	446 139	143	765	4 684 257	4 235 485
Total claims and expenditure		8 120 035	1 277 131	672	788	9 398 626	7 719 427
Excess of income over claims and expenditure		18 416 297	192 038	3 395	1 067	18 612 797	11 149 087
Add : policyholders' liabilities at beginning of the year		42 509 820	310 273	18 907	3 022	42 842 022	33 009 374
Less : policyholders' liabilities at end of the year	9.2	59 490 506	408 153	21 997	2 604	59 923 260	42 842 022
		(16 980 686)	(97 880)	(3 090)	418	(17 081 238)	(9 832 648)
Surplus before tax		1 435 611	94 158	305	1 485	1 531 559	1 316 439
Movement in policyholders' liabilities		16 980 686	97 880	3 090	(418)	17 081 238	9 832 648
Transfer of surplus to shareholders' fund		(951 672)	(19 682)	(184)	(1 545)	(973 083)	(1 310 367)
Balance of statutory funds at beginning of the year		43 068 721	491 179	19 150	3 603	43 582 653	33 743 933
Balance of statutory funds at end of the year		60 533 346	663 535	22 361	3 125	61 222 367	43 582 653
Represented by:							
Policyholders' liabilities	9.2	59 490 506	408 153	21 997	2 604	59 923 260	42 842 022
Retained earnings on other than participating business		1 042 840	255 382	364	521	1 299 107	740 631
Balance of statutory funds	10	60 533 346	663 535	22 361	3 125	61 222 367	43 582 653

The annexed notes 1 to 34 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

Karachi February 14, 2015

Statement of Premiums For The Year Ended 31 December 2014

(Rupees '000)

	Statutory Funds				Aggregate 2014	Aggregate 2013
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Gross premiums						
Regular premium individual policies*						
First year	3 585 044	3 402	–	387	3 588 833	3 169 801
Second year renewal	2 455 955	1 497	–	62	2 457 514	2 266 254
Subsequent year renewal	7 852 764	3 136	1 363	1 514	7 858 777	6 795 318
Single premium individual policies	2 549 627	–	–	–	2 549 627	234 227
Group policies with cash values	14 625				14 625	13 345
Group policies without cash values	–	1 750 534	–	–	1 750 534	1 579 985
Total gross premiums	16 458 015	1 758 569	1 363	1 963	18 219 910	14 058 930
Less: Reinsurance premiums ceded						
On individual life first year business	34 403	599	–	21	35 023	34 094
On individual life second year business	26 526	236	–	8	26 770	24 782
On individual life renewal business	165 637	1 856	41	547	168 081	154 847
On group policies	–	394 097	–	–	394 097	479 728
Total reinsurance premium ceded	226 566	396 788	41	576	623 971	693 451
Net premiums	16 231 449	1 361 781	1 322	1 387	17 595 939	13 365 479

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

The annexed notes 1 to 34 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

Karachi February 14, 2015

Statement of Claims For The Year Ended 31 December 2014

(Rupees '000)

	Statutory Funds				Aggregate 2014	Aggregate 2013
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Gross claims						
Claims under individual policies						
by death	505 153	2 880	–	–	508 033	304 296
by insured event other than death	21 875	39	–	320	22 234	21 414
by maturity	122 687	–	–	–	122 687	59 849
by surrender	3 344 647	–	555	–	3 345 202	2 601 917
Total gross individual policy claims	3 994 362	2 919	555	320	3 998 156	2 987 476
Claims under group policies						
by death	–	1 060 680	–	–	1 060 680	786 259
by insured event other than death	–	49 616	–	–	49 616	57 490
by surrender	720	–	–	–	720	–
experience refund	–	74 998	–	–	74 998	161 015
Total gross group claims	720	1 185 294	–	–	1 186 014	1 004 764
Total gross claims	3 995 082	1 188 213	555	320	5 184 170	3 992 240
Less: Reinsurance recoveries						
On individual life first year business	50 294	–	–	31	50 325	18 784
On individual life second year business	7 709	–	–	–	7 709	4 579
On individual life subsequent renewal business	39 289	300	–	125	39 714	34 189
On group claims	–	324 455	–	–	324 455	341 177
On experience refund of premiums	14 965	32 466	26	141	47 598	109 569
Total reinsurance	112 257	357 221	26	297	469 801	508 298
Net claims	3 882 825	830 992	529	23	4 714 369	3 483 942

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

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Chairman

Karachi February 14, 2015

Statement of Expenses For The Year Ended 31 December 2014

(Rupees '000)							
Note	Statutory Funds				Aggregate 2014	Aggregate 2013	
	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	1 632 317	1 055	–	159	1 633 531	1 480 950	
- commission on second year premiums	241 528	159	–	26	241 713	242 114	
- commission on subsequent renewal premiums	166 939	78	34	71	167 122	176 062	
- commission on single premiums	97 395	–	–	–	97 395	4 902	
- override commission	361 328	339	13	59	361 739	316 924	
- other benefits to insurance intermediaries	572 470	367	58	86	572 981	554 223	
	3 071 977	1 998	105	401	3 074 481	2 775 175	
Remuneration to insurance intermediaries on group policies:							
- commission	876	272 829	–	–	273 705	237 391	
- other benefits to insurance intermediaries	366	43 849	–	–	44 215	34 449	
	1 242	316 678	–	–	317 920	271 840	
Branch overheads	20	278 510	5 790	38	54	284 392	290 100
Other acquisition costs							
- Policy stamps	59 295	456	–	3	59 754	53 025	
Total acquisition cost	3 411 024	324 922	143	458	3 736 547	3 390 140	
Administration expenses							
Salaries and other benefits	317 056	64 297	–	166	381 519	346 636	
Travelling expenses	48 924	5 019	–	3	53 946	37 541	
Actuary's fees	8 666	737	–	5	9 408	7 800	
Medical fees	15 543	2 712	–	–	18 255	16 192	
Legal and professional fee	24 258	2 056	–	13	26 327	21 981	
Advertisements and publicity	139 334	12 918	–	–	152 252	196 083	
Computer expenses	5 546	490	–	3	6 039	3 820	
Printing and stationery	31 372	3 319	–	15	34 706	32 513	
Depreciation	19.3	12 312	5 865	–	5	18 182	14 338
Amortisation	7 565	643	–	4	8,212	9 510	
Rental	16 496	4 361	–	8	20 865	20 863	
Exchange gain	4 795	–	–	–	4 795	(7 960)	
Postage	54 962	506	–	–	55 468	35 642	
Fees and subscription	34 350	3 510	–	19	37 879	31 893	
Other management expenses	21	124 433	15 070	–	66	139 569	96 948
Gross management expenses	4 256 636	446 425	143	765	4 703 969	4 253 940	
Commission from reinsurers	(12 605)	(286)	–	–	(12 891)	(12 618)	
Fees Charged to Policyholders	(6 821)	–	–	–	(6 821)	(5 837)	
Net management expenses	4 237 210	446 139	143	765	4 684 257	4 235 485	

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

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Karachi February 14, 2015

Statement of Investment Income For The Year Ended 31 December 2014

(Rupees '000)

	Statutory Funds					
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Aggregate 2014	Aggregate 2013
Investment income						
On government securities	3 535 664	72 693	1 055	527	3 609 939	2 632 858
On other fixed income securities and deposits	697 890	26 458	450	61	724 859	428 630
Dividend income	556 374	1 066	302	–	557 742	555 048
Amortisation of discount	95 379	3 233	50	25	98 687	49 468
	4 885 307	103 450	1 857	613	4 991 227	3 666 004
Gain on sale of investments	1 653 819	–	–	–	1 653 819	971 540
Gain / (Loss) on revaluation of investments						
Government securities	987 485	–	538	–	988 023	(131 405)
Other fixed income securities	21 888	–	9	–	21 897	(65 440)
Listed equities securities and mutual fund units	2 689 121	–	341	–	2 689 462	1 225 494
	3 698 494	–	888	–	3 699 382	1 028 649
Reversal of / (Provision for) impairment in value of investments						
Available-for-sale equity securities and mutual fund units	7 245	3 938	–	(145)	11 038	3 143
Available-for-sale fixed income securities	65 379	–	–	–	65 379	(160 407)
	72 624	3 938	–	(145)	76 417	(157 264)
	10 310 244	107 388	2 745	468	10 420 845	5 508 929
Less : Investment related expense	(5 361)	–	–	–	(5 361)	(5 894)
Net investment income	10 304 883	107 388	2 745	468	10 415 484	5 503 035

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

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Karachi February 14, 2015

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.

- 1.2 During the year the Company has applied to SECP for license to act as "Window Takaful Operator". Subsequent to the year end, the SECP has granted the licence. The Company has not launched window takaful operation as at 31 December 2014.

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

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

5.1 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.

5.2 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.

5.3 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.

5.4 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.

5.5 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).

5.6 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.

5.7 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.

5.8 Employees' retirement benefits - defined contribution plans

- 5.8.1 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.
- 5.8.2 The Company also operate an approved funded contributory pension scheme, whereby, fixed monthly contributions at the rate of 10% of the basic 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.

5.9 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.

5.10 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.

5.11 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 (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.

5.12 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.

5.13 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents include the following:

- Cash at bank in current and saving accounts
- policy stamps in hand
- Term deposits maturing within 12 months

5.14 Foreign currency transactions

5.14.1 Functional and presentation currency

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

5.14.2 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.

5.15 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.

5.16 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.

5.17 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	5.3, 9 & 29.3
Provision for outstanding claims	5.4 & 12
Classification and impairment of investments	5.5 & 17
Taxation and deferred taxation	5.9 & 11
Determining the residual value and useful lives of fixed assets	5.12 & 19

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

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2015:

- Amendments to IAS 19 “Employee Benefits” Employee contributions – a practical approach (effective for annual periods beginning on or after 1 July 2014). The practical expedient addresses an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria.
- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization

for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.

- IFRS 10 'Consolidated Financial Statements' - (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January 2016.
- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not like to have an impact on Company's financial statements.
- IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and / or unconsolidated structured entities, into one place. The adoption of this standard is not like to have an impact on Company's financial statements.
- IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The adoption of this standard is not like to have an impact on Company's financial statements.
- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
- Annual Improvements 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after 1 July 2014). The new cycle of improvements contain amendments to the following standards:
 - IFRS 2 'Share-based Payment'. IFRS 2 has been amended to clarify the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition'.

- IFRS 3 'Business Combinations'. These amendments clarify the classification and measurement of contingent consideration in a business combination.
- IFRS 8 'Operating Segments' has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria.
- Amendments to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible Assets'. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.
- IAS 24 'Related Party Disclosure'. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.
- IAS 40 'Investment Property'. IAS 40 has been amended to clarify that an entity should: assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.
- Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.
- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.
- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

8. Share Capital

(Rupees '000)

Authorised Share Capital

2014	2013		2014	2013
(Number of Shares)				
150 000 000	100 000 000	Ordinary shares of Rs 10 each	1 500 000	1 000 000

Paid up Share Capital

2014	2013		2014	2013
(Number of Shares)				
15 000 000	15 000 000	Ordinary shares of Rs 10 each issued for cash	150 000	150 000
85 000 000	85 000 000	Ordinary shares of Rs 10 each issued as fully paid bonus shares	850 000	850 000
100 000 000	100 000 000		1 000 000	1 000 000

- 8.1 The Company in their Annual General Meeting held on 5 April 2014 approved to increase the authorised capital of the Company from Rs.1,000 million to Rs.1,500 million.
- 8.2 As of balance sheet date 63,048,748 (2013: 63,014,648) ordinary shares of Rs. 10/- each were held by the associated companies.

9. Policyholders' liabilities

(Rupees '000)

		Statutory Funds					
		Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Aggregate 2014	Aggregate 2013
9.1	Gross of reinsurance						
	Actuarial liability relating to future events	59 336 897	375 245	22 031	2 900	59 737 073	42 837 575
	Provision for outstanding reported claims payable over a period exceeding twelve months	309 133	81 493	–	–	390 626	298 794
	Provision for incurred but not reported claims	87 758	137 319	–	–	225 077	176 902
		<u>59 733 788</u>	<u>594 057</u>	<u>22 031</u>	<u>2 900</u>	<u>60 352 776</u>	<u>43 313 271</u>
9.2	Net of reinsurance						
	Actuarial liability relating to future events	59 231 976	289 735	21 997	2 604	59 546 312	42 570 830
	Provision for outstanding reported claims payable over a period exceeding twelve months	189 757	25 063	–	–	214 820	151 106
	Provision for incurred but not reported claims	68 773	93 355	–	–	162 128	120 086
		<u>59 490 506</u>	<u>408 153</u>	<u>21 997</u>	<u>2 604</u>	<u>59 923 260</u>	<u>42 842 022</u>

10. Reconciliation of statutory funds

(Rupees '000)

		Statutory Funds					
		Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Aggregate 2014	Aggregate 2013
Policyholders' liabilities							
	Balance at beginning of the year	42 509 820	310 273	18 907	3 022	42 842 022	33 009 374
	Increase / (Decrease) during the year	16 980 686	97 880	3 090	(418)	17 081 238	9 832 648
	Balance at end of the year	<u>59 490 506</u>	<u>408 153</u>	<u>21 997</u>	<u>2 604</u>	<u>59 923 260</u>	<u>42 842 022</u>
Retained earnings on other than participating business							
	Balance at beginning of the year	558 901	180 906	243	581	740 631	734 559
	Surplus for the year	1 435 611	94 158	305	1 485	1 531 559	1 316 439
	Surplus appropriated to shareholders' fund	(951 672)	(19 682)	(184)	(1 545)	(973 083)	(1 310 367)
	Balance at end of the year (refer note no. 10.1)	<u>1 042 840</u>	<u>255 382</u>	<u>364</u>	<u>521</u>	<u>1 299 107</u>	<u>740 631</u>
	Balance of statutory funds	<u>60 533 346</u>	<u>663 535</u>	<u>22 361</u>	<u>3 125</u>	<u>61 222 367</u>	<u>43 582 653</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. 1,280 million (2013: Rs. 726 million) in the Statutory Funds, based on the advice of the appointed actuary.

		(Rupees '000)	
	Note	2014	2013
11. Deferred tax liability			
Deferred tax liability arising in respect of: Accelerated tax depreciation		14 900	16 300
12. Outstanding claims			
Investment linked business	12.1	589 981	382 182
Conventional business	12.2	526 667	522 741
Accident and health business	12.4	796	1 467
		1 117 444	906 390
12.1 Investment linked business			
Outstanding claims at the beginning of the year		382 182	292 873
Cash paid during the year		(3 787 283)	(2 898 406)
Net increase in liabilities due to current year claims		3 995 082	2 987 715
Outstanding claims at the end of the year		589 981	382 182
12.2 Conventional business			
Outstanding claims at the beginning of the year		522 741	411 414
Cash paid during the year		(1 184 287)	(891 010)
Net increase in liabilities due to current year claims		1 188 213	1 002 337
Outstanding claims at the end of the year		526 667	522 741
12.3 Pension Business			
Outstanding claims at the beginning of the year		–	–
Cash paid during the year		(555)	(1 518)
Net increase in liabilities due to current year claims		555	1 518
Outstanding claims at the end of the year		–	–
12.4 Accident & Health Business			
Outstanding claims at the beginning of the year		1 467	838
Cash paid during the year		(991)	(41)
Net increase in liabilities due to current year claims		320	670
Outstanding claims at the end of the year		796	1 467

- 12.5 As the Company settles its claim obligations within a year the claim development table has not been presented.

12.6 Statement of Age wise Break up of Unclaimed Insurance Benefits

As on December 31, 2014

This represents outstanding claims in respect of which cheques have been issued by the company for claim settlement. However, the same have not been encashed by the claimant. Following is the aging as required by the SECP Circular no.11 of 2014 dated May 19, 2014.

		(Rupees '000)					
Particulars	Total Amount	Statutory Funds					
		1 to 6 months	7 to 12 months	13 to 24 months	25 to 35 months	Beyond 36 months	
Unclaimed Maturity Benefits	25 028	19 894	–	4 417	653	64	
Unclaimed Death Benefits	–	–	–	–	–	–	
Unclaimed Disability Benefits	–	–	–	–	–	–	
Claims not encashed	1 277	–	–	3	76	1 198	
Other Unclaimed benefits	–	–	–	–	–	–	
Total	26 305	19 894	–	4 420	729	1 262	

13. Other creditors and accruals

		(Rupees '000)					
		Statutory Funds					
		Share holders' Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	
Staff Bonus payable	–	55 485	4 716	–	30	60 231	51 237
Payable to Workers' Welfare Fund	38 265	–	–	–	–	38 265	37 066
Medical fee payable	–	1 677	143	–	1	1 821	1 798
Sundry creditors payable	–	5 335	85	–	–	5 420	1 152
Withholding tax payable	–	190	16	–	–	206	1 389
Others	20	18 843	539	–	4	19 406	13 413
Total	38 285	81 530	5 499	–	35	125 349	106 055

14. Contingencies and commitments

- 14.1 Income tax assessment for Tax Year 2014 has been finalised. However, in 2013 Income Tax Department has imposed an additional tax demand under section 151(1)(d) on account of non-deduction of withholding tax on surrender and maturity amounting to Rs. 13.833 million and Rs. 15.014 million for Tax Year 2012 and 2013 respectively. The Company filed an appeal before Commissioner Inland Revenue (Appeals) and the same was dismissed. The Company has now filed a second appeal before the Appellate Tribunal and believes that the matter will be settled in its favour. No provision has been made in respect of the aforementioned additional tax demand.
- 14.2 Bank guarantees amounting to Rs. 9,278 million has been given in respect of Group Life coverage. These bank guarantees will expire by June 30, 2017.
- 14.3 Commitments in respect of capital expenditure are amounted to Rs. 142 million.

		(Rupees '000)	
	Note	2014	2013
15. Cash and bank deposits			
Policy stamps in hand		14 059	11 779
Current and other accounts			
Cash at bank - PLS saving accounts	15.1	1 471 381	1 307 574
Cash at Bank - Current accounts		930 929	199 694
		2 402 310	1 507 268
Deposits maturing within 12 months			
Term deposit receipts	15.2	5 250 000	6 095 000
		7 666 369	7 614 047

15.1 These carry mark-up ranging from 6% to 9.15% (2013: 7% to 9.5%) per annum and include balance of Rs.40,085 million (2013: Rs. 7.524 million) held with JS Bank Limited (a related party).

15.2 These have tenure of one to three months (2013: one to three month) and carry mark-up at the rate 9.44% to 9.85% (2013: 9.00% to 10.40%) per annum and includes term deposit receipts of Rs 2.0 billion (2013: 2.0 billion) held with JS Bank Limited (a related party) which carries mark-up at the rate 9.65% (2013: 10.30%).

(Rupees '000)

16. Loans

Note	2014	2013
To employees - secured	61 631	67 477
To employees and agents - unsecured	9 669	7 845
	<u>71 300</u>	<u>75 322</u>

16.1 This represent housing and vehicle loans to employees at the interest rate ranging between 8% to 12.5% (2013: 8% to 12.5%) per annum. These loans are recoverable over a period of one to ten years (2013: 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% (2013: 8% to 12.5%) per annum. These loans are recoverable over a period of one to seven years (2013: one to seven years).

(Rupees '000)

Note	2014	2013
Government securities	38 845 000	28 654 916
Other fixed income securities	1 753 864	1 753 113
Listed equity securities and mutual fund units	14 935 208	9 177 182
Unlisted equity securities	508	508
	<u>55 534 580</u>	<u>39 585 719</u>

17. Investments

17.1. Government Securities

(Rupees '000)

	Maturity Year	Coupon Rate per annum %	Shareholders' Fund	Investment Linked Business	Conventional Business	Statutory Funds Pension Business (Unit Linked)	Accident & Health Business	Aggregate 2014	Aggregate 2013
Held to maturity (at amortised cost)									
3 Months Treasury Bills	2015	9.95	99 440	-	-	-	-	99 440	1 694 219
6 Months Treasury Bills	2014	-	-	-	-	-	-	-	478 560
12 Months Treasury Bills	2014	-	-	-	-	-	-	-	964
3 Years Pakistan Investment Bonds	2015	11.25	-	523 444	-	-	-	523 444	123 535
3 Years Pakistan Investment Bonds	2016	11.25	788 509	-	559 246	1 487	4 999	1 354 241	-
5 Years Pakistan Investment Bonds	2016	11.5	24 397	-	-	-	-	24 397	-
5 Years Pakistan Investment Bonds	2017	11.5	-	219 574	-	-	-	219 574	240 803
10 Years Pakistan Investment Bonds	2018	12	-	236 678	98 740	-	-	335 418	349 319
15 Years Pakistan Investment Bonds	2019	9	10 568	-	-	-	-	10 568	10 684
20 Years Pakistan Investment Bonds	2024	10	-	54 523	-	-	-	54 523	54 570
			<u>922 914</u>	<u>1 034 219</u>	<u>657 986</u>	<u>1 487</u>	<u>4 999</u>	<u>2 621 605</u>	<u>2 952 654</u>
Available for sale (at fair value)									
3 Months Treasury Bills	2015	8.75-9.47	-	628 720	-	-	-	628 720	21 491 943
6 Months Treasury Bills	2014	-	-	-	-	-	-	-	1 012 645
12 Months Treasury Bills	2014	-	-	-	-	-	-	-	1 952 103
GOP IARA Sukuk Certificates	2015	-	-	265 848	-	-	-	265 848	341 326
8 Years WAPDA Sukuk Certificates	2021	11.93	-	300 000	-	-	-	300 000	-
3 Years Pakistan Investment Bonds	2015	11.25	-	3 403 589	-	-	-	3 403 589	426 894
3 Years Pakistan Investment Bonds	2016	11.25	-	14 275 302	-	5 636	-	14 280 938	-
3 Years Pakistan Investment Bonds	2017	11.25	-	11 011 088	-	-	-	11 011 088	-
5 Years Pakistan Investment Bonds	2018	11.5	-	334 603	-	-	-	334 603	-
5 Years Pakistan Investment Bonds	2019	11.5	-	2 571 826	-	-	-	2 571 826	-
10 Years Pakistan Investment Bonds	2017	9.60	-	-	-	1 994	-	1 994	-
10 Years Pakistan Investment Bonds	2018-19	12	-	25 694	-	-	-	25 694	25 404
10 Years Pakistan Investment Bonds	2022	12	-	2 242 063	-	-	-	2 242 063	-
15 Years Pakistan Investment Bonds	2019	9	-	143 088	-	-	-	143 088	128 223
20 Years Pakistan Investment Bonds	2024	12	-	640 688	-	-	-	640 688	-
20 Years Pakistan Investment Bonds	2024	10	-	371 353	-	1 903	-	373 256	323 724
			<u>-</u>	<u>36 213 862</u>	<u>-</u>	<u>9 533</u>	<u>-</u>	<u>36 223 395</u>	<u>25 702 262</u>
			<u>922 914</u>	<u>37 248 081</u>	<u>657 986</u>	<u>11 020</u>	<u>4 999</u>	<u>38 845 000</u>	<u>28 654 916</u>

17.1.1 Market value of the government securities carried at amortized cost amounted to Rs. 2,715.914 million (2013: Rs.2,943.996 million).

17.1.2 Government securities includes Rs.115 million (2013: Rs.115 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)

	Maturity Year	Coupon Rate per annum %	Shareholders' Fund	Statutory Funds				Aggregate 2014	Aggregate 2013
				Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Held-to-maturity (at amortised cost)									
Term Finance Certificates									
Allied Bank Limited	2014	12.02	—	—	—	—	—	—	4 988
Allied Bank Limited 2nd Issue	2019	11.49	—	24 950	24 950	—	—	49 900	49 920
Faysal Bank Limited	2014	11.01	—	—	—	—	—	—	9 998
Azgard Nine Limited PPTFC 1	2019	NPD	—	—	5 550	—	793	6 343	6 343
Azgard Nine Limited TFC 5th	2017	NPD		—	4 321	—	618	4 939	4 939
			—	24 950	34 821	—	1 411	61 182	76 188
Available-for-sale (at fair value)									
Term Finance Certificates									
Agritech Limited TFC 5th	2016	NPD	—	36 266	—	—	—	36 266	36 266
Allied Bank Ltd 2nd Issue	2019	11.49	—	48 815	—	—	—	48 815	47 846
Allied Bank Ltd	2014	12.02	—	—	—	—	—	—	128 793
Al Baraka Bank	2021	11.42	—	50 000	—	—	—	50 000	—
Askari bank Ltd 3rd Issue	2019	12.57	—	48 939	—	—	—	48 939	50 664
Azgard Nine Ltd PPTFC 1	2014	NPD	—	63 032	—	—	—	63 032	63 032
Azgard Nine Ltd TFC 2	2019	NPD	—	15 944	—	—	—	15 944	15 944
Azgard Nine Ltd TFC 5th	2017	NPD	—	58 191	—	—	—	58 191	58 191
Bank Al Habib Ltd PPTFC	2014	15.50	—	—	—	—	—	—	78 467
Bank Alfalah Ltd 4Th Issue	2017	15.00	—	32 612	—	—	—	32 612	32 163
Bank Alfalah Ltd	2021	11.43	—	15 197	—	—	—	15 197	15 645
Bank Al-Habib Limited 2nd Issue	2015	12.12	—	125 140	—	—	—	125 140	251 409
Engro Chemicals	2014	11.36	—	—	—	—	—	—	420 446
Engro Corporation Islamic Rupiya Sukuk	2017	13.00	—	300 000	—	—	—	300 000	—
Engro Fertilizer Sukuk	2019	11.93	—	260 000	—	—	—	260 000	—
Engro Rupiya 1st Issue	2014	14.50	—	—	—	—	—	—	20 072
Escorts Investment Bank Limited 1	2014	8.00	—	—	—	—	—	—	1 998
Faysal Bank	2014	11.01	—	—	—	—	—	—	122 197
Financial Receivable Securitization	2014	11.08	—	—	—	—	—	—	5 044
Flying paper Mill	2014	NPD	—	—	—	—	—	—	53 625
Gharibwal cement	2014	NPD	—	—	—	—	—	—	23 330
New Allied	2014	NPD	—	9 420	—	—	—	9 420	9 420
NIB Bank Limited	2022	10.81	—	98 563	—	—	—	98 563	—
K Electric AZM Sukuk 1	2015	10.91	—	75 146	—	—	—	75 146	—
Sub Total Carry forward				1 237 265				1 237 265	1 434 552

17.2 Other fixed income securities

(Rupees '000)

	Maturity Year	Effective Yield %	Shareholders' Fund	Statutory Funds				Aggregate 2014	Aggregate 2013
				Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Sub Total Brought forward				1 237 265				1 237 265	1 434 552
K Electric AZM Sukuk 2	2017	11.91%	—	362 250	—	—	—	362 250	—
K Electric AZM Sukuk 3	2019	12.41%	—	78 747	—	—	—	78 747	—
Pakistan Water & Power Development PPTFC	2014	10.48%	—	—	—	—	—	—	300 000
Orix Leasing Pakistan TFC	2014	12.21%	—	—	—	—	—	—	14 033
Pakistan Mobile Communication	2017	12.19%	—	14 118	—	—	—	14 118	21 175
Pakistan Mobile Communication	2016	12.83%	—	27 875	—	—	—	27 875	40 358
United Bank Limited 3rd Issue	2014	10.72%	—	—	—	—	—	—	34 759
			—	1 720 255	—	—	—	1 720 255	1 844 877
Less: Provision for impairment in the value of available-for-sale fixed income securities - note 17.2.1			—	(176 291)	(9 871)	—	(1 411)	(187 573)	(252 952)
			—	1 568 914	24 950	—	—	1 593 864	1 668 113
Certificate of Investment First Habib Modarba	2015	9.60	—	160 000	—	—	—	160 000	85 000
			—	1 728 914	24 950	—	—	1 753 864	1 753 113
17.2.1 Reconciliation of Provision									
Balance at beginning of the year			—	241 670	9 871	—	1 411	252 952	92 545
(Reversal)/ provision for impairment in value of investments			—	(65 379)	—	—	—	(65 379)	160 407
Balance at the end of year			—	176 291	9 871	—	1 411	187 573	252 952

17.2.2 Market Value of other fixed income securities carried at amortized cost amounted to Rs. 48.815 million (2013: Rs. 74.038 million).

17.3 Listed equity securities and mutual fund units

							(Rupees '000)	
			Statutory Funds					
	Note	Shareholders' Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Aggregate 2014	Aggregate 2013
Held-for-trading (at fair value)								
Listed equities		–	916 336	–	–	–	916 336	1 197 964
Available-for-sale (at fair value)								
Listed equities		–	12 710 723	–	4 953	–	12 715 676	6 910 694
Open end mutual fund units		–	398 882	–	676	–	399 558	517 993
Available-for-sale (at lower of cost or fair value)								
Listed equities	17.3.2	1 250 559	80 323	73 137	–	1 035	1 405 054	1 405 576
Open end mutual fund units		46 824	17 867	15 000	–	–	79 691	73 622
		1 297 383	14 124 131	88 137	5 629	1 035	15 516 315	10 105 849
Less: Provision Impairment in the value of equity securities	17.3.1	(532 897)	(2 994)	(44 411)	–	(805)	(581 107)	(928 667)
		764 486	14 121 137	43 726	5 629	230	14 935 208	9 177 182

17.3.1 Reconciliation of provision

Balance at the beginning of the year	869 419	10 239	48 349	–	660	928 667	941 348
(Reversal) / charge for impairment on available-for-sale investments	(336 522)	(7 245)	(3 938)	–	145	(347 560)	(12 681)
Balance at the end of the year	532 897	2 994	44 411	–	805	581 107	928 667

17.3.2 Listed equities include investment in EFU General Insurance Limited (an associated company) at carrying value of Rs. 1205.972 million (2013: Rs. 572.634 million) representing 6.81% (2013: 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 116.18 based on the latest audited financial statements available for the year ended 31 December 2013. The Company's holding as at the year end is 0.67% (number of shares: 457,036) {(2013: 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)	
	2014	2013
Held-to-maturity		
Government securities	2 621 605	2 952 654
Other fixed income securities	221 182	161 188
	2 842 787	3 113 842
Available-for-sale		
Government securities (at fair value)	36 223 395	25 702 262
Other fixed income securities (at fair value)	1 720 255	1 844 877
Listed equity securities and mutual fund units (at fair value)	13 115 234	7 428 687
Listed equity securities and mutual fund units (at lower of cost or fair value)	1 484 745	1 479 198
Unlisted equity securities (relating to shareholders' fund)	508	508
	52 544 137	36 455 532
Held-for-trading - listed equities	916 336	1 197 964
Less: Impairment in the value of available-for-sale investments		
Impairment in the value of equity securities	(581 107)	(928 667)
Impairment in the value of fixed income securities	(187 573)	(252 952)
	(768 680)	(1 181 619)
Total Investments - net of provision	55 534 580	39 585 719

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 31 December 2014 would have been higher by Rs. 663.983 million (2013: higher by Rs 380.94 million).

18. Investment income accrued

	Shareholders' Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Aggregate 2014	Aggregate 2013
Government securities	42 432	1 810 367	33 218	444	260	1 886 721	64 877
Fixed income securities	1 124	96 948	3 500	31	–	101 603	76 486
Dividend receivable	114	11 529	–	7	–	11 650	15 813
	43 670	1 918 844	36 718	482	260	1 999 974	157 176

19. Fixed assets

		2014	2013
Tangible assets	19.1	507 820	480 663
Capital work-in-progress (civil work)		569 580	316 491
Intangible assets (computer software)	19.2	6 204	13 081
		1 083 604	810 235

19.1 Tangible assets

	Cost			Accumulated Depreciation					
	As at 01 Jan 2014	Additions	Disposals	As at 31 Dec 2014	As at 01 Jan 2014	Charge for the year	On Disposal	As at 31 Dec 2014	Written down value
Lease hold land	126 505	–	–	126 505	–	–	–	–	126 505
Office equipment	56 992	3 818	16	60 794	22 668	3 647	10	26 305	34 489
Computers	75 405	17 824	–	93 229	42 160	12 764	–	54 924	38 305
Furniture and fixture	243 375	2 399	476	245 298	106 978	13 836	361	120 453	124 845
Vehicles	251 962	86 580	26 045	312 497	101 770	42 540	15 489	128 821	183 676
2014	754 239	110 621	26 537	838 323	273 576	72 787	15 860	330 503	507 820

(Rupees '000)

	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	658 269	125 469	29 499	754 239	233 039	60 759	20 222	273 576	480 663

19.2 Intangible assets

(Rupees '000)

	Cost			Accumulated Amortization				Written down value	Amortization Rate %
	As at 01 Jan 2014	Additions	Disposals	As at 31 Dec 2014	As at 01 Jan 2014	Charge for the year	On Disposal	As at 31 Dec 2014	
Computer Software	41 896	1 335	–	43 231	28 815	8 212	–	37 027	33

(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

19.3 Depreciation has been allocated as follows:

(Rupees '000)

	Statutory Funds				Aggregate 2014	Aggregate 2013
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Branch overheads	54 195	387	9	14	54 605	46 421
Administration expenses	12 312	5 865	–	5	18 182	14 338
	66 507	6 252	9	19	72 787	60 759

19.4 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	315	270	45	250	205	Negotiation	Amjad Hussain Shah	Employee
Vehicle	360	296	64	200	136	Negotiation	Muhammad Faisal	Employee
Vehicle	360	288	72	250	178	Negotiation	Majid Aziz	Employee
Vehicle	604	531	73	330	257	Negotiation	Irfan Sheikh	Employee
Vehicle	360	284	76	230	154	Negotiation	Shafqat Hussain	Karachi
Vehicle	363	282	81	300	219	Insurance Claim	EFU- GENERAL LTD	Karachi
Vehicle	373	285	88	270	182	Negotiation	Suneel Matri	Employee
Vehicle	468	357	111	350	239	Negotiation	Faisal Zaheer	Employee
Vehicle	468	351	117	380	263	Negotiation	Hamid Bilal	Employee
Vehicle	494	356	138	290	152	Negotiation	Muhammad Amir	Employee
Vehicle	631	491	140	490	350	Negotiation	Akhtar Hussain Akhtar	Employee
Vehicle	494	348	146	400	254	Insurance Claim	EFU- GENERAL LTD	Karachi
Vehicle	651	497	154	450	296	Negotiation	Hanif Raza	Employee
Vehicle	450	292	158	300	142	Negotiation	Syed Jamal Haider	Employee
Vehicle	657	483	174	490	316	Negotiation	Kashif Ghani	Karachi
Vehicle	470	287	183	330	147	Negotiation	Muhammad Boota	Employee
Vehicle	613	400	213	390	177	Negotiation	Zahid Bashir	Employee
Vehicle	855	602	253	500	247	Negotiation	Tahir Sultan	Employee
Vehicle	905	637	268	500	232	Negotiation	Shafqat Ali Rao	Employee
Vehicle	850	554	296	525	229	Negotiation	Abdullah Ghumro	Employee
Vehicle	850	554	296	500	204	Negotiation	Sohail Sattar	Employee
Vehicle	1,319	929	390	1,150	760	Insurance Claim	EFU- GENERAL LTD	Karachi
Vehicle	1,759	1,269	490	1,000	510	Negotiation	Younis Butt-Employee	Employee
Vehicle	737	236	501	737	236	Insurance Claim	EFU- GENERAL LTD	Karachi
Vehicle	1,759	1,240	519	1,125	606	Negotiation	Saeed Ur Rehman	Karachi
Vehicle	668	129	539	600	61	Insurance Claim	EFU- GENERAL LTD	Karachi
Vehicle	1,650	1,104	546	574	28	Negotiation	Baqar Naqvi	Employee
Vehicle	1,809	1,246	563	725	162	Negotiation	Hussein Sachak	Employee
Vehicle	668	97	571	600	29	Insurance Claim	EFU- GENERAL LTD	Karachi
Vehicle	683	68	615	665	50	Insurance Claim	EFU- GENERAL LTD	Karachi
Vehicle	1,010	152	858	950	92	Insurance Claim	EFU- GENERAL LTD	Karachi
Vehicle	2,392	574	1,818	2,000	182	Insurance Claim	EFU- GENERAL LTD	Karachi

Assets having Written down value less than Rs.50 000

Office equipment	16	10	6	5	(1)	Various
Furniture & Fixture	476	361	115	259	144	Various
2014	26 537	15 860	10 677	18 115	7 438	
2013	29 499	20 222	9 277	20 032	10 755	

20. Branch overheads

(Rupees '000)

	Statutory Funds				Aggregate 2014	Aggregate 2013
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Insurance premium	14 423	566	3	4	14 996	10 694
Printing and stationery	18 082	24	2	4	18 112	17 573
Advertisement and publicity	8 040	305	–	–	8 345	4 877
Postage	4 846	159	1	1	5 007	4 875
Marketing incentive	18 859	614	–	–	19 473	48 347
Telephone and electricity	47 563	1 398	7	10	48 978	45 724
Rent, rates and taxes	48 507	138	8	11	48 664	39 870
Conveyance	9 064	9	2	2	9 077	8 946
Repair and maintenance	11 437	1 476	2	2	12 917	10 325
Entertainment	27 711	471	2	3	28 187	36 772
Depreciation	54 195	387	9	14	54 605	46 421
Other expenses	15 783	243	2	3	16 031	15 676
	<u>278 510</u>	<u>5 790</u>	<u>38</u>	<u>54</u>	<u>284 392</u>	<u>290 100</u>

21. Other management expenses

(Rupees '000)

	Statutory Funds				Aggregate 2014	Aggregate 2013
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Insurance premium	4 440	1 464	–	2	5 906	5 871
Telephone and electricity	14 436	2 394	–	7	16 837	13 988
Repair and maintenance	8 639	899	–	5	9 543	6 991
Entertainment	21 702	3 241	–	11	24 954	17 167
Bank charges	8 825	750	–	5	9 580	8 715
Claim investigation fees	5 448	463	–	3	5 914	3 990
Other expenses	60 943	5 859	–	33	66 835	40 226
	<u>124 433</u>	<u>15 070</u>	<u>–</u>	<u>66</u>	<u>139,569</u>	<u>96 948</u>

(Rupees '000)

	Note	2014	2013
22. Other revenue			
Gain on sale of fixed assets	19.4	7 438	10 755
Interest on loan to employees		9 982	9 032
Others		–	212
		<u>17 420</u>	<u>19 999</u>
23. Expenses not attributable to statutory funds			
Printing and stationery		1 827	1 432
Advertisement and publicity		233	1 579
Travelling		79	109
Legal and professional fee		545	939
Workers' welfare fund		29 048	28 537
Auditors' remuneration	23.1	2 075	1 765
Donations	23.2	6 857	4 228
Others		2 461	136
		<u>43 125</u>	<u>38 725</u>

(Rupees '000)

23.1 Auditors' remuneration

Annual audit	1 200	1 000
Half yearly review	200	200
Review of code of corporate governance	100	100
Other certifications	400	300
Out of pocket expenses	175	165
	<u>2 075</u>	<u>1 765</u>

23.2 None of the directors or their spouses have any interest in donees.

24. TAXATION

Current		
– for the year	468 700	467 500
– prior to year	5 172	–
– Deferred	(1 400)	1 700
	<u>472 472</u>	<u>469 200</u>

24.1 Relationship between tax expense and accounting profit

Tax at applicable rate 33% (2013: 34%)	33.00	34.00
Tax effect of income subject to lower tax rates	(0.45)	(0.35)
Effect of income exempt from tax	–	0.35
Prior year adjustment	0.36	–
Others	0.28	0.03
Tax charge for the year	<u>33.19</u>	<u>33.55</u>

25. Remuneration of chief executive and executives

(Rupees '000)

	2014		2013	
	Chief Executive	Executives	Chief Executive	Executives
Managerial remuneration	17 994	404 884	16 194	384 545
Bonus	4 264	26 633	4 555	27 154
Retirement benefits	2 935	18 688	2 605	16 880
Utilities	312	–	1 163	–
Medical expenses	236	4 348	307	3 854
Leave passage	536	258	322	701
	<u>26 277</u>	<u>454 811</u>	<u>25 146</u>	<u>433 134</u>
Number of persons	<u>1</u>	<u>116</u>	<u>1</u>	<u>113</u>

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.

26. Basic and diluted earnings per share

Profit for the year

Weighted average number of ordinary shares

Earnings per share – basic and diluted

27. Provident funds / pension funds related disclosure

The following information is based on un-audited financial statements of the fund as at 31 December 2014:

27.1 Provident Fund

	2014	%	2013	%
Size of the fund - total assets	280 767		237 045	
Cost of investments	232 219	82.71	192 686	81.29
Fair value of investments	268 345	95.58	226 680	95.63

27.1.1 The breakup of fair value of investment in Provident Fund is as follows:

	2014	%	2013	%
Open end mutual fund	72 652	27.07	51 446	22.70
Shares	615	0.23	367	0.16
Government securities	187 094	69.72	153 245	67.60
Term Finance Certificates	7 985	2.98	21 622	9.54

27.1.2 The above investments out of provident fund have been made in accordance with the requirement of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

27.2 Pension Fund

	2014	%	2013	%
Size of the fund - total assets	175 475		141 769	
Cost of investments	146 968	83.75	116 624	82.26
Fair value of investments	169 883	96.81	134 505	94.88

27.2.1 The breakup of fair value of investment in Pension Fund is as follows:

	2014	%	2013	%
Open end mutual fund	43 769	25.76	22 488	16.72
Shares	205	0.12	130	0.1
Government securities	119 942	70.60	96 412	71.68
Term Finance Certificates	5 968	3.51	15 476	11.51

28. Financial instruments and related disclosures**28.1 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.

28.1.1 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 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.

28.1.1.1 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 31 December 2014 whichever is earlier is as follows:

(Rupees '000)

2014

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	-	-	-	-	-	-	-	-	-	-	14 059	14 059
Current and other accounts	1 471 381	-	-	-	-	-	-	-	-	1 471 381	930 929	2 402 310
Deposits maturing within 12 months	5 250 000	-	-	-	-	-	-	-	-	5 250 000	-	5 250 000
Loans- secured to employees	2 002	3 939	5 619	8 841	10 645	7 418	11 262	11 355	550	61 631	-	61 631
Loans- unsecured to employees	546	901	1 189	1 950	2 747	1 857	479	-	-	9 669	-	9 669
Investments	387 049	762 511	80 551	3 006 330	17 793 067	11 514 037	3 694 478	2 315 141	1 045 700	40 598 864	14 935 716	55 534 580
Premiums due but unpaid	-	-	-	-	-	-	-	-	-	-	70 332	70 332
Amounts due from reinsurer	-	-	-	-	-	-	-	-	-	-	102 622	102 622
Sundry Receivables	-	-	-	-	-	-	-	-	-	-	55 530	55 530
Investment income accrued	-	-	-	-	-	-	-	-	-	-	1 999 974	1 999 974
Advances and deposits	2 304	3 983	4 972	7 226	5 734	1 499	304	70	-	26 092	48 629	74 721
	7 113 282	771 334	92 331	3 024 347	17 812 193	11 524 811	3 706 523	2 326 566	1 046 250	47 417 637	18 157 791	65 575 428
Liability												
Outstanding claims	-	-	-	-	-	-	-	-	-	-	1 117 444	1 117 444
Premiums received in advance	-	-	-	-	-	-	-	-	-	-	615 180	615 180
Amounts due to reinsurer	-	-	-	-	-	-	-	-	-	-	82 990	82 990
Amounts due to agent	-	-	-	-	-	-	-	-	-	-	409 164	409 164
Accrued expenses	-	-	-	-	-	-	-	-	-	-	407 804	407 804
Unclaimed Dividend	-	-	-	-	-	-	-	-	-	-	12 216	12 216
Other creditors and accruals	-	-	-	-	-	-	-	-	-	-	125 349	125 349
	-	-	-	-	-	-	-	-	-	-	2 770 147	2 770 147
Interest risk sensitivity gap	7 113 282	771 334	92 331	3 024 347	17 812 193	11 524 811	3 706 523	2 326 566	1 046 250	47 417 637	15 387 644	62 805 281
Cumulative interest risk sensitivity gap	7 113 282	7 884 616	7 976 947	11 001 294	28 813 487	40 338 298	44 044 821	46 371 387	47 417 637			

(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 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	9 177 690	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	71 246
	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
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			

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

	2014	2013
Saving and other accounts	6% to 9.15%	7% to 9.5%
Deposits	9.44 % to 9.85%	9.00 % to 10.40%
Loans	8% to 12.5%	8% to 12.5%
Investments	8% to 15.5%	8% to 15.5%
Advances and other receivables	8% to 12.5%	8% to 12.5%

28.1.1.2 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.

28.1.1.3 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.

28.1.1.4 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.

28.1.2 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)	
Rating of Banks*	2014	2013
AA+	6 100 868	7 169 585
AAA	857 980	15 942
A+	40 085	7 925
AA	379 364	310 946
A	261 951	94 644
AA-	12 062	3 226
	<u>7 652 310</u>	<u>7 602 268</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>2014</u>	<u>2013</u>
Allied Bank Limited.	AA	JCR-VIS	98,715	231,547
Askari Bank Limited	AA-	JCR-VIS	48,939	50,664
Agritech Limited	Unrated	PACRA	6,561	18,138
Al Baraka Bank	A	JCR-VIS	50,000	–
Azgard Nine Ltd	Unrated	PACRA	–	–
Bank Alfalah Limited	AA-	PACRA	47,809	47,808
Bank AL Habib Limited	AA	PACRA	125,140	329,876
Engro Chemical Pakistan Limited	AA	PACRA	560,000	440,518
Escort Investment Bank Limited	BBB	JCR-VIS	–	1,998
Faysal Bank Limited	AA	PACRA	–	132,195
Financial Receivables Securitization Company Limited	A+	PACRA	–	5,044
First Habib Modarba (Certificate of investment)	AA+	PACRA	160,000	85,000
K-Electric	AA	JCR-VIS	516,143	–
NIB Bank Limited	AA-	PACRA	98,563	–
ORIX Leasing Pakistan Limited	AA	PACRA	–	14,033
Pakistan Mobile Communication (Private) Limited	AA-	PACRA	41,993	61,533
Pakistan Water and Power Development	AAA	PACRA	–	300,000
United Bank Limited	AA+	JCR-VIS	–	34,759
			1,753,864	1,753,113

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, 2014 there was no provision for doubtful premiums as all the premiums receivable were considered good.

28.1.3 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 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 31 December 2014.

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.

28.1.4 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:

Investments on the balance sheet are carried at fair value except for investments in non unit-linked funds which are stated at lower of cost or market value and unquoted investments which are stated at cost. The Company is of the view that the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

The Company's accounting policy on fair value measurements of its investments is discussed in note 3.5 to these financial statements.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1	Level 2	Level 3	Total
	(Rupees '000)			
Financial assets at fair value through profit or loss				
Listed equity securities and mutual fund units	14 031 570	–	–	14 031 570
Available-for-sale investments				
Pakistan Investment Bonds	–	35 028 827	–	35 028 827
Market Treasury Bills	–	628 720	–	628 720
Government Ijara Sukuk	–	565 848	–	565 848
Term Finance Certificates	–	1 543 964	–	1 543 964
Unlisted equity securities and mutual fund units	–	–	508	508
	14 031 570	37 767 359	508	51 799 437

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

	2014	
	Carrying value	Fair value
	(Rupees '000)	
Government securities (at amortized cost)	2 621 605	2 715 908
Other fixed income securities (at amortized cost)	61 182	48 815
Listed equity securities and mutual fund units (at lower of cost or market value)	903 638	1 568 129

29. INSURANCE RISK

29.1 Insurance contracts

29.1.1 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 and a relatively small number of unit-linked policies.

29.1.2 Contract details and measurement

The insurance contracts offered by the Company are described below.

29.1.2.1 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 and 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 terms 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.

29.1.2.2 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 analysed 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.

29.1.3 Liability Adequacy Test

Liability adequacy test is applied to all 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% p.a. 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:

(Rupees in '000)

Assumption	Policyholder liabilities on existing valuation basis	Policyholder liabilities using best estimate assumptions
Mortality	59 923 260	59 774 929
Investment returns	59 923 260	59 910 452

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

29.2 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 accounting to the terms of the arrangements.

The details related to reinsurance assets and liabilities are shown below: (Rupees in '000)

Reinsurer rating	Amounts due from reinsurers	Amounts due to reinsurers
'A' or above	102 622	82 990

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.

29.3 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.

29.3.1 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 0.084%. Likewise, when mortality rates decrease by 10%, policyholder liabilities decrease by 0.084%.

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.

29.3.2 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% p.a.

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 0.004%. Likewise, when investment income rate is decreased by 10%, policyholders liabilities increase by 0.004%.

29.4 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 Sind 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.

29.5 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 behaviour 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.

29.6 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 at least 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.

Since the Company is required to maintain 100% Solvency Margin from Annual 2014, any extra provision that the Company had set aside for similar purpose then become redundant. Hence, in the opinion of the Company's management and the Appointed Actuary, the additional reserve on account of mortality fluctuation is no longer required.

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.

29.7 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.

Sensitivity variable	% change in sensitivity variable	% change in policyholder liabilities
Worsening of mortality and critical illness rates	10%	0.084%
Improvement in mortality and critical illness rates	10%	-0.084%
Increase in investment returns	10%	-0.04%
Decrease in investment returns	10%	0.04%

29.8 Management of insurance, financial and other risks

29.8.1 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 is as follows:

	Diversification of Risk Portfolio	
	Before Reinsurance	After Reinsurance
Azad Kashmir	2.19%	2.76%
Baluchistan	4.66%	5.83%
Gilgit Baltistan	0.53%	0.75%
Khyber Pakhtunkhwa	2.99%	3.49%
Punjab	45.04%	45.36%
Sindh	44.58%	41.82%

For Group Life business, the Company's geographical concentration of risk as at 31 December 2014 is as follows:

	Diversification of Risk Portfolio	
	Before Reinsurance	After Reinsurance
Sindh	52.32%	53.80%
Punjab	47.68%	46.20%

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 pay-outs. 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.

29.8.2 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.

29.8.3 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.

29.8.4 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.

29.8.5 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.

29.8.6 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.

29.8.7 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 analysed 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 pay-outs 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 2014. The table below also presents details of assets under Shareholder's Fund:

	(Rupees '000)			
2014	Investment Linked Products (All unit main linked plans)	Conventional Products (Individual, Group Life, Riders)	Shareholders' Fund	Total
Available for sale:				
- Government securities	36 223 395	–	–	36 223 395
- Other fixed income securities	1 703 944	–	–	1 703 944
Held to maturity:				
- Government securities	1 035 706	662 985	922 914	2 621 605
- Other fixed income securities		49 920	–	49 920
Held for trading:				
- Listed equities and mutual funds	916 336	–	–	916 336
Available for sale:				
- Listed equities and mutual funds	12 716 352	106 285	764 486	13 587 123
- Unlisted equities and mutual funds	398 882	32 867	508	432 257
Loans and receivables:				
- Insurance receivables	–	70 332	–	70 332
Reinsurance assets	–	102 622	–	102 622
Cash and cash equivalents	5 569 336	1 953 828	143 205	7 666 369
Other assets	1 919 326	864 692	1 070 561	3 854 579
Total assets	60 483 277	3 843 531	2 901 674	67 228 482

	(Rupees '000)			
2014	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	38 532 995	200 425	–	38 733 420
Whole of life	20 482 601	–	–	20 482 601
Short-term insurance contracts	–	399 746	–	399 764
Riders	–	307 492	–	307 492
Retained earnings on other than participating business	–	1 299 105	–	1 299 105
Equity	–	–	2 839 445	2 839 445
Other liabilities	1 467 681	1 636 763	62 229	3 166 673
Total liabilities	60 483 277	3 843 531	2 901 674	67 228 482

30. 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.

31. Number of employees

	2014	2013
Number of employees as at 31 December	1 272	1 280
Average number of employees as at 31 December	1 276	1 194

32. 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)	
	2014	2013
Associated companies (due to common directorship)		
Transactions		
Premium written	37 446	23 924
Premium paid	30 867	25 267
Claims paid	11 448	24 601
Claims received	5 607	811
Commission paid	103 662	98 435
Dividend paid	417 774	313 679
Dividend received	46 327	50 293
Bonus Shares Received	271 733	51 694
Balances		
Loan Receivable	750	556
Bank balances	40 085	7 524
Premium payable	224	34
Premium receivable	7	325
Investment in EFU General Insurance Company Limited	1 205 972	572 635
Investment in Jahangir Siddiqui & Company Limited	77 497	65 588
Investment in Associates	339 484	320 270
Key management personnel transactions		
Loan to employees	1 000	1 500
Loan recovered	806	944
Employees' funds transactions		
Contribution to provident fund	18 094	16 893
Contribution to pension fund	14 719	12 888

33. Date Of Authorisation For Issue

These financial statements were authorized for issue by the Board of Directors in their meeting held on February 14, 2015.

34. General

- 34.1 Figures in these financial statements have been rounded off to the nearest thousand of rupees, unless otherwise stated.
- 34.2 Certain prior year's figures have been reclassified for the purpose of comparison. However, there are no major reclassifications to report.
- 34.3 The Board of Directors has proposed a cash dividend of Rs. 6/- per share (2013: Rs. 5/- per share) amounting to Rs. 600 million (2013: Rs. 500 million) at its meeting held on February 14, 2015 for the approval of the members at the Annual General Meeting to be held on April 10, 2015. These financial statements do not reflect this appropriation as explained in note 5.10.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Karachi February 14, 2015

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, 2014. In my opinion:

- the policyholder liabilities included in the balance sheet have been determined in accordance with the provisions of the Insurance Ordinance, 2000 ("the Ordinance"); and
- 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)

- 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.
- 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
- As at December 31, 2014 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)

- 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

Karachi February 14, 2015

Number of Shareholders	Shareholdings		Holding Shareholders
	From	To	
180	1	100	6 659
291	101	500	79 102
151	501	1 000	118 875
370	1 001	5 000	976 741
74	5 001	10 000	532 987
25	10 001	15 000	320 602
11	15 001	20 000	187 402
10	20 001	25 000	225 579
4	25 001	30 000	111 329
4	30 001	35 000	124 840
4	35 001	40 000	149 936
2	40 001	45 000	82 641
7	45 001	50 000	341 294
4	55 001	60 000	226 596
2	60 001	65 000	126 129
3	65 001	70 000	201 768
3	75 001	80 000	232 597
2	80 001	85 000	164 017
1	85 001	90 000	88 395
3	95 001	100 000	298 800
3	100 001	105 000	309 300
1	105 001	110 000	106 061
2	120 001	125 000	247 646
1	125 001	130 000	128 469
1	130 001	135 000	134 800
1	145 001	150 000	146 817
1	150 001	155 000	152 754
1	165 001	170 000	167 000
1	175 001	180 000	176 063
1	180 001	185 000	182 428
1	195 001	200 000	195 529
2	245 001	250 000	499 994
1	330 001	335 000	332 000
1	405 001	410 000	406 123
1	470 001	475 000	473 873
1	490 001	495 000	494 438
3	495 001	500 000	1 499 865
1	580 001	585 000	582 472
1	675 001	680 000	676 470
1	710 001	715 000	714 756
1	755 001	760 000	756 329
1	795 001	800 000	800 000
3	830 001	835 000	2 502 000
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	3 395 001	3 400 000	3 397 367
1	3 480 001	3 485 000	3 482 596
1	3 515 001	3 520 000	3 519 981
1	4 780 001	4 785 000	4 780 489
1	20 045 001	20 050 000	20 047 708
1	43 000 001	43 005 000	43 001 040
1 193			100 000 000

Categories of Shareholders	Number	Shares Held	Percentage
Associated Companies, Undertaking & Related Parties	4	63 049 508	63
NIT & ICP	3	1 882	0
CEO, Directors their Spouse and minor children	14	14 026 495	14
Banks Development Financial Institutions, Non Banking	3	846 741	1
Financial Institutions, Insurance Co.	2	76 735	0
Modarabas & Mutual Funds	2	107 884	0
Foreign Investors	8	4 078 344	4
Individuals/ Others	1 157	17 812 411	18
Total	1 193	100 000 000	100

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	43 001 040
EFU Life Assurance Ltd. Emp. Prov. Fund	2	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	80
CEO, Director their spouses and minor children		
Rafique R. Bhimjee	1	3 482 596
Saifuddin N. Zoomkawala	1	500 000
Taher G. Sachak	2	675 928
Jahangir Siddiqui	1	28 000
Muneer R. Bhimjee	1	3 519 981
Hasanali Abdullah	2	124 646
Heinz Walter Dollberg	1	588
S. Salman Rashid	1	3 397 367
Kamal Afsar	1	501
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 period 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: Return on Equity = Net Income/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 an 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) 2348046, 2803385-8

Noor-ur-Rehman, Regional Manager
Rizwan Bajwa, Marketing Manager
Kamran Malik, Senior Marketing Executive
Rao Asif Khan, Marketing Executive

Karachi

37-K, Block 6, PECHS, Karachi
Phone: (021) 34535071-77

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
Rizwana Aslam, Assistant Marketing Manager
Umair Siddiqui, Marketing Executive
Adeel H. Jaffery, Advisor Marketing - South

Lahore

33/2, Block B-1, Gulberg III, Lahore
Phone: (042) 35870801-05

S.A.R. Zaidi, Executive Director
Fazal Mehmood, Regional Sales Director
Zaheer Aslam, Group Manager
Faisal Masud, Group Manager
Mubashir Ahmed, Chief Marketing Manager
Tasleem Iqbal, Senior Marketing Manager
Saad Farooqi, Senior Marketing Executive

Multan

Golden Heights Plaza, 2nd Floor,
Opposite High Court Multan Cantt, Multan
Phone: (061) 4587170

Zafar Abbas Chughtai, Assistant Marketing Manager

Bancassurance - Offices

Faisalabad

25 Waheed Center, Kohinoor Town College Road
Opp. Hockey Stadium, Faisalabad
Phone: (041) 8503370,71,72,73 / 8503338,39
Shafqat Ali, Regional Head

Islamabad

3rd Floor, Al Malik Centre
70-W, Jinnah Avenue
Blue Area, Islamabad
Phone: (051) 2803385-88
Tahir Sultan, Group Regional Head
Mariam Mani, Regional 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
Senior Group Regional Head
Hafiz Muhammad Babar Rafique
Regional Head
Syed Zamin Ali, Regional 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

Gujranwala

Office No. 13/1, 2nd Floor
Bhutta Center,
Gujranwala

Individual Life - Offices

ABBOTTABAD

Abbottabad Branch

1st Floor, Al-Fateh Shopping Center
Opposite Radio Station
Mansehra Road, Abbottabad
0345-8577740
062-2740046, 0992-334254
Mr. Zuhra Khan, Branch Manager

Cantt Branch

1st Floor, Al Fateh Shopping Centre, Opposite
Radio Station,
Mansehra Road, Abbottabad
0922-334254
0345-9559849
Mr. Aftab Ahmed
Assistant Branch Manager

Mansehra Branch

1st Floor, Darwesh Plaza, Shinkiari Road,
Opposite Railway Resevation Office,
Mansehra
0301-8135081
Mr. Saqib Hussain, Unit Manager

ATTOCK

Attock Branch

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

AZAD KASHMIR

Bagh AK Branch

2nd Floor of Ammar Hospital, Near Bagh
International Hotel, Tehsil District Bagh
Azad Kashmir
0346-5212797
Mr. Ghulam Mustafa
Senior Unit Manager

Bhimber Branch

Heaven Palace, Sultan Plaza
Meerpur Chowk, Bhimber AK
0344-4442903
Mr. Muhammad Saeed
Senior Unit Manager

Kotli Branch

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

City Branch

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

Mirpur AK Branch

Nishat Center, Opp. DHQ Hospital, Allama
Iqbal Road, Mirpur AK
0321-2415420
Mr. Tariq Mehmood, Branch Manager

BAHAWAL NAGAR

Bahawal Nagar Branch

EFU Life Assurance, Urdu Road
Near Haroon Laboratory, Bahawal Nagar
0334-7006646
Mr. Ishfaq Hussain Mughal
Branch Manager

BAHAWALPUR

Ahmed Pur East Branch

Opposite Canal Rest House
Katchery Road, Ahmed Pur East
0345-8173520
Mr. Mehboob Ahmed Tareen
Assistant Branch Manager

Bahawalpur Branch

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

City Branch

88-A Noor Mahal Road
Near Iqbal Hospital, Bahawalpur
0300-6801309 - 0301-8688098
Mr. Kashif Azeem, Regional Manager
Mr. Naeem Akhter Chaudhry
Branch Manager

Garden Branch

88-A Noor Mahal Road
Near Iqbal Hospital, Bahawalpur
0300-6869166
Mr. Mian M. Afzal, Senior Unit Manager

Lodhran Branch

Room No. 15, 1st Floor
Kamboh Plaza, Near MCB Bank, Lodhran
0333-6388556
Mr. Shahid Raza Shah, Assistant Branch
Manager

Dunya Pur Branch

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

BUREWALA

Burewala Branch

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

Chichawatni Branch

EFU Life Assurance, 39/12-L, Road Near Govt.
Boys Middle School, Chichawatni
0332-3505305
Mr. Muhammad Farooq
Assistant Branch Manager

City Branch

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

Chishtian Branch

13 Gajyani Road, Chishtian
0300-8687337
Mr. Muhammad Amin
Assistant Branch Manager

City Branch

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

DAHARKI

City Branch

Near Khushali Bank Ltd., Main Road
Daharki, Ghotki
0723-642424
0301-3839401 - 0335-7166610
Mr. Mumtaz Ali Mahar
Assistant Branch Manager

Civic Branch

Near Khushali Bank Ltd, Main Road
Daharki, Ghotki
0333-7253655 - 0334-7832364
Mr. Muhammad Nadeem
Senior Unit Manager

Mirpur Mathelo Branch

Mathelo Road, Near Ghanta Ghar,
Mir Pur Mathelo
0333-7253655
Mr. Ali Hassan Rajput, Unit Manager

DERA ALLAHYAR

Dera Allahyar Branch

Main Quetta Road, Jaffarabad,
Dera Allahyar
0302-3171080
Mr. Tarique Ali, Unit Manager

DERA GHAZI KHAN

Dera Ghazi Khan Branch

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

Rajanpur Branch

Ramzan Kareem Complex
D.G Khan Road, Rajanpur
0604-688243
0333-8828096
Mr. Falak Sher Buzdar
Senior Unit Manager

Bhakkar Branch

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

Dera Ismail Khan Branch

1st Floor, Najeeb Centre
East Circular Road, Dera Ismail Khan
0966-734002
0333-9983366
Mr. S. Hassan Ali Shah, Unit Manager

FAISALABAD

Faisalabad Branch

2nd Floor, Ajmal Centre
289 Batala Colony, Faisalabad
0300-8652494 - 0333-6519135
Mr. Ali Raza, Senior Unit Manager

Central Branch

Hamza Plaza 1st floor, Plot No 340-B,
People's Colony, Satyana Road, Faisalabad
0300-6728180
Mr. Mohammad Zahid Bashir
Senior Unit Manager

Chenab Branch

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

City Branch

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

Gojra Branch

Latif Plaza, First Floor
Tehsil Office Road, Gojra
0344-7595128
Mr. Sajjad, Unit Manager

Toba Tek Singh Branch

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

GWADAR

Gwadar Branch

Near Habib Bank Ltd.
Airport Road, Gwadar
0334-2467685
Mr. Akhtar Ali, Senior Unit Manager

GHOTKI

Ghotki Branch

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

Ubauro Branch

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

GILGIT BALTISTAN

Baltistan Branch

Hussaini Market, 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
058-11457717
0333-5434873
Faiz Ahmed Khan, Branch Manager
Mr. Amjad Wali, Assistant Branch Manager

Ghizer Branch

2nd Floor, Dar Plaza,
Nabi Bazaar, Gilgit
0355-5207849
Mr. Kaka Jan, Unit Manager

Hunza Nagar Branch

Nazar Shah Block, 2nd Floor
Hospital Chowk, Aliabad, Hunza
0344-5949858
Mr. Sajjad Haider, Senior Unit Manager

Karakurum Branch

Block-B, Dar Plaza
Madina Market, Gilgit
0345-3819500
Mr. Mohammad Nazir, Senior Unit Manager

GUJRANWALA

Ali Pur Chatha Branch

Gujranwal Road, Opposite Punjab Bank
Ali pur Chatta Tehsil
Waziristan, Gujranwala
0334-4564526
Mr. Muhammad Ishfaq, Unit Manager

Gujranwala Branch

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

Hafizabad Branch

Vanikey Chowk, 1st Floor, Upper Al Baraka
Bank, Ali Pur Road, Hafizabad
0306-6889989
Mr. Irshad Hussain Bajwa
Assistant Branch Manager

GUJRAT

Gujrat Branch

Dhakkar Plaza, Rehman Shaheed Road,
Gujrat
0322-6424655
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. Javaid Iqbal
Assistant Branch Manager

Lalamusa Branch

Shayan Center, 1st Floor, G.T Road Lalamusa
0336-5088719
Syed Imtiaz Hussain Shah
Branch Manager

HAROONABAD

Bahawal Nagar Branch

Urdu Road, Near Haroon Laboratory
Bahawal Nagar
0334-7006646
Mr. Ishfaq Hussain Mughal, Branch Manager

Haroonabad Branch

Milad Chowk, Baldia Road, Haroonabad
0333-6804321
Mr. Irfan Ali, Senior Unit Manager

Hasilpur Branch

Opposite Allama Iqbal Park
Eid Gah Road, Hasilpur
0344-7416163
Mr. Mushtaq Ahmad
Senior Unit Manager

HUB CHOWKI

Hub Chowki Branch

Main R.C.D. Road, Hub
District Lasbella, Hub Chowki
0300-3825009 / 0333-7506116
Mr. Sham Kumar Nagdev
Senior Unit Manager

HYDERABAD

Autobahn Branch

B-15/9, RECHS, Opposite Latifabad
Unit No-3, The Autobahn , Hyderabad
022-3814234
0302-8244108
Mr. Bhesham Kumar
Assistant Branch Manager

Cantt Branch

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

City Branch

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

Mehran Branch

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

New City Branch

Office No. 8 & 9 Shelter Shopping Mall,
Saddar Cantt, Hyderabad
0300-9377061
Syed Sabir, Assistant Branch Manager

Prime Branch

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

ISLAMABAD

Islamabad Branch

3rd Floor, Al-Malik Centre, 70-W Jinnah
Avenue Blue Area, Islamabad
051-2820574
0345-8555230
Younis Butt
Assistant Sales Director
Mr. Muhammad Kashif Khan
Branch Manager

City Branch

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

JACOBABAD

Jacobabad Branch

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

Thull City Branch

Main Kandhkot Road, Thull, Near Jungal Mor,
TalukaThull, District Jacobabad
0301-3860553
Mr. Niaz Ali, Senior Unit Manager

JHELUM

Jhelum Branch

Karim Arcade M.M. No. 03 Jada Road,
Jhelum
0544-628751
0300-9510816
Mr. Nadeem Shakeel
Senior Unit Manager

KANDHKOT

Kandhkot Branch

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

KARACHI

Askari Branch

Nafees Arcade 3rd Floor, Office 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, Karachi
0300-2023833
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, Senior Unit Manager

Cantt Branch

Nafees Arcade, 3rd Floor, Office No. 301,
Plot SC-14, KDA Scheme No 7, Chandni
Chowk, University Road, Karachi
021-348540674
0300-2496359
Mr. Zahoor Ahmed Khuhro
Senior Branch Manager

Central Branch

A-34, 1st Floor, Hafeez Centre, KCHSU,
Shahrah-e-Faisal, Karachi
021-34354006
0321-2010680
Mr. Shahjahan, Assistant Sales Director
Syed Arif Raza, Senior Branch Manager

City Branch

A-34, Ground Floor, Hafeez Centre, KCHSU,
Shahrah-e-Faisal, Karachi
021-34320611
0300-2187464
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
0300-8294176
Mr. Shah Zaman 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 F-2, Garden Road
Karachi No. 3, Karachi
0300-8230833
Mr. Nadeem Iqbal, Branch Manager

Gulshan Branch

Nafees Arcade, 3rd Floor, Office 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 No. 1,
Gulshan-e-Hadeed, Bin Qasim, Karachi
34721574
0332-8233018
Mr. Ghulam Shabbir Mirani
Assistant 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, PECHS, Block 6, Karachi
0300-8291060
Mr. Ayooob Khan, Branch Manager

Mehran Branch

A-34, 1st Floor, Hafeez Centre, KCHSU,
Shahrah-e-Faisal, Karachi
0300-2434820
S. Samar Raza Zaidi
Assistant Branch Manager

Merewether Branch

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

Model Branch

Nafees Arcade, 3rd Floor, Office 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, PECHS, Block 6, Karachi
021-34320621
0333-3521468
Mr. Shams Uddin Shaikh
Regional Sales Director
Mr. Rabnawaz Ghumro
Branch Manager

Pioneer Branch

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

Saddar Branch

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

Shaheen Branch

F-6, First Floor, APWA Complex
Garden Road, Opposite IBA Institute, Karachi
0334-3996925
Mr. Muzaffar Ahmed Bughio
Assistant Branch Manager

West Branch

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

Thatta Unit Office

Opposite Star Press,
Shah Kamal Mohallah, Ward No. 4, Thatta
0298-550106
0301-2724698
Mr. Haji Ahmed, Senior Unit Manager

KHAIRPUR

Khairpur Branch

Kutchery Road Khairpur Mir's
0243-714336
0300-3115945
Mr. Jamaluddin Qureshi,
Assistant Branch Manager

Ranipur Branch

National Highway Ranipur, Opposite RHC
Ranipur Tehsil, Sobodero, Dist Ranipur
0308-8637505
0300-2702916 - 0306-7437791
Mr. Safdar Hussain Qureshi
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
042-35871238
0300-9479910
Mr. Shoukat Ali, Senior Unit Manager

Capital Branch

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

Central Branch

18-C 1st Floor, Commercial Zone
Liberty Market, III Floor, Gulberg III, Lahore
0321-4425292
Mr. Imran Saleem, Senior Unit Manager

City Branch

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

Civic Branch

43-L, 1st Floor, M.M. Alam Road
Gulberg-II Lahore
042-35716076
0300-8419716
Mr. Mahmood Ahmed
Assistant 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
042-35711560
0300-8403448 - 0321-4026868
Mian Kashif Naseer, Branch Manager

Fort Branch

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

Gulberg Branch

14-C, 2nd Floor, Office No. 201, Commercial
Zone, Liberty
Market, Gulberg III, Lahore
0300-4325363
Syed Mehdi Raza Zaidi
Assistant Branch Manager

Metropolitan Branch

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

Model Branch

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

Pioneer Branch

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

Premier Branch

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

Ravi Branch

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

Shadman Branch

14-C, 2nd Floor, Office No. 201
Commercial Zone, Liberty
Market, Gulberg III, Lahore
0333-4291029
Mr. S.M. Raza Zaidi, Branch Manager

OKARA

Okara Branch

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

Depalpur Branch

Basir Pur Road, Deepalpur
0300-6807721
Mr. Ahmad Kamran Javed
Senior Unit Manager

LARKANA

Larkana Branch

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

Pioneer Branch

1st Floor, Bukhari Shopping Centre
Station Road, Larkana
0333-7531459
Mr. Ramesh Lal, Senior Unit Manager

LAYYAH

Fateh Pur Branch

M.M. Road Fatehpur, Near NBP Bank
Tehsil - District Layyah
0308-8761964 / 0307-6541590
Mr. Ghulam Abu Talib, Unit Manager

Layyah Branch

EFUL Life Assurance Ltd. Opposite Paracha
Petrolium, Layyah
0300-8630022
Mr. Shafquat Ali Rao, Branch Manager

MANDI BAHAUDDIN

Dinga Branch

Fazil Plaza, 1st Floor, Dalyan Chowk, Dinga,
Tehsil Kharian, Distt. Gujrat
0537-400338, 0346-6485700
Mr. Qaisar Abbas
Assistant Branch Manager

Kharian Branch

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

Malakwal Branch

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

Mandi Bahauddin Branch

2nd Floor, Ayub Plaza
Upper National Bank of Pakistan
Katchary Road, Mandi Bahauddin
520956
0321-7747714 - 0322-6614004
Mr. Faisal Tahir, Group Manager

MIRPURKHAS

Digri Branch

Near Govt. Girl's High School, Digri
Mirpurkhas
0302-3315646
Mr. Abdul Salam, Unit Manager

Mirpurkhas City Branch

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

Mirpurkhas Tharparker Branch

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

MORO

Moro Branch

Dadu Road, Moro Distt, Naushero Feroze
0300-2765404 - 0333-6679000
Mr. Sarfraz Ahmed Qureshi
Assistant Branch Manager

MULTAN

City Branch

3rd Floor, Rajput Commercial Centre
Tareen Road, Multan
061-4500915
0307-6663333 - 0321-6326249
Syed Wazir Ali Zaidi
Branch Manager

Cantt Branch

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

Pioneer Branch

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

MUZAFFARGARH

Muzaffargarh Branch

Jandeer Plaza, 1st Floor, Jhang Road,
Muzaffargrah
0300-4769947
Mr. Rana Saleem Ahmad, Unit Manager

Kot Addu Branch

Near Dr. Khalil Clinic
Janooobi Railway Patak, Kot Addu
0300-4610122
Mr. Shahzad Ahmad
Senior Unit Manager

NAUSHERO FEROZE BRANCH

Naushero Feroze Branch

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

NAWABSHAH

Nawabshah Branch

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

Sanghar Branch

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

PESHAWAR

Peshawar Branch

NWR Plaza No. 02 Khyber Supermarket
Bara Road, Peshwar Cantt, Peshawar
091-5606624
0346-9144422
Syed Jameel Abbas, Branch Manager

QUETTA

Quetta Branch

Zarghoon House, 1st Floor, Near Bank Alfalah
M.A. JinnahRoad, Quetta
2836537
0333-7878691
Mr. Imran Ahmed, Branch Manager

Chilton Branch

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

Cantt Branch

Near Manaan Chowk
M.A Jinnah Road, Quetta
0333-7801170
Mr. Zameer Ahmad, Senior Unit Manager

Model Branch

2nd Floor, Shaheen Views
Model Town, Hali Road, Quetta
081-2826537
03337866010
Mr. Anand Lal Kataria
Assistant 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 Storey, J.S Bank, Near Neaz
Clinic City Chowk, Model Town,
Rahim Yar Khan
Abdul Jabbar, Senior 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
4842002
0300-5007751
Mr. Shahid Mehmood Awan
Branch Manager

Chandni Chowk Branch

20-B, 2nd Floor, North Star Plaza,
Rehmanabad, Rawalpindi
0323-3574109
Mr. Saad Aslam Cheema
Assistant Branch Manager

Saddar Branch

128-B, 2nd Floor, Din Plaza, Near Chandni
Chowk, Main Murree Road, Rawalpindi
0300-9501375
Mr. M. Ashfaq Khan, Senior Unit Manager

Chakwal Branch

EFU Life Assurance, Main Talagang Road
Near NIB Bank, 1st Floor, Chakwal
0332-5949200
Mr. Ayyaz Mehmood, Unit Manager

Rawalpindi Cantt

128-B, 2nd Floor, Din Plaza, Near Chandni
Chowk, Main Murree Road, Rawalpindi
051-4571490
0333-5575043
Mr. Numan Sabir, Assistant Branch Manager

Rawal Branch

128-B, 2nd Floor, Din Plaza, Near Chandni
Chowk, Main Murree,
Road, Rawalpindi
051-4427687
0333-5101353
Mr. Muhammad Afzal, Group Manager
Ms. Ayesha Afzal, Senior Branch Manager

Wah Cantt Branch

Office No. A-8, First Floor, Din Plaza, Main
GT Road, Taxila
051-4536154
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. Muhammad Rashid Latif
Group Manager

SARGODHA

Sargodha Branch

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

SIALKOT

Sialkot Branch

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

SUKKUR

Pano Aqil Branch

1st Floor, Khushali Bank, Baiji Road
Pano Aqil
0306-3104458
Mr. Shafi Muhammad Ghoto
Senior Unit Manager

Sukkur Branch

Near Qasim Park, Opposite Queen's Garden,
Queen's Road, Sukkur
5627068
0300-3409302
Mr. Zaheer uddin Ghumro
Group Manager

City Branch

Near Qasim Park, Opposite Queen's Garden,
Queen's Road, Sukkur
5627997
0300-0333110
Mr. Sher Zaman Khan
Branch Manager

TURBAT

Turbat City Branch

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

YAZMAN

City Branch

Bahawalpur Road, Mandi Yazman
0301-6593871
Mr. Mohammad Boota
Senior Unit 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 23rd Annual General Meeting of the Company to be held on Friday April 10, 2015 at 11.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2015

WITNESS:

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 ID. 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 Computerised 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 Computerised National Identity Card or Passport along with the Participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.

AFFIX
POSTAGE

EFU LIFE ASSURANCE LTD.
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



**At EFU Life, we are
transforming needs into
values and turning dreams
into reality. We continue to
persevere to bring life to the
world of insurance and give
security to all. That is why
we have embraced the future,
one that is ours, to continue
to create prospects for
ourselves and our customers,
so we may all enjoy a more
prosperous tomorrow.**