

Report (Un-audited)
Three Months Ended
31 March 2014

THE POWER OF STRINGS





www.efulife.com

EFU LIFE ASSURANCE LTD

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



(021) 111-338-111



efulife.com



[/EFULifeAssurance](https://www.facebook.com/EFULifeAssurance)



[@EFU_Life](https://twitter.com/EFU_Life)



EFU LIFE
9898



<u>Company Information</u>	<u>02</u>
<u>Directors' Review</u>	<u>03</u>
<u>Condensed Interim Balance Sheet</u>	<u>04</u>
<u>Condensed Interim Profit & Loss Account</u>	<u>06</u>
<u>Condensed Interim Statement of Changes in Equity</u>	<u>07</u>
<u>Condensed Interim Statement of Cash Flows</u>	<u>08</u>
<u>Condensed Interim Revenue Account</u>	<u>09</u>
<u>Condensed Interim Statement of Premiums</u>	<u>10</u>
<u>Condensed Interim Statement of Claims</u>	<u>11</u>
<u>Condensed Interim Statement of Expenses</u>	<u>12</u>
<u>Condensed Interim Statement of Investment Income</u>	<u>13</u>
<u>Notes to the Condensed Interim Financial Statements</u>	<u>14</u>



Company Information



Chairman

Rafique R. Bhimjee

Managing Director & Chief Executive

Taher G. Sachak

Directors

Saifuddin N. Zoomkawala

Jahangir Siddiqui

Muneer R. Bhimjee

Hasanali Abdullah

Heinz Walter Dollberg

Corporate Secretary

S. Shahid Abbas

Appointed Actuary

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

Legal Advisor

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

Auditors

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 Shahra-e-Quaideen

Karachi

Ph: (92-21) 34391316-17

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



The Directors of your Company are pleased to present the Condensed Interim Financial Statements (Un-audited) for the first quarter ended 31 March 2014.

Your Company's total premium income increased by 36.3% during the first quarter of 2014 and was Rs.4.16 billion (2013: Rs 3.05 billion). New individual life regular premium income increased by 20.4% at Rs.660 million (2013: Rs.548 million). Both individual life channels, sales force and bancassurance, are contributing positively to the topline growth. The Company expects to further build upon this growth in the remaining part of the year.

Renewal premium was Rs.2.42 billion (2013: Rs.2.09 billion) an increase of 15.9%. Inclusive of renewal premium, the total individual life regular premium business increased by 16.9% to Rs. 3.08 billion (2013: 2.63 billion). Single premium business increased to Rs.633 million (2013: Rs. 28 million). Group Benefits business increased by 14.8% at Rs.448 million (2013: Rs. 390 million).

Your Company had a Profit after tax of Rs.212 million (2013: Rs. 184 million), an increase of 15.4%. The Earnings per Share is Rs.2.12 (2013: Rs.1.84).

During the quarter, the Insurer Financial Strength rating of the Company was reaffirmed as AA, Outlook: Stable, by JCR-VIS Credit rating company. The rating signifies a high capacity to meet policyholder obligations. It reflects the Company's strong balance sheet size that has further increased on account of continuous growth in premium.

Your Directors would like to place on record their appreciation for the contributions made by the EFU Life Head Office team and all distribution channels towards the development and growth of the Company. We would also like to thank the Securities and Exchange Commission of Pakistan for its guidance and understanding, and our main reinsurer Munich Re for its continuous support. Last but not least we would like to thank all our clients for their continued confidence in the Company.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Karachi 28 April, 2014



Condensed Interim Balance Sheet as at 31 March 2014 (Unaudited)



Rupees '000

		Statutory Funds						
	Note	Shareholders Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Aggregate March 2014	Aggregate December 2013
Share Capital and Reserves								
Authorised share Capital								
100 000 000 ordinary shares (2013: 100 000 000) of Rs. 10/ each)		1 000 000					1 000 000	1 000 000
15 000 000 ordinary shares (2013: 15 000 000) of Rs. 10/ each issued as fully paid in cash		150 000					150 000	150 000
15 000 000 ordinary shares (2013: 15 000 000) of Rs. 10/ each issued as fully paid as Bonus shares		850 000					850 000	850 000
		1 000 000					1 000 000	1 000 000
Accumulated surplus		1 244 744					1 244 744	1 032 872
General reserves		500 500					500 500	500 500
Net shareholders' equity		2 745 244					2 745 244	2 533 372
Balance of Statutory Fund (including policyholders' liabilities Rs. 46 038 million (2013: Rs. 42 842 million))								
			46 368 629	522 245	20 152	3 261	46 914 287	43 582 653
Deferred tax liability		16 300					16 300	16 300
Creditors and Accruals								
Outstanding claims			458 451	512 103	–	774	971 328	906 390
Premiums received in advance			498 780	41 369	620	429	541 198	499 086
Amounts due to reinsurers			23 673	59 851	257	681	84 462	140 656
Amount due to agents			241 417	12 535	7	144	254 103	410 344
Accrued expenses	560		163 163	14 603	–	50	178 376	342 798
Unclaimed dividend	9 477						9 477	8 684
Other creditors and accruals	42 537		52 594	3 151	–	16	98 298	106 055
Inter - fund payable	–		82 907	21 455	481	200	105 043	557 921
Total liabilities		52 574	1 520 985	665 067	1 365	2 294	2 242 285	2 971 934
Contingencies and Commitments	7							
Total equity and liabilities		2 814 118	47 889 614	1 187 312	21 517	5 555	51 918 116	49 104 259

The annexed notes 1 to 11 form an integral part of these financial statements.

Rupees '000

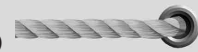
Note	Shareholders Fund	Statutory Funds				Aggregate March 2014	Aggregate December 2013
		Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Cash and Bank Deposits							
Policy stamps in hand	–	13 377	475	–	–	13 852	11 779
Current and other accounts	54 250	1 241 348	222 614	5 098	143	1 523 453	1 507 268
Deposits maturing within 12 months	500 000	4 669 800	149 000	1 000	–	5 319 800	6 095 000
	554 250	5 924 525	372 089	6 098	143	6 857 105	7 614 047
Loans							
To employees - secured	58 817	–	–	–	–	58 817	67 477
To employees and agents - unsecured	11 355	–	–	–	–	11 355	7 845
	70 172	–	–	–	–	70 172	75 322
Investments	6						
Government securities	1 018 766	28 647 144	661 786	9 032	5 016	30 341 744	28 654 916
Other fixed income securities	–	2 554 159	39 940	504	–	2 594 603	1 753 113
Listed equities & mutual funds	538 083	9 654 517	41 203	5 730	339	10 239 872	9 177 182
Unlisted equities	508	–	–	–	–	508	508
	1 557 357	40 855 820	742 929	15 266	5 355	43 176 727	39 585 719
Current Assets - others							
Premiums due but unpaid	–	–	52 058	–	–	52 058	51 297
Amounts due from reinsurers	–	223	4 037	–	–	4 260	4 777
Prepayments	–	52 057	4 339	–	23	56 419	20 422
Sundry receivables	–	105 279	780	–	–	106 059	42 838
Investment income accrued	21 065	372 543	3 124	153	–	396 885	157 176
Taxation - provision less payments	112 422	–	–	–	–	112 422	113 259
Advances and deposits	–	77 577	7 956	–	34	85 567	71 246
Inter-fund balances	105 043	–	–	–	–	105 043	557 921
	238 530	607 679	72 294	153	57	918 713	1 018 936
Fixed Assets	8						
Tangible Assets							
Leased hold land	–	126 505	–	–	–	126 505	126 505
Furniture, fixtures, office equipment and vehicles	383 163	–	–	–	–	383 163	354 158
Capital work in progress	–	375 085	–	–	–	375 085	316 491
Intangible (Computer software)	10 646	–	–	–	–	10 646	13 081
	393 809	501 590	–	–	–	895 399	810 235
Total Assets		<u>2 814 118</u>	<u>47 889 614</u>	<u>1 187 312</u>	<u>21 517</u>	<u>51 918 116</u>	<u>49 104 259</u>

The annexed notes 1 to 11 form an integral part of these financial statements.

HASANALI ABDULLAH
DirectorSAIFUDDIN N. ZOOMKAWALA
DirectorTAHER G. SACHAK
Managing Director &
Chief ExecutiveRAFIQUE R. BHIMJEE
Chairman



Condensed Interim Profit and Loss Account for the three months period ended 31 March 2014 (Unaudited)



	Rupees '000	
	Aggregate 31 March 2014	Aggregate 31 March 2013
Investment income not attributable to Statutory Funds		
Return on government securities	24 259	16 915
Return on other fixed income securities and deposits	4 579	245
Dividend income	15 577	19 311
	44 415	36 471
Reversal / (Provision) for impairment in value of available for investments	113 774	(7 055)
Net investment income	158 189	29 416
Others	2 518	4 433
	160 707	33 849
Expenses not attributable to statutory funds	(6 790)	(5 920)
	153 917	27 929
Surplus transferred from statutory funds	164 455	247 722
Profit before tax	318 372	275 651
Taxation	(106 500)	(92 000)
Profit after tax	211 872	183 651
Earnings per share - basic and diluted (Rupees)	2.12	1.84

The annexed notes 1 to 11 form an integral part of these finance statements.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman



Condensed Interim Statement of Changes in Equity for the three months period ended 31 March 2014 (Unaudited)



	Rupees '000			
	Share Capital	General Reserves	Accumulated Surplus	Total
Balance as at 1 January 2013	850 000	232 500	1 011 758	2 094 258
Changes in equity for 2013				
Profit for the period	–	–	183 651	183 651
Balance as at 31 March 2013	<u>850 000</u>	<u>232 500</u>	<u>1 195 409</u>	<u>2 277 909</u>
Balance as at 1 January 2014	1 000 000	500 500	1 032 872	2 533 372
Changes in equity for 2014				
Profit for the period	–	–	211 872	211 872
Balance as at 31 March 2014	<u>1 000 000</u>	<u>500 500</u>	<u>1 244 744</u>	<u>2 745 244</u>

The annexed notes 1 to 11 form an integral part of these finance statements.

HASANALI ABDULLAH
Director

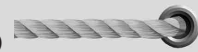
SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman



Condensed Interim Statement of Cash Flows for the three months period ended 31 March 2014 (Unaudited)



	Statutory Funds					Rupees '000	
	Shareholders Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Aggregate 31 March 2014	Aggregate 31 March 2013
Operating Cash Flows							
a) Underwriting activities							
Premiums received		3 743 519	456 570	143	454	4 200 686	3 089 061
Reinsurance premiums paid		(90 089)	(63 149)	(10)	(153)	(153 401)	(60 583)
Claims paid		(78 631)	(268 037)	—	(712)	(347 380)	(288 966)
Surrenders paid		(821 000)	—	—	—	(821 000)	(610 729)
Commissions paid		(667 642)	(56 093)	(8)	(132)	(723 875)	(649 007)
Net cash generated from / (used in) underwriting activities		2 086 157	69 291	125	(543)	2 155 030	1 479 776
b) Other operating activities							
Income tax paid	(105 663)	—	—	—	—	(105 663)	(79 370)
General management expenses paid	(7 830)	(560 508)	(42 832)	—	(177)	(611 347)	(403 821)
Other operating payments	—	(558 213)	(1 439)	—	(1 023)	(560 675)	(173 080)
Other operating receipts	536 685	—	17 010	16	—	553 711	164 219
Loans advanced	8 021	—	—	—	—	8 021	(17 073)
Loan repayments received	(2 871)	—	—	—	—	(2 871)	17 493
Other payments on operating assets	—	(110 872)	(2 647)	—	(20)	(113 539)	(103 633)
Net cash generated from / (used in) Other operating activities	428 342	(1 229 593)	(29 908)	16	(1 220)	(832 363)	(595 265)
Total cash generated from / (used in) all operating activities	428 342	856 564	39 383	141	(1 763)	1 322 667	884 511
Investment activities							
Profit/ return received	12 936	649 167	22 709	265	536	685 613	668 395
Dividends received	15 577	184 106	428	77	—	200 188	226 451
Payments for investments	880	(7 779 802)	(39 569)	(7)	(26)	(7 818 524)	(2 169 198)
Proceeds from disposal of investments	—	4 956 918	—	—	—	4 956 918	970 975
Fixed capital expenditure	(105 491)	—	—	—	—	(105 491)	(71 267)
Proceeds from disposal of fixed assets	1 687	—	—	—	—	1 687	665
Total cash generated from / (used in) investing activities	(74 411)	(1 989 611)	(16 432)	335	510	(2 079 609)	(373 979)
Financing activities							
Surplus appropriated to Shareholders' Fund	164 455	(142 128)	(21 340)	(4)	(983)	—	—
Dividends paid	—	—	—	—	—	—	—
Total cash generated from / (used in) financing activities	164 455	(142 128)	(21 340)	(4)	(983)	—	—
Net cash generated from / (used in) all activities	518 386	(1 275 175)	1 611	472	(2 236)	(756 942)	510 532
Cash at the beginning of the period	35 864	7 199 700	370 478	5 626	2 379	7 614 047	1 723 572
Cash at the end of the period	554 250	5 924 525	372 089	6 098	143	6 857 105	2 234 104
Reconciliation to Profit and Loss Account							
Operating cash flows						1 322 667	884 511
Depreciation						(16 532)	(13 120)
Amortization						(2 435)	(2 041)
Profit on disposal of fixed assets						327	323
Others revenue						2 191	4 110
Investment revenue						1 123 319	954 591
Appreciation in market value of investments						343 422	151 744
Reversal for impairment in the value of available for sale equity investment						120 188	(8 349)
Provision for impairment in the value of available for sale fixed income securities						22 750	—
Profit on sale of investment						243 042	27 441
(Decrease) / Increase in assets other than cash						(345 082)	19 606
(Increase) in liabilities						(2 601 985)	(1 835 165)
Profit after taxation						211 872	183 651

The annexed notes 1 to 11 form an integral part of these finance statements.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman



Condensed Interim Revenue Account for the three months period ended 31 March 2014 (Unaudited)



Rupees '000

Note	Statutory Funds				Aggregate 31 March 2014	Aggregate 31 March 2013
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Income						
Premiums less reinsurances	3 650 686	294 008	133	296	3 945 123	2 850 636
Net investment income	1 671 208	21 946	878	500	1 694 532	1 096 011
Total net income	5 321 894	315 954	1 011	796	5 639 655	3 946 647
Claims net of reinsurance recoveries	950 104	169 671	–	15	1 119 790	855 408
Management expenses	929 754	93 877	5	140	1 023 776	857 182
Total claims and expenditure	1 879 858	263 548	5	155	2 143 566	1 712 590
Excess of income over claims and expenditure	3 442 036	52 406	1 006	641	3 496 089	2 234 057
Add : Policyholders' liabilities at beginning of period	42 509 820	310 273	18 907	3 022	42 842 022	33 009 374
Less : policyholders' liabilities at end of the period	4.2 45 677 869	337 723	19 896	2 808	46 038 296	34 988 947
	(3 168 049)	(27 450)	(989)	214	(3 196 274)	(1 979 573)
Surplus before tax	273 987	24 956	17	855	299 815	254 484
Movement in policyholders' liabilities	3 168 049	27 450	989	(214)	3 196 274	1 979 573
Transfer of surplus to shareholders' fund	(142 128)	(21 340)	(4)	(983)	(164 455)	(247 722)
Balance of statutory funds at beginning of the period	43 068 721	491 179	19 150	3 603	43 582 653	33 743 933
Balance of statutory funds at end of the period	46 368 629	522 245	20 152	3 261	46 914 287	35 730 268
Represented by:						
Policyholders' liabilities	4.2 45 677 869	337 723	19 896	2 808	46 038 296	34 988 947
Retained earnings on other than participating business	690 760	184 522	256	453	875 991	741 321
Balance of statutory funds	46 368 629	522 245	20 152	3 261	46 914 287	35 730 268

The annexed notes 1 to 11 form an integral part of these accounts.

HASANALI ABDULLAH
Director

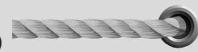
SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman



Condensed Interim Statement of Premiums for the three months period ended 31 March 2014 (Unaudited)



Rupees '000

	Statutory Funds				Aggregate 31 March 2014	Aggregate 31 March 2013
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Gross Premiums						
Regular premium individual policies*						
First year	659 309	568	–	26	659 903	548 166
Second year renewal	579 011	239	–	10	579 260	505 378
Subsequent year renewal	1 837 241	672	143	417	1 838 473	1 579 695
Single premium individual policies	633 237	–	–	–	633 237	27 906
Group policies with cash values	3 648				3 648	1 825
Group policies without cash values	–	444 814	–	–	444 814	388 662
Total gross premiums	3 712 446	446 293	143	453	4 159 335	3 051 632
Less: Reinsurance premiums ceded						
On individual life first year business	7 557	46	–	2	7 605	6 052
On individual life second year business	7 920	43	–	2	7 965	6 027
On individual life renewal business	46 283	294	10	153	46 740	43 440
On group policies	–	151 902	–	–	151 902	145 477
Total reinsurance premium ceded	61 760	152 285	10	157	214 212	200 996
Net premiums	3 650 686	294 008	133	296	3 945 123	2 850 636

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

The annexed notes form an integral part of these accounts.

HASANALI ABDULLAH
Director

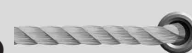
SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman



Condensed Interim Statement of Claims for the three months period ended 31 March 2014 (Unaudited)



Rupees '000

	Statutory Funds				Aggregate 31 March 2014	Aggregate 31 March 2013
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Gross Claims						
Claims under individual policies						
by death	114 250	101	–	–	114 351	84 673
by insured event other than death	3 322	–	–	19	3 341	6 091
by maturity	16 951	–	–	–	16 951	11 401
by surrender	841 377	–	–	–	841 377	610 729
Total gross individual policy claims	975 900	101	–	19	976 020	712 894
Claims under group policies						
by death	–	225 701	–	–	225 701	186 774
by insured event other than death	–	3 921	–	–	3 921	9 809
experience refund	–	27 676	–	–	27 676	35 439
Total gross group claims	–	257 298	–	–	257 298	232 022
Total gross claims	975 900	257 399	–	19	1 233 318	944 916
Less: Reinsurance recoveries						
On individual life first year business	18 929	–	–	4	18 933	7 641
On individual life second year business	1 690	–	–	–	1 690	2 925
On individual life subsequent renewal business	5 177	–	–	–	5 177	3 772
On group claims	–	77 454	–	–	77 454	74 747
On experience refund of premiums	–	10 274	–	–	10 274	423
Total reinsurance	25 796	87 728	–	4	113 528	89 508
Net Claims	950 104	169 671	–	15	1 119 790	855 408

The annexed notes 1 to 11 form an integral part of these financial statements.

HASANALI ABDULLAH
Director

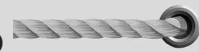
SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman



Condensed Interim Statement of Expenses for the three months period ended 31 March 2014 (Unaudited)



Rupees '000

	Statutory Funds				Aggregate 31 March 2014	Aggregate 31 March 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	306 375	198	–	11	306 584	253 738
- commission on second year premiums	58 594	25	–	4	58 623	64 312
- commission on subsequent renewal premiums	43 291	17	4	15	43 327	46 089
- commission on single premiums	24 456	–	–	–	24 456	542
- override commission	79 192	57	1	8	16 258	61 920
- other benefits to insurance intermediaries	156 111	154	–	27	156 292	131 268
	668 019	451	5	65	668 540	557 869
Remuneration to insurance intermediaries on group policies:						
- commission	197	55 189	–	–	55 386	62 977
- other benefits to insurance intermediaries	91	12 245	–	–	12 336	8 643
	288	67 434	–	–	67 722	71 620
Branch overheads	60 668	382	–	13	61 063	50 749
Other acquisition costs						
- policy fee	16 643	175	–	1	16 819	14 056
Total acquisition cost	745 618	68 442	5	79	814 144	694 294
Administration expenses						
Salaries and other benefits	78 005	15 656	–	32	93 693	79 895
Traveling expenses	12 700	1 498	–	1	14 199	15 483
Actuary's fee	2 248	187	–	1	2 436	1 800
Medical fee	4 611	414	–	–	5 025	5 094
Legal & professional fee	6 348	529	–	3	6 880	3 911
Advertisements & publicity	5 364	447	–	2	5 813	6 399
Computer expenses	1 212	95	–	–	1 307	630
Printing and stationery	7 596	722	–	3	8 321	7 773
Depreciation	3 826	606	–	1	4 433	4 071
Amortisation	2 247	187	–	1	2 435	2 041
Rental	4 120	1 305	–	2	5 427	5 223
Exchange loss / (gain)	7 522	–	–	–	7 522	(1 173)
Postage	18 676	79	–	–	18 755	9 477
Fees and subscription	15 553	1 468	–	7	17 028	7 889
Other management expenses	18 762	2 263	–	8	21 033	16 605
Gross management expenses	934 408	93 898	5	140	1 028 451	859 412
Commssion from reinsurers	(2 939)	(21)	–	–	(2 960)	(2 230)
Fees Charged to Policyholders	(1 715)	–	–	–	(1 715)	–
Net management expenses	929 754	93 877	5	140	1 023 776	857 182

The annexed notes 1 to 11 form an integral part of these financial statements.

HASANALI ABDULLAH
Director

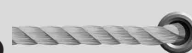
SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman



Condensed Interim Statement of Investment Income for the three months period ended 31 March 2014 (Unaudited)



Rupees '000

	Statutory Funds				Aggregate 31 March 2014	Aggregate 31 March 2013
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Investment Income						
On government securities	690 809	17 309	227	116	708 461	600 610
On other fixed income securities and deposits	184 859	2 763	96	420	188 138	111 762
Dividend income	184 106	428	77	–	184 611	207 140
Amortisation of discount	37 172	31	5	–	37 208	40 854
	1 096 946	20 531	405	536	1 118 418	960 366
Gain on sale of investments						
Shares and mutual fund units	243 042	–	–	–	243 042	27 441
Gain / (loss) on revaluation of investments						
Government securities	4 582	–	18	–	4 600	(51 785)
Other fixed income securities	(37 893)	–	13	–	(37 880)	(129 794)
Listed equities securities and mutual fund units	339 052	–	442	–	339 494	292 469
	305 741	–	473	–	306 214	110 890
Reversal / (Provision) of impairment in value of investments						
Available-for-sale fixed income securities	22 750	–	–	–	22 750	–
Available-for-sale equity securities and mutual fund units	5 035	1 415	–	(36)	6 414	(1 294)
	27 785	1 415	–	(36)	29 164	(1 294)
	1 673 514	21 946	878	500	1 696 838	1 097 403
Less: Investment related expense	(2 306)	–	–	–	(2 306)	(1 392)
Net investment income	<u>1 671 208</u>	<u>21 946</u>	<u>878</u>	<u>500</u>	<u>1 694 532</u>	<u>1 096 011</u>

The annexed notes 1 to 11 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



Notes to the Condensed Interim Financial Statements (Unaudited) For the three months period ended 31 March 2014



1. STATUS AND NATURE OF BUSINESS

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

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

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

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

2. STATEMENT OF COMPLIANCE

2.1 These interim condensed financial statements of the Company for the three months period ended 31 March 2014 have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', 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.

2.2 These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2013.

3. ACCOUNTING POLICIES

The accounting policies adopted by the Company in the preparation of these interim condensed financial statements are the same as those applied in the preparation of the annual financial statements for the year ended 31 December 2013.

4. POLICYHOLDERS' LIABILITIES

4.1 Gross of reinsurance

(Rupees in '000)

	Statutory Fund				Aggregate 31 March 2014	Aggregate 31 December 2013
	Investment Linked Business	Conventional Business	Pension Business	Accident & Health Business		
Actuarial liability relating to future events	45 602 542	421 768	19 925	3 140	46 047 375	42 837 575
Provision for outstanding reported claims payable over a period exceeding twelve months	252 498	77 932			330 430	298 794
Provision for incurred but not reported claims	65 934	78 369			144 303	176 902
	<u>45 920 974</u>	<u>578 069</u>	<u>19 925</u>	<u>3 140</u>	<u>46 522 108</u>	<u>43 313 271</u>
4.2 Net of reinsurance						
Actuarial liability relating to future events	45 468 811	241 158	19 896	2 808	45 732 673	42 570 830
Provision for outstanding reported claims payable over a period exceeding twelve months	155 720	18 196			173 916	151 106
Provision for incurred but not reported claims	53 338	78 369			131 707	120 086
	<u>45 677 869</u>	<u>337 723</u>	<u>19 896</u>	<u>2 808</u>	<u>46 038 296</u>	<u>42 842 022</u>

5. RECONCILIATION OF STATUTORY FUNDS

(Rupees in '000)

	Statutory Fund				Aggrgate 31 March 2014	Aggregate 31 December 2013
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Policyholder's Liabilities						
Balance at the beginning of the period	42 509 820	310 273	18 907	3 022	42 842 022	33 009 374
Increase / (decrease) during the period	3 168 049	27 450	989	(214)	3 196 274	9 832 648
Balance at the end of the period	45 677 869	337 723	19 896	2 808	46 038 296	42 842 022
Retained earnings on other than participating business						
Balance at the beginning of the period	558 901	180 906	243	581	740 631	734 559
Surplus for the period	273 987	24 956	17	855	299 815	1 316 439
Surplus appropriated to shareholder's fund	(142 128)	(21 340)	(4)	(983)	(164 455)	(1 310 367)
Balance at end of the period (refer note no 5.1)	690 760	184 522	256	453	875 991	740 631
Balance at the end of the period	46 368 629	522 245	20 152	3 261	46 914 287	43 582 653

5.1 The SECP has issued amendments to the SEC (Insurance) Rules, 2002, which includes revision in the solvency margin for the life insurers. Keeping in view such future solvency requirements, the Company has retained an aggregate amount of Rs 864 million (2013: 726 million) in the Statutory Funds, based on the advice of the appointed actuary.

6. INVESTMENTS

	Statutory Fund					Aggrgate 31 March 2014	Aggregate 31 December 2013
	Shareholders Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business		
Government Securities							
Held to maturity (note 6.3) (at amortized cost)	1 018 766	876 851	661 786	–	5 016	2 562 419	2 952 654
Available for sale (at fair value)	–	27 770 293	–	9 032	–	27 779 325	25 702 262
	1 018 766	28 647 144	661 786	9 032	5 016	30 341 744	28 654 916
Other fixed income securities							
Held to maturity (at amortized cost)	–	44 955	39 940	–	–	84 895	76 187
Available for sale (at fair value)	–	2 509 204	–	504	–	2 509 708	1 676 926
	–	2 554 159	39 940	504	–	2 594 603	1 753 113
Listed equities and mutual funds							
Available for sale (at fair value)	–	8 528 277	–	5 730	–	8 534 007	7 428 687
Held for trading (at fair value)	–	1 033 257	–	–	–	1 033 257	1 197 964
Available for sale (at lower of cost or market value)	1 293 728	98 187	88 137	–	1 035	1 481 087	1 479 198
	1 293 728	9 659 721	88 137	5 730	1 035	11 048 351	10 105 849
Less: Provision for impairment in value of investments	755 645	5 204	46 934	–	696	808 479	928 667
	538 083	9 654 517	41 203	5 730	339	10 239 872	9 177 182

- 6.1 Market value of the government securities carried at amortized cost amounted to Rs.2,897 million (31 December 2013: Rs.2,943.996 million).
- 6.2 Market Value of other fixed income securities carried at amortized cost amounted to Rs. 76.125 million (31 December 2013: Rs. 74.038 million).
- 6.3 Government securities includes Rs.115 million (31 December 2013: Rs. 115 million) placed with the State Bank of Pakistan, in accordance with Section 29 of the Insurance Ordinance, 2000.
- 6.4 Listed equities include investment in EFU General Insurance Limited (a related party) at carrying value of Rs. 786.962 million (31 December 2013: Rs. 572.634 million) representing 6.81% (31 December 2013: 6.81 %) of the issued capital of the related party.
- 6.5 Market value of the listed equities and mutual funds held at lower of cost or market value amounted to Rs. 1,161 million (31 December 2013: Rs. 931 million).

7. CONTINGENCY

Income tax assessment for Tax Year 2013 has been finalised. However, 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. 13.731 million and 14.967 million for Tax Year 2012 and 2013 respectively. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) and believes that the matter will be settled in its favour. No provision has been made in respect of the aforementioned additional tax demand.

8. FIXED ASSETS

(Rupees in '000)

	Three months ended			
	31 March 2014		31 March 2013	
	Additions	Disposals	Additions	Disposals
Tangible and intangible				
Furniture, fixture and fittings	1 510	–	8 078	–
Office equipment	556	–	1 621	130
Computers	1 466	–	1 166	–
Motor Vehicles	43 365	1 747	27 751	1 002
Capital work in progress	58 594	–	32 651	–
	<u>105 491</u>	<u>1 747</u>	<u>71 267</u>	<u>1 132</u>

9. 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 for the period and balances at the period / year end with related parties are as follows:

(Rupees in '000)		
Three months ended		
	31 March 2014	31 March 2013
9.1 Transactions		
9.1.1 Associated companies		
Premium written	21 819	14 356
Premium paid	28 496	22 984
Claims paid	2 969	1 966
Claims received	1 710	1 8
Commission paid	26 988	24 778
9.1.2 Employees' funds		
Contribution to provident fund	5 123	4 368
Contribution to pension fund	3 871	3 212
9.1.3 Key Management Personnel		
Compensation paid	30 587	24 064

(Rupees in '000)		
	31 March 2014	31 December 2013
9.2 Balances		
Bank balances	8 536	7 524
Balance payable	39	34
Balance receivable	547	325

10. DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 28 April 2014.

11. GENERAL

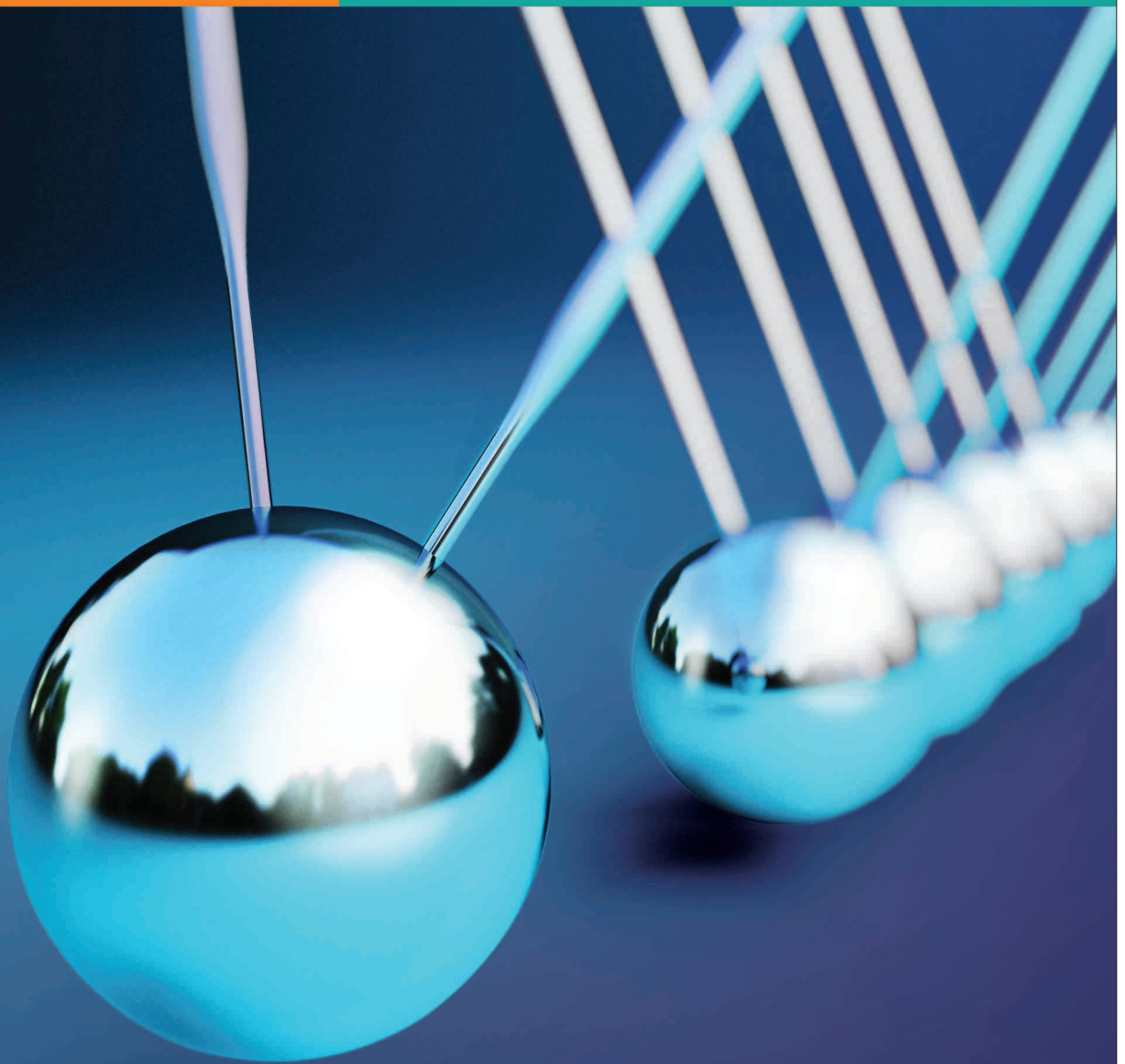
Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman



THE WINNING MOMENTUM

One success leads to another

We are pleased to announce our recent wins.

Corporate Excellence Award by MAP | NFEH CSR Business Excellence Awards
IFS rating upgraded to AA by JCR-VIS | Consumer's Choice Award by CAP

Your support provides momentum to our every move, and so we progress from one victory to the next.



LIFE

Zaroori Hai

 (021) 111-338-111

 efulife.com

 /EFULifeAssurance

 @EFU_Life

