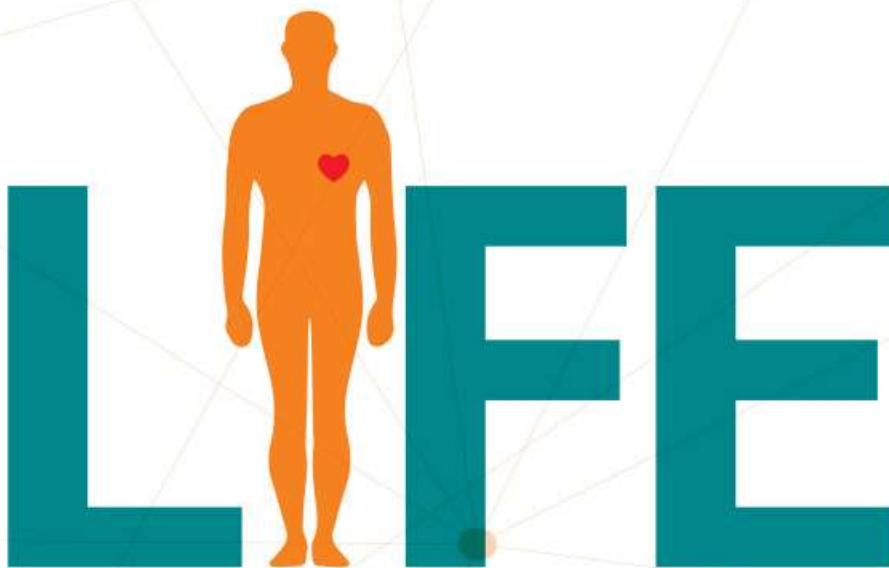


EFU LIFE
Report (Un-audited)
Three Months Ended
31 March 2016

THE ANATOMY OF





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THE ANATOMY OF LIFE

What sets EFU Life apart from the rest is our relentless devotion to our clients. Our unfaltering commitment ensures that all of our clients experience the peace of mind they deserve, and the security and quality of life they seek.

We are not an organisation that simply sells financial plans. We are EFU Life, and we believe in connecting with our clients; connecting with their minds, their heart, and their ideas.

EFU Life is Life itself. An entity with a complete anatomy. Our heart beats for our clients' wellbeing, our brain powers innovation, and our hands are ever ready to catch them should they fall.

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Company Information

Chairman

Rafique R. Bhimjee

Managing Director & Chief Executive

Taher G. Sachak

Directors

Saifuddin N. Zoomkawala

Muneer R. Bhimjee

Hasanali Abdullah

Heinz Walter Dollberg

Kamal Afsar

Syed Salman Rashid

Mahmood Lotia

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

Karachi

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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 2016

The Directors of your Company are pleased to present the Condensed Interim Financial Statements (Un-audited) for the first quarter ended 31 March 2016.

Your Company's total premium income was Rs.5.56 billion during the first quarter of 2016 (2015: Rs7.86 billion). New individual life regular premium income was Rs.704 million (2015: Rs.618 million), an increase of 14%. Renewal premium was Rs. 3.09 billion (2015: Rs.2.71 billion) an increase of 14%. Inclusive of renewal premium, the total individual life regular premium business increased by 14% to Rs.3.80 billion (2015: 3.32 billion). Single premium business was Rs.1.13 billion (2015: Rs.4 billion). Group Benefits business increased by 22.3% at Rs.626 million (2015: Rs.511 million).

Your company had launched its window takaful operations under a dedicated brand name "Hemayah" on 6 February 2015 and has completed one year of its operations. The total family takaful business was Rs.233 million out of which Rs.222 million was from Individual family takaful business while Rs.11 million was from Group Family Takaful. The Company expects this line of business to grow during 2016.

Your Company had a Profit after Tax of Rs.411 million (2015: Rs. 301 million), an increase of 37%. The Earnings per Share is Rs. 4.11 (2015: Rs. 3.01).

The Director have pleasure in declaring interim Dividend of Rupee 1/- per share i.e.10%.

Your Directors would like to place on record their appreciation for the contributions made by the EFU LifeHead 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.

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Karachi 23 April, 2016

ممبران کو ڈائریکٹرز کی رپورٹ (۳۱ مارچ ۲۰۱۶ء)

آپ کی کمپنی کے ڈائریکٹرز، سال ۲۰۱۶ء کی پہلی سہ ماہی جو ۳۱ مارچ ۲۰۱۶ء کو اختتام پذیر ہوئی، کمپنی کے (غیر آڈٹ شدہ) مالیاتی حسابات کے مختصر مگر جامع عبوری اسٹیٹمنٹس کی رپورٹ پیش کرنے میں مسرت محسوس کرتے ہیں۔

اس سہ ماہی میں آپ کی کمپنی کی کل پریئم کی آمدن 5.56 بلین روپے رہی (سال ۲۰۱۵ء: 7.86 بلین روپے)۔ نئے انفرادی بیمہ زندگی کی باقاعدہ پریئم کی آمدن 704 ملین روپے رہی (سال ۲۰۱۵ء: 618 ملین روپے) یعنی پچھلے سال کے مقابلے میں 14 فیصد اضافہ سامنے آیا۔ تجدیدی پریئم 3.09 بلین روپے رہا (سال ۲۰۱۵ء: 2.71 بلین روپے) یعنی کہ اس میں 14 فیصد اضافہ ہوا۔ تجدیدی پریئم کو شامل کر کے، انفرادی بیمہ زندگی کی کل باقاعدہ پریئم کے کاروبار میں 14 فیصد اضافہ ہوا جو 3.80 بلین روپے رہا (سال ۲۰۱۵ء: 3.32 بلین روپے)۔ واحد پریئم کا کاروبار 1.13 بلین روپے رہا (سال ۲۰۱۵ء: 4 بلین روپے)۔ گروپ بنیفٹ کا کاروبار 22.3 فیصد اضافے کے ساتھ 626 ملین روپے رہا (سال ۲۰۱۵ء: 511 ملین روپے)۔

آپ کی کمپنی نے ۶ فروری ۲۰۱۵ء کو ایک مخصوص برانڈ نام ”حمایہ“ کے تحت، اپنے ونڈو ٹکافل آپریشن کا آغاز کیا تھا جس کا ایک سال مکمل ہو گیا ہے۔ فیملی ٹکافل کاروبار 233 ملین روپے رہا جس میں سے 222 ملین روپے انفرادی فیملی ٹکافل کاروبار سے حاصل ہوئے جب کہ بقیہ 11 ملین گروپ فیملی ٹکافل سے تھے۔ ۲۰۱۶ء میں کمپنی اس کاروباری شعبے میں مزید نشوونما کی امید رکھتی ہے۔

اس سہ ماہی کے دوران، کمپنی نے بعد از ٹیکس 411 ملین روپے (۲۰۱۵: 301 ملین روپے) کا منافع حاصل کیا جو پچھلے سال کی اسی سہ ماہی کے مقابلے میں 37 فیصد اضافہ ہے۔ اس مدت کے لئے فی شیئر آمدن 4.11 روپے رہی (2015: 3.01 روپے)۔

کمپنی ڈائریکٹرز فی حصص 1.00 روپے یعنی دس فیصد عبوری منافع منقسمہ پیش کرنے میں مسرت محسوس کرتے ہیں۔

آپ کی کمپنی کے ڈائریکٹرز، کمپنی کی نشوونما اور ترقی کیلئے ای ایف یو لائف کے ہیڈ آفس کی ٹیم اور تمام تقسیم کار چینلز کو ان کے تعاون اور اعانت کیلئے داد ہائے تحسین پیش کرنا چاہیں گے۔ ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی رہنمائی کے لئے، اور اپنے بنیادی ری انشورر میونخ ری کے مسلسل اعانت کے بھی شکر گزار ہیں۔ سب سے آخر میں ہم اپنے صارفین کا بھی، کمپنی میں انکے مستقل بھروسے کیلئے شکریہ ادا کرنا چاہیں گے۔

رفیق آر۔ بھیم جی
ڈائریکٹر

طاہر جی۔ ساچک
منیجنگ ڈائریکٹر و چیف ایگزیکٹو

حسن علی عبداللہ
ڈائریکٹر

محمود لوٹیا
ڈائریکٹر

کراچی ۲۳ اپریل ۲۰۱۶

Condensed Interim Balance Sheet as at 31 March 2016 (Unaudited)

Rupees in '000

Note	Shareholders Fund	Statutory Funds						Aggregate		
		Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	31 March 2016 Unaudited	31 December 2015 Audited	
Share capital and reserves										
Authorised share capital										
[150 000 000 ordinary shares (2015: 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 (2015: 15 000 000) of Rs 10/- each issued as fully paid in cash										
	150 000	–	–	–	–	–	–	150 000	150 000	
85 000 000 Ordinary Shares (2015: 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	1 871 069	–	–	–	–	–	–	1 871 069	1 459 743	
General reserves	950 000	–	–	–	–	–	–	950 000	950 000	
Net shareholders' equity	3 821 069	–	–	–	–	–	–	3 821 069	3 409 743	
Balance of statutory fund [including policyholders' liabilities Rs. 81 962 million (2015: Rs. 82 185 million)]										
Statutory fund	5	8 194	82 485 876	866 520	21 261	2 905	215 740	6 537	83 607 033	83 829 193
Cede Money- Waqf		–	–	–	–	–	2 000	–	2 000	2 000
Shareholder's Fund unit holding in PIF		–	–	–	–	–	5 150	–	5 150	5 127
		8 194	82 485 876	866 520	21 261	2 905	222 890	6 537	83 614 183	83 836 320
Deferred tax liability		14 200	–	–	–	–	–	–	14 200	15 800
Creditors and accruals										
Outstanding claims		–	1 055 249	697 761	–	1 610	–	4 770	1 759 390	1 458 110
Premiums / Contribution received in advance		–	535 985	64 514	65	81	15 095	–	615 740	570 463
Amounts due to reinsurers / retakaful		–	117 172	159 585	–	–	5 917	5 655	288 329	187 617
Amounts due to agents		–	229 114	16 012	10	59	15 792	50	261 037	524 163
Accrued expenses		2 762	178 111	18 996	2	62	–	–	199 933	322 041
Unclaimed dividend		16 850	–	–	–	–	–	–	16 850	16 870
Other creditors and accruals		227 202	54 623	5 432	–	35	489	31	287 812	268 719
Inter-fund payable		–	347 197	194	1 861	1 632	–	–	350 884	655 533
Total liabilities		246 814	2 517 451	962 494	1 938	3 479	37 293	10 506	3 779 975	4 003 516
Contingencies and commitments	8									
Total equity and liabilities		4 090 277	85 003 327	1 829 014	23 199	6 384	260 183	17 043	91 229 427	91 265 379

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

Rupees in '000

	Note	Shareholders Fund	Statutory Funds					Aggregate		
			Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	31 March 2016 Unaudited	31 December 2015 Audited
Cash and bank deposits										
Policy stamps in hand		170	7 111	310	–	–	–	–	7 591	8 545
Current and other accounts		892 080	770 015	754 467	5 542	551	82 094	13 663	2 518 412	3 538 042
Deposits maturing within 12 months		–	10 275 000	124 000	1 000	–	10 000	–	10 410 000	10 860 000
		892 250	11 052 126	878 777	6 542	551	92 094	13 663	12 936 003	14 406 587
Loans										
To employees - secured		82 509	–	–	–	–	–	–	82 509	85 094
To employees and agents - unsecured		14 168	–	–	–	–	–	–	14 168	15 093
		96 677	–	–	–	–	–	–	96 677	100 187
Investments										
Government securities	7	1 181 868	47 997 373	722 972	11 387	5 039	82 710	2 500	50 003 849	49 251 553
Other fixed income securities		–	1 618 527	–	–	–	–	–	1 618 527	1 434 650
Listed equities and mutual funds		820 611	21 459 839	46 238	4 972	257	3 391	–	22 335 308	21 254 612
Unlisted equities		508	–	–	–	–	–	–	508	508
		2 002 987	71 075 739	769 210	16 359	5 296	86 101	2 500	73 958 192	71 941 323
Current assets - others										
Premiums due but unpaid		–	–	75 275	–	–	–	851	76 126	70 254
Amounts due from reinsurers		–	95 424	70 870	–	308	–	–	166 602	147 849
Prepayments		3 208	57 793	4 912	–	32	–	–	65 945	26 071
Sundry receivables		95 016	30 774	2 565	–	17	81 386	–	209 758	136 325
Investment income accrued		45 922	1 200 509	17 211	298	115	602	29	1 264 686	1 964 499
Shareholders' Fund unit holding in PIF		5 150	–	–	–	–	–	–	5 150	5 127
Taxation - provision less payments		157 860	–	–	–	–	–	–	157 860	56 952
Advances and deposits		17	119 927	10 194	–	65	–	–	130 203	86 978
Inter-fund receivable		350 884	–	–	–	–	–	–	350 884	655 533
		658 057	1 504 427	181 027	298	537	81 988	880	2 427 214	3 149 588
Fixed assets										
Tangible assets	9									
Leased hold land		–	126 505	–	–	–	–	–	126 505	126 505
Furniture fixtures office equipment and vehicles		418 038	–	–	–	–	–	–	418 038	422 522
Capital work in progress		–	1 244 530	–	–	–	–	–	1 244 530	1 095 312
Intangible assets										
Computer software		22 268	–	–	–	–	–	–	22 268	23 355
		440 306	1 371 035	–	–	–	–	–	1 811 341	1 667 694
Total assets		4 090 277	85 003 327	1 829 014	23 199	6 384	260 183	17 043	91 229 427	91 265 379

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

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
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 2016 (Unaudited)

Rupees in '000

Note	Three months ended 31 March	
	2016	2015
Investment income not attributable to statutory funds		
Return on government securities	30 071	26 544
Return on other fixed income securities and deposits	13 850	6 237
Dividend income	25 984	5 770
	69 905	38 551
(Provision for) / reversal of impairment in the value of available for sale investments	72 206	(45 103)
Net investment income	142 111	(6 552)
Other revenue	8 084	3 715
	150 195	(2 837)
Expenses not attributable to statutory funds	(13 976)	(10 153)
	136 219	(12 990)
Surplus transferred from statutory funds	454 009	460 019
Profit before tax for the period	590 228	447 029
Taxation	10 (178 900)	(146 300)
Profit after tax for the period	411 328	300 729
	Rupees	
Earnings per share - basic and diluted	4.11	3.01

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

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
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 2016 (Unaudited)

(Rupees in '000)

	Share Capital	General Reserves	Accumulated Surplus	Total
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>
Balance as at 1 January 2016	1 000 000	950 000	1 459 741	3 409 741
Profit for the three months period ended 31 March 2016	–	–	411 328	411 328
Balance as at 31 March 2016	<u>1 000 000</u>	<u>950 000</u>	<u>1 871 069</u>	<u>3 821 069</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
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 2016 (Unaudited)

Rupees in '000

	Shareholders Fund	Statutory Funds						Aggregate	
		Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	31 March 2016 Unaudited	31 March 2015 Audited
Operating cash flows									
a) Underwriting activities									
Premiums / contribution received	-	4 743 326	617 326	132	324	228 119	10 680	5 599 907	7 922 766
Reinsurance premiums paid	-	-	(45 111)	(230)	79	-	-	(45 262)	(174)
Claims paid	-	(249 732)	(392 971)	-	(675)	-	(112)	(643 490)	(561 353)
Surrenders paid	-	(4 867 672)	-	(385)	-	(1 202)	-	(4 869 259)	(1 363 932)
Commissions paid	-	(730 907)	(61 550)	(4)	(28)	(58 629)	(212)	(851 330)	(879 766)
Net cash generated from / (used in) underwriting activities		(1 104 985)	117 694	(487)	(300)	168 288	10 356	(809 434)	5 117 541
b) Other operating activities									
Income tax paid	(281 408)	-	-	-	-	-	-	(281 408)	(226 171)
General management expenses paid	(14 094)	(576 728)	(40 280)	(8)	59	(36 306)	(1 608)	(668 965)	(600 103)
Other operating payments	74 122	(449 795)	(46 664)	-	(33 508)	(468)	(2 106)	(458 419)	(95 195)
Other operating receipts	467 246	-	-	196	-	10 093	-	477 535	219 025
Loans advanced	(55 961)	-	-	-	-	-	-	(55 961)	(8 398)
Loan repayments received	59 471	-	-	-	-	-	-	59 471	12 541
Other payments on operating assets	(15 552)	(68 886)	(5 850)	-	(38)	(66 249)	-	(156 575)	(25 568)
Net cash (used in) / generated from other operating activities		233 824	(1 095 409)	(92 794)	188	(33 487)	(92 930)	(3 714)	(1 084 322)
Total cash (used in) / generated from all operating activities		233 824	(2 200 394)	24 900	(299)	(33 787)	75 358	6 642	(1 893 756)
Investment activities									
Profit / return received	52 102	2 062 934	40 481	470	533	293	-	2 156 813	2 034 418
Dividends received	25 984	373 561	1 463	86	-	-	-	401 094	209 529
Payments for investments	(5 519)	(2 847 947)	(30 729)	(2)	-	(80 210)	-	(2 964 407)	(10 923 235)
Proceeds from disposal of investments	-	989 937	-	-	-	-	-	989 937	2 514 155
Fixed capital expenditure	(167 933)	-	-	-	-	-	-	(167 933)	(101 336)
Proceeds from disposal of fixed assets	7 668	-	-	-	-	-	-	7 668	6 660
Total cash (used in) / generated from all investing activities		(87 698)	578 485	11 215	554	533	(79 917)	-	423 172
Financing activities									
Surplus appropriated to shareholders' fund	454 009	(460 848)	4 083	(413)	(572)	2 477	1 264	-	-
Cede Money	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Total cash generated from / (used in) all financing activities		454 009	(460 848)	4 083	(413)	(572)	2 477	1 264	-
Net cash generated from / (used in) all activities		600 135	(2 082 757)	40 198	(158)	(33 826)	(2 082)	7 906	(1 470 584)
Cash and cash equivalents at beginning of the period		292 115	13 134 883	838 579	6 700	34 377	94 176	5 757	14 406 587
Cash and cash equivalents at end of the period		892 250	11 052 126	878 777	6 542	551	92 094	13 663	12 936 003
Reconciliation to profit and loss account									
Operating cash flows								(1 893 756)	4 393 645
Depreciation								(18 733)	(17 113)
Amortization								(2 744)	(1 483)
Profit on disposal of fixed assets								4 859	1 472
Other revenue								3 225	2 243
Investment revenue								1 854 871	1 517 557
Appreciation in market value of investments								(336 471)	(865 117)
(Provision for) / reversal of impairment in the value of available for sale equity investments								72 939	(46 161)
Profit on sale of investments								305 931	498 816
Increase / (Decrease) in assets other than cash								(26 071)	(64 382)
Increase in liabilities								447 278	(5 118 748)
Profit after taxation								411 328	300 729

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

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Condensed Interim Revenue Account for the three months period ended 31 March 2016 (Unaudited)

							Rupees in '000	
Note	Statutory Funds						Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	Three months ended 31 March	
							2016	2015
Income								
Premiums / contribution less reinsurances / retakaful	4 646 965	435 140	125	182	219 019	7 619	5 309 050	7 670 826
Net investment income	1 727 432	26 098	351	377	12 685	2 725	1 769 668	1 111 647
Total net income	6 374 397	461 238	476	559	231 704	10 344	7 078 718	8 782 473
Claims net of reinsurance recoveries	5 376 399	314 114	385	180	1 202	1 511	5 693 791	1 920 679
Management expenses	956 264	100 567	15	128	91 568	4 536	1 153 078	1 200 863
Total claims and expenditure	6 332 663	414 681	400	308	92 770	6 047	6 846 869	3 121 542
Excess of income over claims and expenditure	41 734	46 557	76	251	138 934	4 297	231 849	5 660 931
Add : policyholders' liabilities at beginning of the period	81 600 231	495 920	21 258	2 691	62 328	2 942	82 185 370	59 923 260
Less : policyholders' liabilities at end of the period	81 184 770	536 355	20 929	2 422	212 796	5 336	81 962 608	65 063 395
	415 461	(40 435)	329	269	(150 468)	(2 394)	222 762	(5 140 135)
Surplus / (Deficit) before tax	457 195	6 122	405	520	(11 534)	1 903	454 611	520 796
Movement in policyholders' liabilities	(415 461)	40 435	(329)	(269)	150 468	2 394	(222 762)	5 140 135
Transfer of (surplus) / deficit to shareholders' fund	(460 848)	4 083	(413)	(572)	2 477	1 264	(454 009)	(460 019)
Balance of statutory funds at beginning of the period	82 904 990	815 880	21 598	3 226	77 463	6 036	83 829 193	61 222 365
Balance of statutory funds at end of the period	82 485 876	866 520	21 261	2 905	218 874	11 597	83 607 033	66 423 277
Represented by:								
Policyholders' liabilities	81 184 770	536 355	20 929	2 422	212 796	5 336	81 962 608	65 063 176
Retained earnings on other than participating business	1 301 106	330 165	332	483	6 078	6 261	1 644 425	1 360 101
Balance of statutory funds	82 485 876	866 520	21 261	2 905	218 874	11 597	83 607 033	66 423 277

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

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Condensed Interim Statement of Premiums / Contributions for the three months period ended 31 March 2016 (Unaudited)

Note	Statutory Funds						Rupees in '000	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	Aggregate	
							Three months ended 31 March	
							2016	2015
Gross premiums / contribution								
Regular premium / Contribution individual policies*								
First year	627 221	265	–	29	76 871	–	704 386	618 296
Second year renewal	613 375	(339)	–	–	3 622	–	616 658	600 919
Subsequent year renewal	2 479 261	544	132	295	–	–	2 480 232	2 107 950
Single premium / Contribution individual policies	991 960	–	–	–	141 231	–	1 133 191	4 019 424
Group policies with cash values	5 284	–	–	–	–	–	5 284	6 391
Group policies without cash values	–	609 329	–	–	–	11 422	620 751	504 139
Total gross premiums / Contribution	4 717 101	609 799	132	324	221 724	11 422	5 560 502	7 857 119
Less: Reinsurance premiums / Retakaful contribution ceded								
On individual life first year business	7 707	34	–	1	2 705	–	10 447	8 594
On individual life second year business	9 324	86	–	–	–	–	9 410	9 036
On individual life renewal business	53 105	201	7	141	–	–	53 454	49 980
On group policies	–	174 338	–	–	–	3 803	178 141	118 683
Total reinsurance premium / retakaful contribution ceded	70 136	174 659	7	142	2 705	3 803	251 452	186 293
Net premium / contribution	4 646 965	435 140	125	182	219 019	7 619	5 309 050	7 670 826

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

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Chairman

Condensed Interim Statement of Claims for the three months period ended 31 March 2016 (Unaudited)

Note							Rupees in '000	
	Statutory Funds						Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	Three months ended 31 March	
							2016	2015
Gross claims								
Claims under individual policies								
by death	345 977	–	–	–	–	–	345 977	170 641
by insured event other than death	3 177	30	–	401	–	–	3 608	5 950
by maturity	205 684	–	–	–	–	–	205 684	162 451
by surrender	4 867 672	–	385	–	1 202	–	4 869 259	1 378 086
Total gross individual policy claims	5 422 510	30	385	401	1 202	–	5 424 528	1 717 128
Claims under group policies								
by death	–	344 869	–	–	–	1 939	346 808	255 894
by insured event other than death	–	6 937	–	–	–	111	7 048	13 228
by surrender	438	–	–	–	–	–	438	168
experience refund	–	35 207	–	–	–	–	35 207	36 275
Total gross group claims	438	387 013	–	–	–	2 050	389 501	305 565
Total gross claims	5 422 948	387 043	385	401	1 202	2 050	5 814 029	2 022 693
Less: Reinsurance recoveries								
On individual life first year business	44 555	–	–	–	–	–	44 555	19 650
On individual life second year business	318	–	–	–	–	–	318	3 725
On individual life subsequent renewal business	1 676	–	–	221	–	–	1 897	8 212
On group claims	–	56 809	–	–	–	539	57 348	52 778
On experience refund of premiums	–	16 120	–	–	–	–	16 120	17 649
Total reinsurance recoveries	46 549	72 929	–	221	–	539	120 238	102 014
Net claims	5 376 399	314 114	385	180	1 202	1 511	5 693 791	1 920 679

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

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Chairman

Condensed Interim Statement of Expenses for the three months period ended 31 March 2016 (Unaudited)

Rupees '000

	Statutory Funds						Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	Three months ended 31 March	
							2016	2015
Acquisition costs								
Remuneration to insurance intermediaries								
on individual policies:								
– commission on first year premiums / Contribution	262 743	46	–	13	34 626	–	297 428	281 348
– commission on second year premiums / Contribution	46 043	3	–	–	276	–	46 322	50 694
– commission on subsequent renewal premiums / Contribution	63 715	14	3	9	44	–	63 785	70 959
– commission on single premiums / Contribution	35 399	–	–	–	5 144	–	40 543	159 795
– override commission	77 303	18	2	5	4 281	–	81 609	103 612
– other benefits to insurance intermediaries	175 709	81	7	20	19 115	2	194 934	142 002
	660 912	162	12	47	63 486	2	724 621	808 410
Remuneration to insurance intermediaries								
on group policies:								
– commission	355	57 932	–	–	–	230	58 517	60 532
– other benefits to insurance intermediaries	227	12 195	–	–	–	825	13 247	11 503
	582	70 127	–	–	–	1 055	71 764	72 035
Branch overheads	64 709	863	3	9	8 976	44	74 604	69 468
Other acquisition costs								
– policy stamps	23 914	108	–	1	33	–	24 056	23 708
Total acquisition cost	750 117	71 260	15	57	72 495	1 101	895 045	973 621
Administration expenses								
Salaries and other benefits	100 168	18 543	–	45	4 827	592	124 175	103 360
Travelling expenses	967	189	–	–	251	17	1 424	17 525
Cede money-Waqf	–	–	–	–	–	–	–	2 000
Actuary's fees	2 289	177	–	1	83	–	2 550	2 100
Medical fees	5 351	149	–	–	164	–	5 664	5 674
Legal and professional fee	6 108	2 101	–	3	350	1	8 563	3 929
Advertisements and publicity	23 816	1 892	–	–	417	–	26 125	20 679
Computer expenses	3 556	276	–	1	129	–	3 962	3 378
Printing and stationery	6 689	652	–	3	240	7	7 591	11 126
Depreciation	3 815	707	–	1	122	24	4 669	4 699
Amortisation	2 463	191	–	1	89	–	2 744	1 483
Rental	4 446	1 167	–	2	147	45	5 807	5 315
Exchange (gain) / loss	915	–	–	–	–	–	915	(1 139)
Postage	19 280	1	–	–	–	–	19 281	16 247
Fees and subscription	11 224	916	–	5	337	2	12 484	18 427
Wakala/Wakalat-ul-Istasmr Expenses					11 810	2 698	14 508	495
Other management expenses	20 805	2 361	–	9	1 155	49	24 379	17 994
Gross management expenses	962 009	100 582	15	128	92 616	4 536	1 159 886	1 206 913
Commission from reinsurers	(2 930)	(15)	–	–	(1 048)	–	(3 993)	(3 414)
Fees charged to policy holders	(2 815)	–	–	–	–	–	(2 815)	(2 141)
Net management expenses	956 264	100 567	15	128	91 568	4 536	1 153 078	1 201 358

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

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Chairman

Condensed Interim Statement of Investment Income for the three months period ended 31 March 2016 (Unaudited)

	Rupees '000							
	Statutory Funds						Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	Three months ended 31 March	
							2016	2015
Investment income								
On government securities	1 164 326	19 696	290	139	250	27	1 184 728	1 110 125
On other fixed income securities and deposits	221 709	3 618	17	249	574	–	226 167	166 068
Dividend income	373 561	1 463	86	–	–	–	375 110	203 759
Amortisation of (premium) / discount	(103 811)	568	16	9	–	–	(103 218)	22 235
	1 655 785	25 345	409	397	824	27	1 682 787	1 502 187
Gain on sale of investments	305 931	–	–	–	–	–	305 931	498 816
Unrealised gain on investment	(233 245)	–	(58)	–	50	–	(233 253)	(887 352)
(Provision for) / Reversal of impairment in value of investments								
Available-for-sale fixed income securities	–	–	–	–	–	–	–	–
Available-for-sale equity securities and mutual fund units	–	753	–	(20)	–	–	733	(1 058)
	–	753	–	(20)	–	–	733	(1 058)
	1 728 471	26 098	351	377	874	27	1 756 198	1 112 593
Less : Investment related expense	(1 039)	–	–	–	–	–	(1 039)	(946)
Add: Wakala / Wakalat-ul-Istasmr Income					11 811	2 698	14 509	495
Net investment income	<u>1 727 432</u>	<u>26 098</u>	<u>351</u>	<u>377</u>	<u>12 685</u>	<u>2 725</u>	<u>1 769 668</u>	<u>1 112 142</u>

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Notes to and Forming Part of the Condensed Interim Financial information For the three months period ended 31 March 2016 - Unaudited

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 Pakistan 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
 - Individual Family Takaful (Refer note 1.3)
 - Group Family Takaful (Refer note 1.3)
- * The Company had discontinued pension business and accordingly no new business has been written under this fund.
- 1.3 The Company was granted authorisation on 19 January 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operation in respect of family takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on 6 February 2015 under the brand name "Hemayah". For the purpose of carrying on takaful business, the Company has formed a Waqf namely EFU Life - Window Family Takaful Limited Waqf (here-in-after referred to as the Participant Takaful Fund (PTF)) was formed on 6 February 2015 under a Waqf deed executed by the Company with a cede amount of Rs.2 million. The cede money is required to be invested in Shariah compliant investments and any profit thereon can be utilized only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the company and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the Shariah Advisor appointed by the Company.

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 2016 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 2015.

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 2015.

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 2015.

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 2015.

5. POLICYHOLDERS' LIABILITIES

Rupees '000

	Statutory Funds						Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	31 March 2016 Unaudited	31 December 2015 Audited
5.1 Gross of reinsurance/retakaful								
Actuarial liability relating to future events	80 961 641	555 232	20 953	2 666	216 689	8 501	81 765 682	81 952 070
Provision for outstanding reported claims payable over a period exceeding twelve months	403 253	112 648	–	13	–	–	515 914	488 899
Provision for incurred but not reported claims	128 487	166 074	–	–	–	–	294 561	272 179
	<u>81 493 381</u>	<u>833 954</u>	<u>20 953</u>	<u>2 679</u>	<u>216 689</u>	<u>8 501</u>	<u>82 576 157</u>	<u>82 713 148</u>
5.2 Net of reinsurance/retakaful								
Actuarial liability relating to future events	80 834 270	373 441	20 929	2 413	212 796	5 336	81 449 185	81 704 013
Provision for outstanding reported claims payable over a period exceeding twelve months	249 809	31 967	–	9	–	–	281 785	268 383
Provision for incurred but not reported claims	100 691	130 947	–	–	–	–	231 638	212 975
	<u>81 184 770</u>	<u>536 355</u>	<u>20 929</u>	<u>2 422</u>	<u>212 796</u>	<u>5 336</u>	<u>81 962 608</u>	<u>82 185 371</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	Group Family Takaful	31 March 2016 Unaudited	31 December 2015 Audited
Policyholders' liabilities								
Balance at beginning of the year	81 600 231	495 920	21 258	2 691	62 328	2 944	82 185 372	59 923 260
Increase / (decrease) during the year	(415 461)	40 435	(329)	(269)	150 468	2 394	(222 762)	22 262 111
Balance at end of the year	<u>81 184 770</u>	<u>536 355</u>	<u>20 929</u>	<u>2 422</u>	<u>212 796</u>	<u>5 338</u>	<u>81 962 610</u>	<u>82 185 371</u>
Retained earnings on other than participating business								
Balance at beginning of the year	1 304 759	319 960	340	535	15 135	3 092	1 643 821	1 299 107
Surplus for the year	457 195	6 122	405	520	(11 534)	1 903	454 611	2 466 791
Surplus appropriated to shareholders' fund	(460 848)	4 083	(413)	(572)	2 477	1 264	(454 009)	(2 122 076)
Balance at end of the year (refer note no. 6.1)	<u>1 301 106</u>	<u>330 165</u>	<u>332</u>	<u>483</u>	<u>6 078</u>	<u>6 259</u>	<u>1 644 423</u>	<u>1 643 822</u>
Balance of statutory funds	<u>82 485 876</u>	<u>866 520</u>	<u>21 261</u>	<u>2 905</u>	<u>218 874</u>	<u>11 597</u>	<u>83 607 033</u>	<u>83 829 193</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.1,629 million (2015: Rs. 1,616 million) in the Statutory Funds, based on the advice of the appointed actuary.

7. INVESTMENTS

								Rupees '000	
Statutory Funds								Aggregate	
Shareholders Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful		31 March 2016 Unaudited	31 December 2015 Audited
Government Securities									
Held to maturity (at amortized cost)	1 181 868	1 089 444	722 972	1 497	5 039	–	–	3 000 820	2 921 786
Available for sale (at fair value)	–	46 907 929	–	9 890	–	82 710	2 500	47 003 029	46 329 767
	<u>1 181 868</u>	<u>47 997 373</u>	<u>722 972</u>	<u>11 387</u>	<u>5 039</u>	<u>82 710</u>	<u>2 500</u>	<u>50 003 849</u>	<u>49 251 553</u>
Other fixed income securities									
Held to maturity (at amortized cost)	–	–	–	–	–	–	–	–	11 282
Available for sale (at fair value)	–	1 618 527	–	–	–	–	–	1 618 527	1 423 368
	<u>–</u>	<u>1 618 527</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1 618 527</u>	<u>1 434 650</u>
Listed equities and mutual funds									
Available for sale (at fair value)	–	20 918 843	–	4 972	–	3 391	–	20 927 206	19 756 346
Held for trading (at fair value)	–	449 638	–	–	–	–	–	449 638	451 369
Available for sale (at lower of cost or market value)	1 307 942	91 358	88 498	–	1 035	–	–	1 488 833	1 650 205
	<u>1 307 942</u>	<u>21 459 839</u>	<u>88 498</u>	<u>4 972</u>	<u>1 035</u>	<u>3 391</u>	<u>–</u>	<u>22 865 677</u>	<u>21 857 920</u>
Less: Provision for impairment in value of investments	487 331	–	42 260	–	778	–	–	530 369	603 308
	<u>820 611</u>	<u>21 459 839</u>	<u>46 238</u>	<u>4 972</u>	<u>257</u>	<u>3 391</u>	<u>–</u>	<u>22 335 308</u>	<u>21 254 612</u>

- 7.1 Market value of the government securities carried at amortized cost amounted to Rs. 3,083 million (31 December 2015: Rs. 3,023.764 million).
- 7.2 Market value of other fixed income securities carried at amortized cost amounted to Rs. 0.00 million (31 December 2015: Rs. 0.00 million).
- 7.3 Government securities includes Rs.115 million (31 December 2015: Rs. 115 million) placed with the State Bank of Pakistan, in accordance with Section 29 of the Insurance Ordinance, 2000.
- 7.4 Listed equities and mutual funds include investment in EFU General Insurance Limited (a related party) at carrying value of Rs. 1,268 million (31 December 2015: Rs. 1,132.62 million) representing 6.81% (31 December 2015: 6.81 %) of the issued capital of the related party.
- 7.5 Market value of the listed equities and mutual funds held at lower of cost or market value amounted to Rs. 1,601 million (31 December 2015: Rs. 1,478.48 million).

8. CONTINGENCIES AND COMMITMENTS

- 8.1** The Income tax return of the Company for Tax year 2015 has been filed. Income tax assessment for tax year 2014 has been finalized. 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 filed an appeal before the Appellate Tribunal against the order of CIT and believes that the matter will be settled in its favour. No provision has been made in respect of the aforementioned additional tax demand.
- 8.2** The tax department has reopened the assessment order issued under Sec 122(5A) for the tax year 2009-2014 and has raised a demand of Rs 32.8 million against dividend income so received by the Company to be taxed at corporate rate instead of reduced rates available in the First schedule of IT ordinance 2001. The company filed an appeal 'for tax year 2009-2013 before CIT appeals where the case was decided against the Company. The company has filed an appeal before Appellate tribunal for the same Tax years and believes that the matter will be settled in its favour. For tax year 2014, the Company has filed an appeal against the order of CIT appeals. No provision has been made in respect of aforementioned additional demand.
- 8.3** Bank guarantees amounting to Rs.9.278 million has been given in respect of Group Life coverage. These bank guarantees will expire by 30 June 2017.

9. FIXED ASSETS

Rupees in '000

Three months ended - Unaudited

	30 March 2016		31 March 2015	
	Additions	Disposals	Additions	Disposals
9.1 Tangible and intangible				
Furniture, fixture and fittings	6 060	38	97	128
Office equipment	600	—	410	—
Computers	848	—	2 763	42
Motor Vehicles	9 556	10 831	20 489	3 118
Intangibles	1 656	—	624	—
Capital work in progress	149 218	—	75 137	—
	<u>167 938</u>	<u>10 869</u>	<u>99 520</u>	<u>3 288</u>

Rupees in '000

Three months ended

	31 March 2016	31 March 2015
10 TAXATION		
Current	(180 500)	(147 000)
Prior years	—	—
Deferred	1600	700
	<u>(178 900)</u>	<u>(146 300)</u>

11. RELATED PARTY TRANSACTIONS

The related parties comprise of directors, key management personnel, associated companies / 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 - Unaudited	
		31 March 2016	31 March 2015
11.1 Transactions			
11.1.1 Associated companies			
Premium written		29 823	28 841
Premium paid		34 853	19 963
Claims paid		2 461	1 527
Claims received		790	3 589
Commission paid		32 221	25 848
Travelling Expense		14	249
Dividend payable		441 749	–
Dividend accrued		49 054	–
Bonus shares		221 206	–
11.1.2 Employees' funds			
Contribution to provident fund		5 967	5 320
Contribution to pension fund		4 652	4 197
11.1.3 Key Management Personnel			
Loan to Key Employees		–	35 869
Loan recovered		900	1 250
Compensation paid		42 540	32 273
Loan receivable of Key Employees		34 469	35 369

		(Rupees in '000)	
		31 March 2016 Unaudited	31 December 2015 Audited
11.2 Balances			
Bank balances		340 678	249 899
Bank deposits		2 150 000	2 000 000
Premium payable		–	413
Premium receivable		360	388
Investment in EFU General Insurance Company Limited		1 268 640	1 132 622
Investment in Jahangir Siddiqui & Company Limited		180 620	179 335
Investment in Associates		135 390	148 698

12. WINDOW TAKAFUL OPERATIONS

The Statement of financial position of Window Takaful Operations as at 31 March 2016 and its financial performance for the period ended 31 March 2016 are as follows:

12.1 Balance sheet

Note	Rupees '000				
	Statutory Funds			Aggregate	
	Shareholders' Fund	Individual Family Takaful	Group Family Takaful	31 March 2016 Unaudited	31 December 2015 Audited
Share capital and reserves					
Operator's Fund	50 000	–	–	50 000	50 000
Accumulated deficit	(85 919)	–	–	(85 919)	(82 178)
Net shareholders' equity	(35 919)	–	–	(35 919)	(32 178)
Balance of statutory fund [including policyholders' liabilities Rs. 218.13 million (2015: 65.27 million)]					
Participant Investment Fund	8 194	205 819	–	214 013	72 221
Participant Takaful Fund - Waqf	–	9 921	6 537	16 458	11 276
Cede Money- Waqf	–	2 000	–	2 000	2 000
Shareholder's Fund unit holding in PIF	–	5 150	–	5 150	5 127
	8 194	222 890	6 537	237 621	90 624
Creditors and accruals					
Outstanding claims	–	–	4 770	4 770	2 832
Contribution received in advance	–	15 095	–	15 095	8 943
Amounts due to retakaful	–	5 917	5 655	11 572	8 707
Amounts due to agents	–	15 792	50	15 842	30 082
Accrued expenses	762	–	–	762	882
Other creditors and accruals	105 240	489	31	105 760	49 392
Total liabilities	106 002	37 293	10 506	153 801	100 838
Total equity and liabilities	78 277	260 183	17 043	355 503	159 284
Cash and bank deposits					
Policy stamps in hand	170	–	–	170	18
Current and other accounts	66 889	82 094	13 663	162 646	113 074
Deposits maturing within 12 months	–	10 000	–	10 000	10 000
	67 059	92 094	13 663	172 816	123 092
Investments	7				
Government securities	–	82 710	2 500	85 210	5 000
Listed equities and mutual funds	–	3 391	–	3 391	3 341
	–	86 101	2 500	88 601	8 341
Current assets - others					
Prepayments	3 207	–	–	3 207	3 092
Contribution due but unpaid	–	–	851	851	352
Sundry receivables	2 535	81 386	–	83 921	16 783
Investment income accrued	–	602	29	631	73
Shareholder's Fund unit holding in PIF	5 150	–	–	5 150	5 127
Taxation - provision less payments	309	–	–	309	268
Advances and deposits	17	–	–	17	100
Amount due from retakaful	–	–	–	–	2 056
	11 218	81 988	880	94 086	27 851
Total assets	78 277	260 183	17 043	355 503	159 284

12.2 Revenue Account

		Rupees '000	
		Statutory Funds	Aggregate
		Individual Family Takaful	Group Family Takaful
		Three months ended	
		31 March 2016	31 March 2015
12.2.1 Participants' Investment Fund (PIF)			
Income			
Allocated contribution	160 360	–	160 360
Net investment income	594	–	594
Total net income	160 954	–	160 954
Less: Claims and Expenditure			
Investment management charges	254	–	254
Bid offer spread	7 962	–	7 962
Policy admin fee	1 648	–	1 648
Wakalat-ul-Istismar	9 864	–	9 864
Surrender	1 202	–	1 202
Excess of income over claims and expenditure	149 888	–	149 888
Add : Technical reserves at the beginning of the period	55 931	–	55 931
Less : Technical reserves at the end of the period	205 819	–	205 819
	(149 888)	–	(149 888)
Surplus / (Deficit)	–	–	–
Movement in technical reserves	149 888	–	149 888
Balance of PIF at beginning of the period	55 931	–	55 931
Balance of PIF at end of the period	205 819	–	205 819
12.2.2 Participants' Takaful Fund (PTF)			
Income			
Contribution net of retakaful recoveries	3 642	7 619	11 261
Net investment income	47	27	74
Total net income	3 689	7 646	11 335
Less: Claims and Expenditure			
Wakala Income	1 945	2 698	4 643
Claims net of Retakaful recoveries		1 510	1 510
Excess of income over claims and expenditure	1 744	3 438	5 182
Add : Technical reserves at the beginning of the period	6 397	2 942	9 339
Less : Technical reserves at the end of the period	6 977	5 336	12 313
	(580)	(2 394)	(2 974)
Surplus / (Deficit) before distribution	1 164	1 044	2 208
Movement in technical reserves	580	2 394	2 974
Balance of PTF at beginning of the period	8 177	3 099	11 276
Qard-e-Hasna contributed from shareholder's fund			
Balance of PTF at end of the period	9 921	6 537	16 458

Rupees '000

Statutory Funds		Three months ended	
Individual Family Takaful	Group Family Takaful	31 March 2016	31 March 2015
Income			
Un-allocated contribution	55 017	-	55 017
Net investment income	232	-	232
Wakalat-ul-Istismar - PIF	9 864	-	9 864
Surrender charges (SHEF Income)	1	1	-
Wakala Fee - PTF	1 946	2 698	4 644
Total net income	67 060	2 698	69 758
Less: Expenditure			
Acquisition costs	72 495	1 101	73 596
Administration expenses	7 263	737	8 000
	79 758	1 838	81 596
(Shortfall) / Excess of income over expenditure	(12 698)	860	(11 838)
Add : Technical reserves at the beginning of the period	-	-	-
Less : Technical reserves at the end of the period	-	-	-
	-	-	-
(Deficit) / surplus before tax	(13 492)	(1 263)	(14 755)
Movement in technical reserves	-	-	-
(Deficit) / surplus transfer to shareholder's fund	-2477	-1264	(3 741)
Balance of shareholders' sub fund at beginning of the period	-	-	-
Qard-e-Hasna		0	-
Retained earnings on other than participating business	3 134	5060	8 194
Balance of shareholders' sub fund at end of the period	(c) 3 134	5 060	8 194
Balance of statutory funds at end of the period	(a+b+c) 218 874	11 597	230 471
Represented by:			
Policy holder's liability	212 796	5 336	218 132
Retained Earnings	6 078	6 261	12 339
	218 874	11 597	230 471

12.2.3 Shareholders' Sub-Fund

12.3 Statement of contribution

	Statutory Funds		Aggregate	
	Individual Family Takaful	Group Family Takaful	Three months ended 31 March	
			2016	2015
Gross contribution				
Regular contribution individual policies				
First year	76 871	–	76 871	7 866
Second year	3 622	–	3 622	–
Single contribution individual policies	141 231	–	141 231	50
Group policies without cash values	–	11 422	11 422	–
Total gross contribution	221 724	11 422	233 146	7 916
12.3.1 Participants' Investment Fund				
Allocated regular contribution	19 129	–	19 129	1 452
Allocated single contribution	141 231	–	141 231	50
Total allocated contribution	160 360	–	160 360	1 502
12.3.2 Participants' Takaful Fund				
Allocated gross contribution	6 347	11 422	17 769	703
Less: Retakaful contribution ceded				
On individual life first year business	2 705	–	2 705	170
On group policies	–	3 803	3 803	–
Total retakaful contribution ceded	2 705	3 803	6 508	170
Net Risk Contribution of PTF	3 642	7 619	11 261	533
12.3.3 Shareholders' Sub-Fund				
Unallocated regular contribution	55 017	–	55 017	5 711

12.4 Statement of claims

Gross Claims

Claims under Individual Policies

by death
by insured event other than death

–	–	–	–
–	–	–	–
–	–	–	–

Surrenders / Partial withdrawals

Claims under group policies

by death
by insured event other than death

1 202	–	1 202	–
–	2 049	2 049	–
–	1 939	1 939	–
–	110	110	–
–	2 049	2 049	–

Total Gross Claims

1 202	2 049	3 251	–
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Gross Claims allocated as follows:

Participants' Investment Fund (PIF)

Surrenders/Partial withdrawals under
Individual policies

1 202	–	1 202	–
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Participants' Takaful Fund (PTF)

Under individual policies by death
Under group policies by death
Under group policies by event other than death

–	1 939	1 939	–
–	110	110	–

Total gross claims under PTF

–	2 049	2 049	–
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Less:Re - Takaful recoveries under PTF

On individual policies
On Group policies

–	–	–	–
–	539	539	–
–	539	539	–

Net Claims under PTF

–	1 510	1 510	–
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12.5 Statement of Expenses

Acquisition costs

Shareholders' Sub-Fund

Remuneration to insurance intermediaries
on individual policies:
– commission on first year Contribution
– commission on second year Contribution
– commission on subsequent renewal
– commission on single Contribution
– override commission
– other benefits to insurance intermediaries

Remuneration to insurance intermediaries on group policies:

– Commission
– other benefits to insurance intermediaries

Branch overheads

Other acquisition costs

– policy stamps

Total acquisition cost

Administration expenses

Salaries and other benefits
Travelling expenses
Cede money-Waqf
Actuary's fees
Medical fees
Legal and professional fee
Advertisements and publicity
Computer expenses
Printing and stationery
Depreciation
Amortisation
Rental
Postage
Fees and subscription
Other management expenses
Commission from Reinsurance
Net Management Expenses

Statutory Funds		Rupees '000 Aggregate	
Individual Family Takaful	Group Family Takaful	Three months ended 31 March	
		2016	2015
34 626	–	34 626	2 716
276		276	
44		44	
5 144	–	5 144	–
4 281	–	4 281	642
19 115	2	19 117	7 643
63 486	2	63 488	11 001
–	230	230	–
	825	825	
8 975	44	9 019	36
34	–	34	59
72 495	1 101	73 596	11 096
4 827	592	5 419	2 211
251	17	268	134
–	–	–	2 000
83	–	83	5
164	–	164	14
350	1	351	9
417	–	417	71
129	–	129	8
240	7	247	30
122	24	146	10
89	–	89	3
147	45	192	60
–	–	–	41
337	2	339	46
1 155	49	1 204	115
(1 048)	–	(1 048)	–
79 758	1 838	81 596	15 853

12.6 Statement of Investment Income

12.6.1 Participants' Investment Fund (PIF)

Return on government securities
Other Fixed Income securities
Unrealised gain on Investment

Net investment income of PIF

(a)

12.6.2 Participants' Takaful Fund (PTF)

Return on government securities
Profit on bank deposits

Net investment income of PIF

(b)

12.6.3 Shareholders' Sub-Fund

Return on government securities
Profit on bank deposits

Net investment income of shareholders' sub-fund

(c)

Net Investment Income

(a+b+c)

222	–	222	43
322	–	322	–
50	–	50	–
594	–	594	43
20	–	20	–
27	27	54	–
47	27	74	–
–	–	–	–
233	–	233	–
233	–	233	–
874	27	901	43

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 2016.

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

