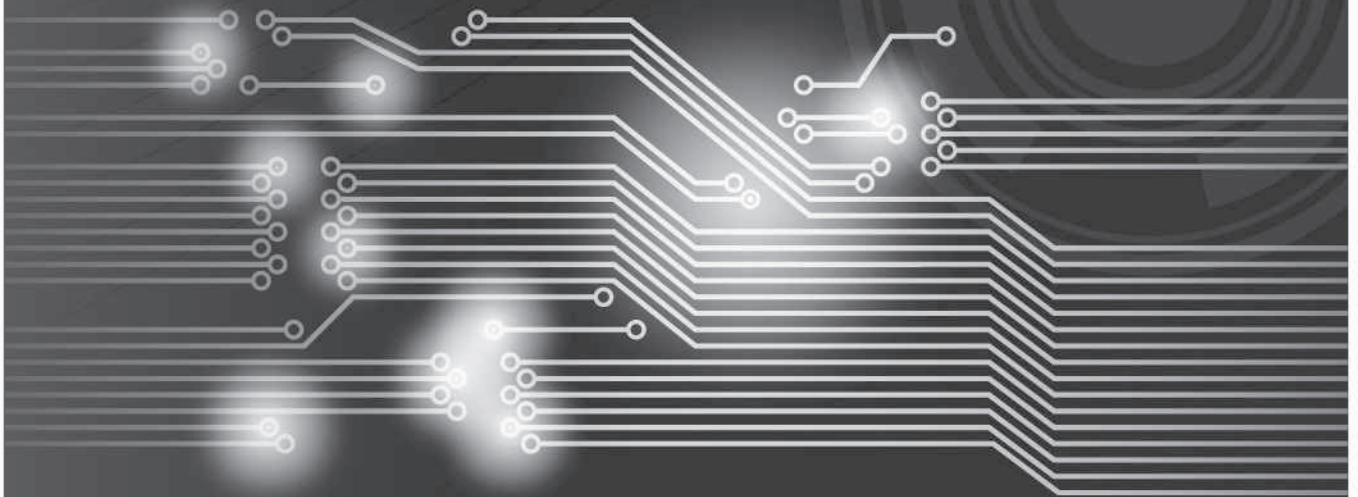


Report (Un-audited)
Three Months Ended
31 March 2015

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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
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

Shariah Advisor

Mufti Muhammad Ibrahim Essa

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
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Ph: (92-21) 34391316-17 & 19
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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

Directors' Review, 31 March 2015

The Directors of your Company are pleased to present the Condensed Interim Financial Statements (Un-audited) for the first quarter ended 31 March 2015.

Your Company's total premium income increased to Rs. 7.86 billion during the first quarter of 2015(2014: Rs 4.16 billion). This total includes New individual life regular premium income of Rs.618million; Renewal premium income of Rs. 2.71billion; Single premium business of Rs 4 billion; and Group Life premium of Rs. 511million.

Your Company had a Profit after Tax of Rs. 301million (2014: Rs. 212million), an increase of 42%. The Earnings per Share is Rs. 3.01 (2014: Rs. 2.12).

The Directors have pleasure in declaring Interim Dividend of Rupee 1/= per share i.e 10%.

On 6 February 2015, your company launched its window takaful operations under a dedicated brand "Hemayah", making your company the first window family takaful operator in Pakistan. The Company expects this new line of business to grow over a period of time. During the quarter, the Insurer Financial Strength rating of the Company was reaffirmed to AA, Outlook: Stable, by JCR-VIS Credit rating company.

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 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 23 April, 2015

Condensed Interim Balance Sheet as at 31 March 2015 (Unaudited)

Rupees '000

Note	Shareholders Fund	Statutory Funds					Aggregate		
		Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	31 March 2015 Unaudited	31 December 2014 Audited	
Share capital and reserves									
Authorised share capital									
[150 000 000 ordinary shares (2014: 150 000 000) of Rs.10 each]	1 500 000						1 500 000	1 500 000	
Issued, subscribed and paid-up share capital									
15 000 000 Ordinary Shares (2014: 15 000 000) of Rs 10/- each issued as fully paid in cash	150 000						150 000	150 000	
85 000 000 Ordinary Shares (2014: 85 000 000) 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	1 384 500						1 384 500	1 083 773	
General reserves	750 500						750 500	750 500	
Net shareholders' equity	3 135 000						3 135 000	2 834 273	
Balance of statutory fund [including policyholders' liabilities Rs. 65 063 million (2014: Rs. 59 923 million)]									
Statutory Fund		65 710 929	686 821	21 040	2 931	–	66 421 721	61 222 367	
Participant Investment Fund						1 270	1 270	–	
Participant Takaful Fund Waqf						286	286	–	
Cede Money- Waqf		–	–	–	–	2 000	2 000	–	
Shareholder's Fund unit holding in PIF		–	–	–	–	5 030	5 030	–	
		65 710 929	686 821	21 040	2 931	8 586	66 430 307	61 222 367	
Deferred tax liability	14 200	–	–	–	–		14 200	14 900	
Creditors and accruals									
Outstanding claims		673 926	540 137	–	789	–	1 214 852	1 117 444	
Premiums/Contribution received in advance	2 145	646 880	35 423	65	82	–	684 595	615 180	
Amounts due to reinsurers/retakaful	–	90 768	20 791	269	745	170	112 743	82 990	
Amounts due to agents	2 375	238 459	15 435	10	59		256 338	409 164	
Accrued expenses	2 000	249 630	17 907	2	28		269 567	407 804	
Unclaimed dividend	12 215	–	–	–	–		12 215	12 216	
Other creditors and accruals	48 405	196 846	3 798	–	24	106	249 179	125 349	
Inter - fund payable	–	262 246	852	1 503	4 360		268 961	386 795	
Total liabilities	67 140	2 358 755	634 343	1 849	6 087	276	3 068 450	3 156 942	
Contingencies and commitments	10								
Total equity and liabilities		3 216 340	68 069 684	1 321 164	22 889	9 018	8 862	72 647 957	67 228 482

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Rupees '000

Note	Shareholders Fund	Statutory Funds					Aggregate	
		Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	31 March 2015 Unaudited	31 December 2014 Audited
Cash and bank deposits								
Policy stamps in hand	145	8 914	362	–	–	–	9 421	14 059
Current and other accounts	550 641	2 138 610	289 690	5 174	3 595	3 074	2 990 784	2 402 310
Deposits maturing within 12 months	–	2 650 000	149 000	1 000	–	–	2 800 000	5 250 000
	550 786	4 797 524	439 052	6 174	3 595	3 074	5 800 205	7 666 369
Loans								
To employees - secured	53 096	–	–	–	–	–	53 096	61 631
To employees and agents - unsecured	14 088	–	–	–	–	–	14 088	9 669
	67 184	–	–	–	–	–	67 184	71 300
Investments								
9	924 411	45 320 107	658 966	11 339	5 007	5 000	46 924 830	38 845 000
Government securities	–	1 582 726	24 945	–	–	–	1 607 671	1 753 864
Other fixed income securities	721 284	14 228 284	43 309	5 090	222	–	14 998 189	14 935 208
Listed equities and mutual funds	508	–	–	–	–	–	508	508
Unlisted equities	1 646 203	61 131 117	727 220	16 429	5 229	5 000	63 531 198	55 534 580
Current assets - others								
Premiums due but unpaid	–	–	74 100	–	–	–	74 100	70 332
Amounts due from reinsurers	–	223	51 461	–	–	–	51 684	102 622
Prepayments	–	43 559	3 702	–	23	–	47 284	25 287
Sundry receivables	27 265	9 684	1 868	–	12	745	39 574	55 530
Investment income accrued	24 408	1 234 196	16 778	286	114	43	1 275 825	1 999 974
Shareholder's Fund unit holding in PIF	5 030	–	–	–	–	–	5 030	–
Taxation - provision less payments	236 538	–	–	–	–	–	236 538	157 367
Advances and deposits	30	82 159	6 983	–	45	–	89 217	74 721
Inter-fund receivable	268 961	–	–	–	–	–	268 961	386 795
	562 232	1 369 821	154 892	286	194	788	2 088 213	2 872 628
Fixed assets								
11	–	126 505	–	–	–	–	126 505	126 505
Tangible assets								
Leased hold land	–	126 505	–	–	–	–	126 505	126 505
Furniture, fixtures, office equipment and vehicles	384 589	–	–	–	–	–	384 589	381 315
Capital work in progress	–	644 717	–	–	–	–	644 717	569 580
Intangible assets	–	–	–	–	–	–	–	–
Computer software	5 346	–	–	–	–	–	5 346	6 205
	389 935	771 222	–	–	–	–	1 161 157	1 083 605
Total assets								
	3 216 340	68 069 684	1 321 164	22 889	9 018	8 862	72 647 957	67 228 482

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Condensed Interim Profit and Loss Account for the three months period ended 31 March 2015 (Unaudited)

	Rupees '000	
	Aggregate 31 March 2015	Aggregate 31 March 2014
Investment income not attributable to Statutory Funds		
Return on government securities	26 544	24 259
Return on other fixed income securities and deposits	6 237	4 579
Dividend income	5 770	15 577
	38 551	44 415
(Provision for) / Reversal of impairment in value of available for sale investments	(45 103)	113 774
Net investment (loss) / income	(6 552)	158 189
Other revenue	3 715	2 518
	(2 837)	160 707
Expenses not attributable to statutory funds	(10 153)	(6 790)
	(12 990)	153 917
Surplus transferred from statutory funds	460 019	164 455
Profit before tax	447 029	318 372
Taxation	(146 300)	(106 500)
Profit after tax	300 729	211 872
Earnings per share - basic and diluted (Rupees)	3.01	2.12

The annexed notes 1 to 14 form an integral part of this condensed interim finance information.

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 2015 (Unaudited)

	Rupees '000			
	Share Capital	General Reserves	Accumulated Surplus	Total
Balance as at 1 January 2014	1 000 000	500 500	1 032 869	2 533 369
Profit for the three months period ended 31 March 2014	–	–	211 872	211 872
Balance as at 31 March 2014	<u>1 000 000</u>	<u>500 500</u>	<u>1 244 741</u>	<u>2 745 241</u>
Balance as at 1 January 2015	1 000 000	750 500	1 083 771	2 834 271
Profit for the three months period ended 31 March 2015	–	–	300 729	300 729
Balance as at 31 March 2015	<u>1 000 000</u>	<u>750 500</u>	<u>1 384 500</u>	<u>3 135 000</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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 2015 (Unaudited)

								Rupees '000	
		Statutory Funds					Aggregate		
Note	Shareholders Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	31 March 2015	31 March 2014	
Operating cash flows									
a) Underwriting activities									
	Premiums/Contributions received	2 145	7 410 648	501 574	135	348	7 916	7 922 766	4 200 686
	Reinsurance premiums paid	-	385	(552)	-	(7)	-	(174)	(153 401)
	Claims paid	-	(267 524)	(292 307)	(1 515)	(7)	-	(561 353)	(347 380)
	Surrenders paid	-	(1 363 932)	-	-	-	-	(1 363 932)	(821 000)
	Commissions paid	2 375	(819 144)	(59 609)	(5)	(25)	(3 358)	(879 766)	(723 875)
Net cash generated from / (used in) underwriting activities		4 520	4 960 433	149 106	(1 385)	309	4 558	5 117 541	2 155 030
b) Other operating activities									
	Income tax paid	(226 171)	-	-	-	-	-	(226 171)	(105 663)
	General management expenses paid	(15 607)	(545 462)	(38 905)	(22)	(107)	-	(600 103)	(611 347)
	Other operating payments	10 120	39 201	(111 702)	-	(25 455)	(7 359)	(95 195)	(560 675)
	Other operating receipts	219 019	-	-	6	-	-	219 025	553 711
	Loans advanced	(8 398)	-	-	-	-	-	(8 398)	8 021
	Loan repayments received	12 514	-	-	-	-	-	12 514	(2 871)
	Other payments on operating assets	(8 417)	(13 968)	(2 421)	-	(17)	(745)	(25 568)	(113 539)
Net cash generated from / (used in) other operating activities		(16 940)	(520 229)	(153 028)	(16)	(25 579)	(8 104)	(723 896)	(832 363)
Total cash generated from / (used in) all operating activities		(12 420)	4 440 204	(3 922)	(1 401)	(25 270)	(3 546)	4 393 645	1 322 667
Investment activities									
	Profit / return received	54 286	1 934 851	44 474	508	299	-	2 034 418	685 613
	Dividends received	5 770	203 250	437	72	-	-	209 529	200 188
	Payments for investments	(3 398)	(10 914 844)	6	-	1	(5 000)	(10 923 235)	(7 818 524)
	Proceeds from disposal of investments	-	2 514 155	-	-	-	-	2 514 155	4 956 918
	Fixed capital expenditure	(101 336)	-	-	-	-	-	(101 336)	(105 491)
	Proceeds from disposal of fixed assets	6 660	-	-	-	-	-	6 660	1 687
Total cash (used in) / generated from investing activities		(38 018)	(6 262 588)	44 917	580	300	(5 000)	(6 259 809)	(2 079 609)
Financing activities									
	Surplus appropriated to shareholders' fund	460 019	(415 736)	(53 430)	(67)	(406)	9 620	-	-
	Cede Money	(2 000)	-	-	-	-	2 000	-	-
	Dividends paid	-	-	-	-	-	-	-	-
Total cash (used in) / generated from financing activities		458 019	(415 736)	(53 430)	(67)	(406)	11 620	-	-
Net cash generated from / (used in) all activities		407 581	(2 238 120)	(12 435)	(888)	(25 376)	3 074	(1 866 164)	(756 942)
Cash and cash equivalents at beginning of the period		143 205	7 035 644	451 487	7 062	28 971	-	7 666 369	7 614 047
Cash and cash equivalents at end of the period		550 786	4 797 524	439 052	6 174	3 595	3 074	5 800 205	6 857 105
Reconciliation to profit and loss account									
	Operating cash flows							4 393 645	1 322 667
	Depreciation							(17 113)	(16 532)
	Amortization							(1 483)	(2 435)
	Profit on disposal of fixed assets							1 472	327
	Other revenue							2 243	2 191
	Investment revenue							1 517 557	1 123 319
	Appreciation in market value of investments							(865 117)	343 422
	Reversal of / (provision for) impairment in the value of available for sale equity investments							(46 161)	120 188
	Reversal of / (provision for) impairment in the value of available for sale fixed income securities							-	22 750
	Profit on sale of investments							498 816	243 042
	(Decrease) / increase in assets other than cash							(64 382)	(345 082)
	Increase in liabilities							(5 118 748)	(2 601 985)
Profit after taxation								300 729	211 872

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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 2015 (Unaudited)

							Rupees '000	
Note	Statutory Funds					Aggregate		
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	31 March 2015	31 March 2014	
Income								
Premiums/Contributions less reinsurances/retakaful	7 276 417	386 342	127	194	7 746	7 670 826	3 945 123	
Net investment income	1 085 749	25 535	164	156	43	1 111 647	1 694 532	
Total net income	8 362 166	411 877	291	350	7 789	8 782 473	5 639 655	
Claims net of reinsurance recoveries	1 683 814	235 350	1 515	–	–	1 920 679	1 119 790	
Management expenses	1 085 033	99 810	29	138	15 853	1 200 863	1 023 776	
Total claims and expenditure	2 768 847	335 160	1 544	138	15 853	3 121 542	2 143 566	
Excess of income over claims and expenditure	5 593 319	76 717	(1 253)	212	(8 064)	5 660 931	3 496 089	
Add : policyholders' liabilities at beginning of the period	59 490 506	408 153	21 997	2 604	–	59 923 260	42 842 022	
Less : policyholders' liabilities at end of the period	64 616 412	422 347	20 704	2 443	1 489	65 063 395	46 038 296	
	(5 125 906)	(14 194)	1 293	161	(1 489)	(5 140 135)	(3 196 274)	
Surplus/(Deficit) before tax	467 413	62 523	40	373	(9 553)	520 796	299 815	
Movement in policyholders' liabilities	5 125 906	14 194	(1 293)	(161)	1 489	5 140 135	3 196 274	
Transfer of (surplus)/Deficit to shareholders' fund	(415 736)	(53 430)	(67)	(406)	9 620	(460 019)	(164 455)	
Balance of statutory funds at beginning of the period	60 533 346	663 534	22 360	3 125		61 222 365	43 582 652	
Balance of statutory funds at end of the period	65 710 929	686 821	21 040	2 931	1 556	66 423 277	46 914 286	
Represented by:								
Policyholders' liabilities	64 616 412	422 347	20 704	2 443	1 270	65 063 176	46 038 296	
Policyholder liabilities as at end of the year/PTF					219	219	–	
Retained earnings on other than participating business/PTF	1 094 517	264 474	336	488	67	1 359 882	875 990	
Balance of statutory funds	65 710 929	686 821	21 040	2 931	1 556	66 423 277	46 914 286	

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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 2015 (Unaudited)

						Rupees '000	
	Statutory Funds					Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	31 March 2015	31 March 2014
Gross premiums/Contributions							
Regular premium/Contribution individual policies*							
First year	609 952	464	–	14	7 866	618 296	659 903
Second year renewal	600 809	108	–	2	–	600 919	579 260
Subsequent year renewal	2 106 845	639	135	331	–	2 107 950	1 838 473
Single premium/Contribution individual policies	4 019 374	–	–	–	50	4 019 424	633 237
Group policies with cash values	6 391	–	–	–	–	6 391	3 648
Group policies without cash values	–	504 139	–	–	–	504 139	444 814
Total gross premiums/Contribution	7 343 371	505 350	135	347	7 916	7 857 119	4 159 335
Less: Reinsurance/Retakaful premiums/contributions ceded							
On individual life first year business	8 336	88	–	–	170	8 594	7 605
On individual life second year business	9 021	14	–	1	–	9 036	7 965
On individual life renewal business	49 597	223	8	152	–	49 980	46 740
On group policies	–	118 683	–	–	–	118 683	151 902
Total reinsurance premium/Contribution ceded	66 954	119 008	8	153	170	186 293	214 212
Net premiums/contributions	7 276 417	386 342	127	194	7 746	7 670 826	3 945 123

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

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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 2015 (Unaudited)

	Statutory Funds					Rupees '000	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Aggregate	
						31 March 2015	31 March 2014
Gross claims							
Claims under individual policies							
by death	170 041	600	–	–	–	170 641	114 351
by insured event other than death	5 950	–	–	–	–	5 950	3 341
by maturity	160 936	–	1 515	–	–	162 451	16 951
by surrender	1 378 086	–	–	–	–	1 378 086	841 377
Total gross individual policy claims	1 715 013	600	1 515	–	–	1 717 128	976 020
Claims under group policies							
by death	220	255 674	–	–	–	255 894	225 701
by insured event other than death	–	13 228	–	–	–	13 228	3 921
by surrender	168	–	–	–	–	168	–
experience refund	–	36 275	–	–	–	36 275	27 676
Total gross group claims	388	305 177	–	–	–	305 565	257 298
Total gross claims	1 715 401	305 777	1 515	–	–	2 022 693	1 233 318
Less: Reinsurance recoveries							
On individual life first year business	19 650	–	–	–	–	19 650	18 933
On individual life second year business	3 725	–	–	–	–	3 725	1 690
On individual life subsequent renewal business	8 212	–	–	–	–	8 212	5 177
On group claims	–	52 778	–	–	–	52 778	77 454
On experience refund of premiums	–	17 649	–	–	–	17 649	10 274
Total reinsurance	31 587	70 427	–	–	–	102 014	113 528
Net claims	1 683 814	235 350	1 515	–	–	1 920 679	1 119 790

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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 2015 (Unaudited)

Rupees '000

	Statutory Funds					Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	31 March 2015	31 March 2014
Acquisition costs							
Remuneration to insurance intermediaries on individual policies:							
- commission on first year premiums/Contribution	278 487	139	–	6	2 716	281 348	306 584
- commission on second year premiums/Contribution	50 685	9	–	–	–	50 694	58 623
- commission on subsequent renewal premiums/Contribution	70 926	16	4	13	–	70 959	43 327
- commission on single premiums/Contribution	159 795	–	–	–	–	159 795	24 456
- override commission	102 919	44	1	6	642	103 612	79 258
- other benefits to insurance intermediaries	134 224	96	16	23	7 643	142 002	156 292
	797 036	304	21	48	11 001	808 410	668 540
Remuneration to insurance intermediaries on group policies:							
- commission	429	60 103	–	–	–	60 532	55 386
- other benefits to insurance intermediaries	95	11 408	–	–	–	11 503	12 336
	524	71 511	–	–	–	72 035	67 722
Branch overheads	68 144	1 268	8	12	36	69 468	61 063
Other acquisition costs							
- policy stamps	23 467	181	–	1	59	23 708	16 819
Total acquisition cost	889 171	73 264	29	61	11 096	973 621	814 144
Administration expenses							
Salaries and other benefits	85 084	16 020	–	45	2 211	103 360	93 693
Travelling expenses	15 764	1 627	–	–	134	17 525	14 199
Cede money-Waqf	–	–	–	–	2 000	2 000	–
Actuary's fees	1 930	164	–	1	5	2 100	2 436
Medical fees	5 568	92	–	–	14	5 674	5 025
Legal and professional fee	3 613	305	–	2	9	3 929	6 880
Advertisements and publicity	18 922	1 686	–	–	71	20 679	5 813
Computer expenses	3 099	269	–	2	8	3 378	1 307
Printing and stationery	10 190	901	–	5	30	11 126	8 321
Depreciation	4 111	576	–	2	10	4 699	4 433
Amortisation	1 363	116	–	1	3	1 483	2 435
Rental	4 446	807	–	2	60	5 315	5 427
Exchange (gain)/ loss	(1 139)	–	–	–	–	(1 139)	7 522
Postage	15 968	238	–	–	41	16 247	18 755
Fees and subscription	16 287	2 085	–	9	46	18 427	17 028
Other management expenses	15 925	1 946	–	8	115	17 994	21 033
Gross management expenses	1 090 302	100 096	29	138	15 853	1 206 418	1 028 451
Commission from reinsurers	(3 128)	(286)	–	–	–	(3 414)	(2 960)
Fees charged to policy holders	(2 141)	–	–	–	–	(2 141)	(1 715)
Net management expenses	1 085 033	99 810	29	138	15 853	1 200 863	1 023 776

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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 2015 (Unaudited)

	Statutory Funds					Rupees '000	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Aggregate	
						31 March 2015	31 March 2014
Investment income							
On government securities	1 091 351	18 300	291	140	43	1 110 125	708 461
On other fixed income securities and deposits	159 798	6 234	21	15		166 068	188 138
Dividend income	203 250	437	72	–	–	203 759	184 611
Amortisation of discount	21 230	981	16	8	–	22 235	37 208
	1 475 629	25 952	400	163	43	1 502 187	1 118 418
Gain on sale of investments	498 816	–	–	–	–	498 816	243 042
Unrealised (Loss)/Gain on Investment	(887 116)	–	(236)	–	–	(887 352)	306 214
(Provision for) / reversal of impairment in value of investments							
Available-for-sale fixed income securities	–	–	–	–	–	–	22 750
Available-for-sale equity securities and mutual fund units	(634)	(417)	–	(7)	–	(1 058)	6 414
	(634)	(417)	–	(7)	–	(1 058)	29 164
	1 086 695	25 535	164	156	43	1 112 593	1 696 838
Less : Investment related expense	(946)	–	–	–	–	(946)	(2 306)
Net investment income	1 085 749	25 535	164	156	43	1 111 647	1 694 532

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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 2015

1. STATUS AND NATURE OF BUSINESS

- 1.1 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.
- 1.2 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.
- 1.3 The company has launched Window Family Takaful operations with effect from February 6th 2015 under the brand name of "Hemayah"

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

- 2.1 The condensed interim financial information of the Company for the Three months period ended 31 March 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' as applicable in Pakistan, 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 The condensed interim financial information does not include all the information and disclosures required in the annual financial statements, Accordingly, the condensed interim financial information should be read in conjunction with the Company's annual financial statements as at and for the year ended 31 December 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and the methods of computation adopted by the Company in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the company for the year ended 31 December 2014.

4. FINANCIAL RISK MANAGEMENT / JUDGEMENTS AND ESTIMATES

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended 31 December 2014.

In preparing this condensed interim financial information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at the year ended 31 December 2014.

5. POLICYHOLDERS' LIABILITIES

Rupees '000

	Statutory Funds					Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	31 March 2015 Unaudited	31 December 2014 Audited
5.1 Gross of reinsurance/retakaful							
Actuarial liability relating to future events	64 451 151	435 438	20 731	2 732	1 945	64 911 997	59 737 073
Provision for outstanding reported claims payable over a period exceeding twelve months	330 246	78 976	–	–	–	409 222	390 626
Provision for incurred but not reported claims	96 534	120 070	–	–	–	216 604	225 077
	<u>64 877 931</u>	<u>634 484</u>	<u>20 731</u>	<u>2 732</u>	<u>1 945</u>	<u>65 537 823</u>	<u>60 352 776</u>
5.2 Net of reinsurance/retakaful							
Actuarial liability relating to future events	64 335 654	305 831	20 704	2 443	1 489	64 666 121	59 546 312
Provision for outstanding reported claims payable over a period exceeding twelve months	205 107	24 951	–	–	–	230 058	214 820
Provision for incurred but not reported claims	75 651	91 565	–	–	–	167 216	162 128
	<u>64 616 412</u>	<u>422 347</u>	<u>20 704</u>	<u>2 443</u>	<u>1 489</u>	<u>65 063 395</u>	<u>59 923 260</u>

6. RECONCILIATION OF STATUTORY FUNDS

Rupees '000

	Statutory Funds					Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	31 March 2015 Unaudited	31 December 2014 Audited
Policyholders' liabilities							
Balance at beginning of the year	59 490 506	408 153	21 997	2 604	–	59 923 260	42 842 022
Increase / (decrease) during the year	5 125 906	14 194	(1 293)	(161)	1 489	5 140 135	17 081 238
Balance at end of the year	<u>64 616 412</u>	<u>422 347</u>	<u>20 704</u>	<u>2 443</u>	<u>1 489</u>	<u>65 063 395</u>	<u>59 923 260</u>
Retained earnings on other than participating business							
Balance at beginning of the year	1 042 840	255 381	363	521	–	1 299 105	740 631
Surplus for the year	467 413	62 523	40	373	(9 553)	520 796	1 531 559
Surplus appropriated to shareholders' fund	(415 736)	(53 430)	(67)	(406)	9 620	(460 019)	(973 083)
Balance at end of the year (refer note no. 6.1)	<u>1 094 517</u>	<u>264 474</u>	<u>336</u>	<u>488</u>	<u>67</u>	<u>1 359 882</u>	<u>1 299 107</u>
Balance of statutory funds	<u>65 710 929</u>	<u>686 821</u>	<u>21 040</u>	<u>2 931</u>	<u>1 556</u>	<u>66 423 277</u>	<u>61 222 367</u>

- 6.1 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.1346 million (2014: 1280million) in the Statutory Funds, based on the advice of the appointed actuary.

7. REVENUE ACCOUNT TAKAFUL

	Individual Family Takaful	31 March 2015 Unaudited	31 March 2014 Unaudited
7.1 Participants' Investment Fund (PIF)			
Income			
Allocated Contribution	1 502	1 502	–
Net Investment Income	16	16	–
Total Net Income	1 518	1 518	–
Less Claims and Expenditure			
Surrenders / Partial Surrenders	–	–	–
Investment Management Charges	10	10	–
Bid offer spread	48	48	–
Policy Admin.fee	190	190	–
Total Claims and Expenditure	248	190	–
Excess of Income over Claims and expenditure	1 270	1 270	–
Add : Technical reserves at the begening of the period	–	–	–
Less : Technical reserves at the end of the period	1 270	1 270	–
Surplus / (Deficit)	–	–	–
Movement in technical reserves	1 270	1 270	–
Balance of PIF at the beginning of the period	–	–	–
Balance of PIF at the end of the period	1 270	1 270	–
7.2 Participants' Takaful Fund (PTF)			
Income			
Contribution net of re-takaful recoveries	533	533	–
Less Claims and Expenditure			
Wakala fee	247	247	–
Excess of Income over Claims and expenditure	286	286	–
Add : Technical reserves at the begening of the period	–	–	–
Less : Technical reserves at the end of the period	219	219	–
Surplus / (Deficit) before distribution	67	67	–
Surplus distributed	–	–	–
Surplus / (Deficit) after distribution	67	67	–
Movement in technical reserves	219	219	–
Balance of PTF at the beginning of the period	–	–	–
Balance of PIF at the end of the period	286	286	–

7.3 Shareholders' Sub Fund

Income

Un-allocated contribution	5 711
Investment income	27
Wakala Fee	247
Policy Admin Fee	190
Bid offer spread	48
Investment Management Charges	10
	6 233

Individual
Family
Takaful

31 March
2015
Unaudited

31 March
2014
Unaudited

	5 711	5 711	–
	27	27	–
	247	247	–
	190	190	–
	48	48	–
	10	10	–
	6 233	6 233	–

Less Expenses

Commission Expenses	3 359
Other acquisition expenses	7 678
Management Expenses	4 816
	15 853

	3 359	3 359	–
	7 678	7 678	–
	4 816	4 816	–
	15 853	15 853	–

Excess of (expenditure)/over income

	(9 620)	(9 620)	–
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Deficit transfer to shareholders fund

	(9 620)	(9 620)	–
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Balance of Fund at the end of the period

	–	–	–
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8 CONTRIBUTION -TAKAFUL

Gross Contribution

Regular Premium Individual Policies*

First year	7 866
Second year renewal	–
Subsequent year renewal	–

	7 866	7 866	–
	–	–	–
	–	–	–

Top up contribution under Individual schemes

	50	50	–
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Total Gross Contribution

	7 916	7 916	–
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Gross contribution allocated as follows

Participants' Investment Fund (PIF)

Allocated regular contribution	1 452
Allocated top up contribution	50
Total Allocated Contribution	1 502

	1 452	1 452	–
	50	50	–
	1 502	1 502	–

Participants' Takaful Fund (PTF)

Gross Contribution

	703	703	–
	703	703	–

Less : Retakaful ceded

On first year individual scheme

	170	170	–
	–	–	–

Net Risk Contribution to PTF

	533	533	–
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Shareholders' Sub Fund

Un-allocated regular contribution

	5 711	5 711	–
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9. INVESTMENTS

	Rupees '000						
	Statutory Funds					Aggregate	
Shareholders Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	31 March 2015 Unaudited	31 December 2014 Audited
Government securities							
Held to maturity (at amortized cost)	924,411	1,035,994	658,966	–	5,007	2,624,378	2,621,605
Available for sale (at fair value)	–	44,284,113	–	11,339	–	5,000	44,300,452
	<u>924,411</u>	<u>45,320,107</u>	<u>658,966</u>	<u>11,339</u>	<u>5,007</u>	<u>5,000</u>	<u>46,924,830</u>
Other fixed income securities							
Held to maturity (at amortized cost)	–	44,950	24,945	–	–	69,895	61,182
Available for sale (at fair value)	–	1,537,776	–	–	–	1,537,776	1,692,682
	<u>–</u>	<u>1,582,726</u>	<u>24,945</u>	<u>–</u>	<u>–</u>	<u>1,607,671</u>	<u>1,753,864</u>
Listed equities and mutual funds							
Available for sale (at fair value)	–	13,515,477	–	5,090	–	13,520,567	13,115,234
Held for trading (at fair value)	–	622,019	–	–	–	622,019	916,336
Available for sale (at lower of cost or market value)	1,299,284	94,416	88,137	–	1,034	1,482,871	1,484,745
	<u>1,299,284</u>	<u>14,231,912</u>	<u>88,137</u>	<u>5,090</u>	<u>1,034</u>	<u>15,625,457</u>	<u>15,516,315</u>
Less : Provision for impairment in value of investments	578,000	3,628	44,828	–	812	627,268	581,107
	<u>721,284</u>	<u>14,228,284</u>	<u>43,309</u>	<u>5,090</u>	<u>222</u>	<u>14,998,189</u>	<u>14,935,208</u>

9.1 Market value of the government securities carried at amortized cost amounted to Rs.2,766 million (31 December 2014: Rs.2,715.914 million).

9.2 Market value of other fixed income securities carried at amortized cost amounted to Rs. 48.805 million (31 December 2014: Rs. 48.815 million).

9.3 Government securities includes Rs.115 million (31 December 2014: Rs. 115 million) placed with the State Bank of Pakistan, in accordance with Section 29 of the Insurance Ordinance, 2000.

9.4 Listed equities include investment in EFU General Insurance Limited (a related party) at carrying value of Rs. 1,118 million (31 December 2014: Rs. 1,205.972 million) representing 6.81% (31 December 2014: 6.81 %) of the issued capital of the related party.

9.5 Market value of the listed equities and mutual funds held at lower of cost or market value amounted to Rs. 1,402 million (31 December 2014: Rs. 1,568 million).

10 CONTINGENCIES AND COMMITMENTS

10.1 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.

10.2 Bank guarantees amounting to Rs.9.278 million has been given in respect of Group Life coverage. These bank guarantees will expire by 30th June 2017.

11. FIXED ASSETS

(Rupees in '000)

	Three months ended			
	31 March 2015		31 March 2014	
	Additions	Disposals	Additions	Disposals
11.1 Tangible and intangible				
Furniture, fixture and fittings	97	128	1 510	–
Office equipment	410	–	556	–
Computers	2 763	42	1 466	–
Motor Vehicles	20 489	3 118	43 365	1 747
Intangibles	624	–	–	–
Capital work in progress	–	–	58 594	–
	<u>24 383</u>	<u>3 288</u>	<u>105 491</u>	<u>1 747</u>

12. 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 2015	31 March 2014
12.1 Transactions		
12.1.1 Associated companies		
Premium written	28 841	21 819
Premium paid	19 963	28 496
Claims paid	1 527	2 969
Claims received	3 589	1 710
Commission paid	25 848	26 988
12.1.2 Employees' funds		
Contribution to provident fund	5 320	5 123
Contribution to pension fund	4 197	3 871
12.1.3 Key Management Personnel		
Compensation paid	250	–
Compensation paid	<u>32 273</u>	<u>30 587</u>

	(Rupees in '000)	
	31 March 2015	31 December 2014
12.2 Balances		
Loan Receivable	500	750
Bank balances	31 730	303 058
Premium payable	79	224
Premium receivable	77	7
Investment in EFU General Insurance Company Limited	1 118 718	1 205 972
Investment in Associates	331 608	416 981

13 GENERAL

13.1 Corresponding figures have been rearranged and reclassified, wherever necessary, to facilitate comparison. However, there are no material reclassifications to report.

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

14. DATE OF AUTHORIZATION FOR ISSUE

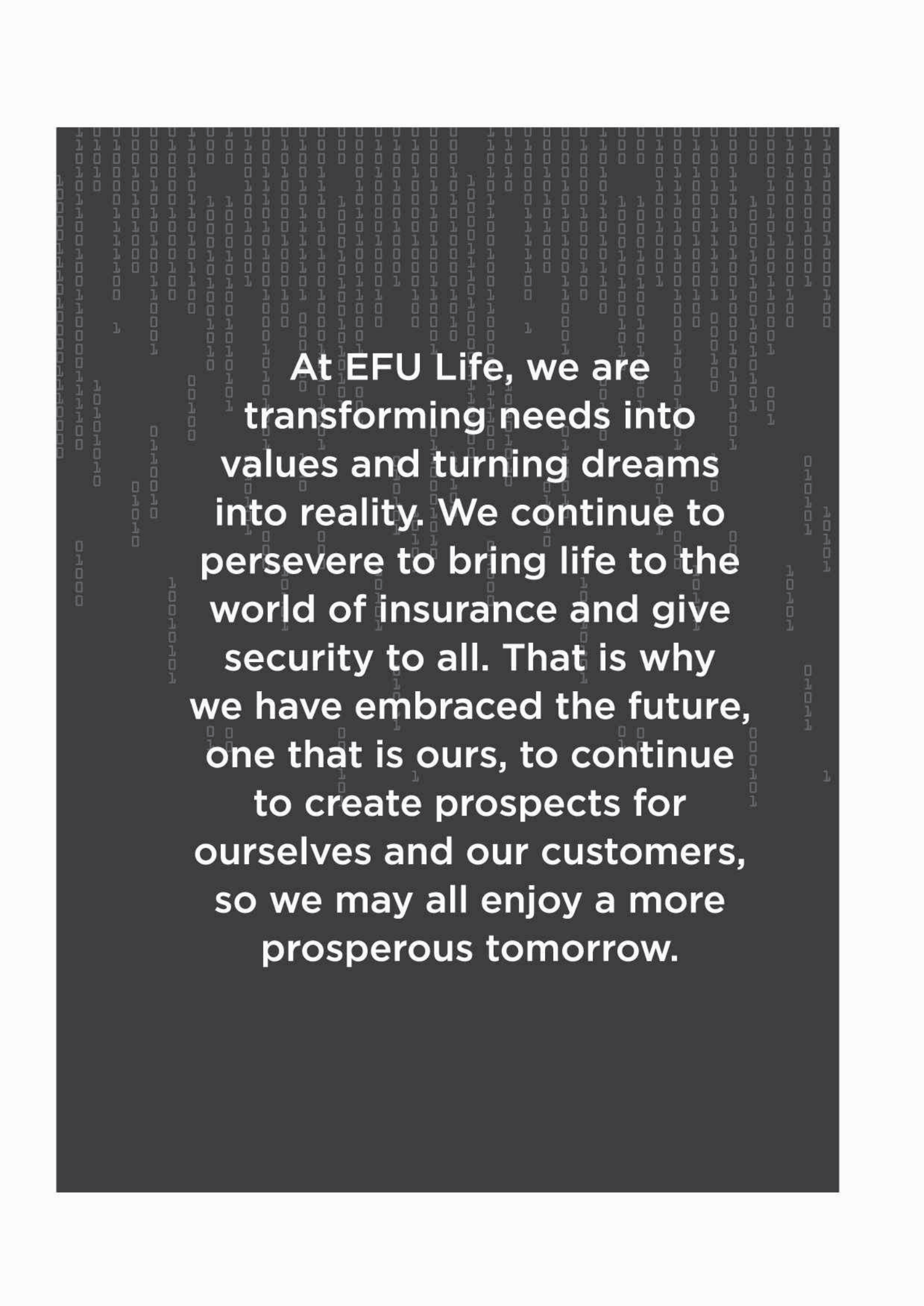
These condensed interim financial information were authorized for issue by the Board of Directors of the Company in their meeting held on 23 April 2015.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman



**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.**

