

# Looking Over the Horizons



**EFU LIFE**

Report (Un-audited)  
Three Months Ended

**31 March 2017**



[www.efulife.com](http://www.efulife.com)

## **EFU LIFE ASSURANCE LTD.**

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



(021) 111-338-111



[efulife.com](http://efulife.com)



EFU Life PlanIT



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



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



EFU LIFE  
9898



*To reach high, you need to go above and beyond the call of duty. A bird cannot fly on a single feather, but together with other features it can take flight. Similarly, small elements of construction don't mean much on their own, but together they create skyscrapers that pierce the clouds. Our direction remains steadfast and we are determined to create history and leave our mark.*

*To reach the highest ambitions you need wings that are strong, and that is why, at EFU Life, we believe in strong, unbreakable partnerships forged over years of trust. We strongly believe that if we join together, we can scale new heights.*





# Table of Contents

Company Information	03
Directors' Review	04
Directors' Review (Urdu)	05
Condensed Interim Balance Sheet	06
Condensed Interim Profit & Loss Account	08
Condensed Interim Statement of Changes in Equity	09
Condensed Interim Statement of Cash Flows	10
Condensed Interim Revenue Account	11
Condensed Interim Statement of Premiums	12
Condensed Interim Statement of Claims	13
Condensed Interim Statement of Expenses	14
Condensed Interim Statement of Investment Income	15
Notes to the Condensed Interim Financial Statements	16



# 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 Shahrah-e-Quaideen

Karachi.

Ph: (92-21) 34391316-17 & 19, 34387960-61

Fax: (92-21) 34391318

**Website:**

[www.efulife.com](http://www.efulife.com)

**Registered Office**

Al-Malik Centre

70 W, F-7/G-7

Jinnah Avenue, (Blue Area)

Islamabad.

**Main Office**

EFU Life House,

Plot No.112, 8th East Street

Phase 1, DHA, Karachi.



# Directors' Review, 31 March 2017

The Director's of your Company are pleased to present the Condensed Interim Financial Statements (Un-audited) for the first quarter ended 31 March 2017.

## TOP-LINE PERFORMANCE:

Your Company's total premium income was Rs.7 billion during the first quarter of 2017 (2016: Rs.5.56 billion). New individual life regular premium income was Rs.953 million (2016: Rs.704 million), an increase of 35%. Renewal premium was Rs.3.45 billion (2016: Rs.3.1 billion) an increase of 11%. The Company's 2nd year onwards persistency is 91%, indicating high level of client satisfaction. Inclusive of renewal premium, the total individual life regular premium business increased by 16% to Rs.4.4 billion (2016: 3.8 billion). Single premium business was Rs.2 billion (2016: Rs.1.1 billion). Group Benefits business was Rs.537 million (2016: Rs.621 million).

Your company's window Takaful operations are in the second year of business. The total Family Takaful contribution was Rs.350 million (2016: 233 million). Out of this, Rs.318 million (2016: Rs.222 million) was from Individual Family Takaful business while Rs.32 million (2016: Rs.11 million) was from Group Family Takaful. The Company expects this line of business to grow during 2017.

## BOTTOM-LINE PERFORMANCE:

Your Company had a Profit after Tax of Rs.565 million (2016: Rs.411 million), an increase of 37%. The Earnings per Share is Rs.5.65 (2016: Rs.4.11).

## INTERIM DIVIDEND:

The Directors have pleasure in declaring an Interim Dividend of Rs.1.25 per share. i.e. 12.5%.

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 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.

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

Karachi 27 April, 2017

آپ کی کمپنی کے ڈائریکٹرز، سال ۲۰۱۷ء کی پہلی سہ ماہی جو ۳۱ مارچ ۲۰۱۷ء کو اختتام پذیر ہوئی، کمپنی کے (غیر آڈٹ شدہ) مالیاتی حسابات کی مختصر مگر جامع عبوری معلومات کے ساتھ، پہلی سہ ماہی رپورٹ پیش کرنے میں مسرت محسوس کرتے ہیں۔

## کمپنی کی کارکردگی کی بالائی سطر

سال ۲۰۱۷ء کی پہلی سہ ماہی میں آپ کی کمپنی کے کل مجموعی پریئم کی آمدنی 7.0 بلین روپے رہی (۲۰۱۶: 5.56 بلین روپے)۔ نئے انفرادی بیمہ زندگی کے باقاعدہ پریئم کی آمدنی 953 ملین روپے تھی، (۲۰۱۶: 704) یعنی اس میں 35 فیصد اضافہ ہوا۔ تجدیدی پریئم 3.45 بلین روپے رہا (۲۰۱۶: 3.1 بلین روپے)، یعنی اضافہ 11 فیصد رہا۔ کمپنی کی دوسرے سال اور بعد ازیں استقامت 91 فیصد ہے جو صارف کی اطمینان کے اعلیٰ درجے کی عکاسی کرتی ہے۔ تجدیدی پریئم کو ملا کر، مجموعی انفرادی بیمہ زندگی سے متعلق باقاعدہ پریئم کا کاروبار 16 فیصد اضافے سے 4.4 بلین روپے رہا (۲۰۱۶: 3.8 بلین روپے)۔ سنگل پریئم کا کاروبار 2.0 بلین روپے رہا (۲۰۱۶: 1.1 بلین روپے)۔ گروپ بینیفٹس کا کاروبار 537 ملین روپے رہا (۲۰۱۶: 621 ملین روپے)۔

آپ کی کمپنی کے ونڈو ٹکافل آپریشنز اب دوسرے سال میں داخل ہو گئے ہیں۔ مجموعی فیملی ٹکافل کا حصہ 350 ملین روپے رہا (۲۰۱۶: 233 ملین روپے)۔ اس مجموعے میں سے 318 ملین روپے (۲۰۱۶: 222 ملین روپے)، انفرادی فیملی ٹکافل کا کاروبار سے حاصل ہوئے جبکہ 32 ملین روپے (۲۰۱۶: 11 ملین روپے) گروپ فیملی ٹکافل سے حاصل ہوئے۔ ۲۰۱۷ء کے دوران کمپنی کا کاروبار کے اس شعبے میں مزید نشوونما کی توقع رکھتی ہے۔

## کارکردگی کا ٹل لباب

کمپنی نے اس پہلی سہ ماہی میں، گزشتہ سال کے اسی دورے کے 411 ملین روپے کے مقابلے میں بعد ازیں 565 ملین روپے کا منافع حاصل کیا۔ فی حصص آمدن 5.65 روپے ہے (۲۰۱۶: 4.11 روپے)۔

## عبوری ڈویڈنڈ

آپ کے ڈائریکٹرز 1.25 روپے فی حصص یعنی 12.5 فیصد عبوری ڈویڈنڈ کا اعلان کرنے میں خوشی محسوس کرتے ہیں۔

ڈائریکٹرز، کمپنی کی ترقی اور نشوونما کے لئے ای ایف یو لائف ہیڈ آفس کی ٹیم اور تمام تقسیم کاری جینٹلز کی محنت اور کوششوں کے لئے داد ہائے تحسین پیش کرنا چاہتے ہیں۔ ہم اپنے اصل ری انشورر میونخ آرا کی کا بھی، اسکے مسلسل تعاون کا بھی شکریہ ادا کرنا چاہیں گے۔ سب سے آخر میں لیکن دیگر سے کم نہیں، کمپنی میں انکے مسلسل بھروسے کیلئے اپنے تمام صارفین کے بھی شکر گزار ہیں۔

طاہر جی۔ ساچک  
ٹیچنگ ڈائریکٹر و چیف ایگزیکٹو

سیف الدین این۔ زومکا والا  
ڈائریکٹر

حسن علی عبداللہ  
ڈائریکٹر

منیر آر۔ بھیم جی  
ڈائریکٹر

کراچی ۲۷ اپریل ۲۰۱۷

# Condensed Interim Balance Sheet

## as at 31 March 2017 (Unaudited)

Rupees in '000

	Note	Shareholders Fund	Statutory Funds					Aggregate		
			Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	31 March 2017 Unaudited	31 December 2016 Audited
<b>Share capital and reserves</b>										
Authorised share capital										
[150 000 000 ordinary shares (2016: 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 (2016: 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		2 076 347	–	–	–	–	–	2 076 347	1 543 383	
General reserves		1 650 000	–	–	–	–	–	1 650 000	1 650 000	
Net shareholders' equity		4 726 347	–	–	–	–	–	4 726 347	4 193 383	
<b>Balance of statutory fund [including policyholders' liabilities Rs. 99 028 million (2016: Rs. 95 869 million)]</b>										
Statutory fund	5	–	98 419 443	988 479	25 492	2 109	1 506 427	41 492	100 983 442	97 774 373
Cede Money- Waqf		–	–	–	–	–	2 000	–	2 000	2 000
Shareholder's Fund unit holding in PIF		–	–	–	–	–	6 013	–	6 013	5 690
		–	98 419 443	988 479	25 492	2 109	1 514 440	41 492	100 991 455	97 782 063
<b>Deferred tax liability</b>		129 500	–	–	–	–	–	–	129 500	131 000
<b>Creditors and accruals</b>										
Outstanding claims		–	944 041	884 245	–	1 845	28 429	10 752	1 869 312	1 692 717
Premiums / Contribution received in advance		–	561 564	103 692	20	28	31 586	3 448	700 338	575 806
Amounts due to reinsurers / retakaful		–	138 818	5 550	–	–	3 257	14 657	162 282	148 023
Amounts due to agents		–	256 699	15 995	–	36	28 621	404	301 755	556 464
Accrued expenses		2 122	137 350	13 398	4	6	6 188	6 188	165 256	411 528
Unclaimed dividend		20 645	–	–	–	–	–	–	20 645	22 047
Other creditors and accruals		12 852	247 165	10 635	45	59	76 738	25 000	372 494	371 455
Inter-fund payable		–	508 768	99 672	1 810	2 476	–	–	612 726	417 045
<b>Total liabilities</b>		35 619	2 794 405	1 133 187	1 879	4 450	174 819	60 449	4 204 808	4 195 085
<b>Contingencies and commitments</b>										
<b>Total equity and liabilities</b>	8	4 891 466	101 213 848	2 121 666	27 371	6 559	1 689 259	101 941	110 052 110	106 301 531

The annexed notes 1 to 15 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	Family Takaful Investment Linked Business	Family Takaful Protection Business	31 March 2017 Unaudited	31 December 2016 Audited
Cash and bank deposits									
Policy stamps in hand	–	8 385	215	–	–	244	–	8 844	4 379
Current and other accounts	370 297	1 916 843	298 087	3 283	745	245 056	63 598	2 897 909	3 033 110
Deposits maturing within 12 months	250 000	9 674 000	25 100	1 000	–	604 000	14 000	10 568 100	9 358 100
	620 297	11 599 228	323 402	4 283	745	849 300	77 598	13 474 853	12 395 589
Loans									
To employees - secured	77 041	–	–	–	–	–	–	77 041	80 918
To employees and agents - unsecured	10 108	–	–	–	–	–	–	10 108	10 994
	87 149	–	–	–	–	–	–	87 149	91 912
Investments									
Government securities	1 427 893	46 660 071	1 427 223	15 673	5 427	143 336	2 500	49 682 123	48 870 068
Other fixed income securities	–	1 287 530	–	–	–	–	–	1 287 530	1 575 511
Listed equities and mutual funds	1 113 940	39 089 702	107 336	7 298	375	647 178	–	40 965 829	38 385 096
Unlisted equities	508	–	–	–	–	–	–	508	508
	2 542 341	87 037 303	1 534 559	22 971	5 802	790 514	2 500	91 935 990	88 831 183
Current assets - others									
Premiums due but unpaid	–	–	90 181	–	–	–	2 665	92 846	92 029
Amounts due from reinsurers	–	1 314	155 367	–	–	–	–	156 681	75 757
Prepayments	–	58 593	6 751	3	4	7 233	–	72 584	36 280
Sundry receivables	194 527	17 859	1 446	–	1	12 621	472	226 926	208 871
Investment income accrued	8 792	1 006 393	4 055	110	–	9 657	150	1 029 157	1 782 633
Shareholders' Fund unit holding in PIF	–	–	–	–	–	6 013	–	6 013	5 690
Taxation - provision less payments	70 061	–	–	–	–	–	–	70 061	58 550
Advances and deposits	19 588	128 215	5 905	4	7	75	75	153 869	151 600
Inter-fund receivable	580 399	–	–	–	–	13 846	18 481	612 726	417 045
	873 367	1 212 374	263 705	117	12	49 445	21 843	2 420 863	2 828 455
Fixed assets									
Tangible assets									
Leased hold land	–	126 505	–	–	–	–	–	126 505	126 505
Building		1 238 438						1 238 438	1 254 115
Furniture fixtures office equipment and vehicles	748 813	–	–	–	–	–	–	748 813	752 127
Intangible assets									
Computer software	19 499	–	–	–	–	–	–	19 499	21 645
	768 312	1 364 943	–	–	–	–	–	2 133 255	2 154 392
Total assets	4 891 466	101 213 848	2 121 666	27 371	6 559	1 689 259	101 941	110 052 110	106 301 531

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

Karachi 27 April, 2017

# Condensed Interim Profit and Loss Account for the three months period ended 31 March 2017 (Unaudited)

Rupees in '000

		Three months ended 31 March	
	Note	2017	2016
Investment income not attributable to statutory funds			
Return on government securities		22 249	30 071
Return on other fixed income securities and deposits		5 977	13 850
Dividend income		4 064	25 984
		32 290	69 905
(Provision for) / reversal of impairment in the value of available for sale investments		117 542	72 206
Net investment income		149 832	142 111
Other revenue		6 986	8 084
		156 818	150 195
Expenses not attributable to statutory funds		( 3 828 )	( 13 976 )
		152 990	136 219
Surplus transferred from statutory funds		649 501	454 009
Profit before tax for the period		802 491	590 228
Taxation	10	( 237 200 )	( 178 900 )
Profit after tax for the period		565 291	411 328
		Rupees	
Earnings per share - basic and diluted		5.65	4.11

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

Karachi 27 April, 2017



# Condensed Interim Statement of Changes in Equity for the three months period ended 31 March 2017 (Unaudited)

(Rupees in '000)

	Share Capital	General Reserves	Capital Contribution	Accumulated Surplus	Total
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>–</u>	<u>1 871 069</u>	<u>3 821 069</u>
Balance as at 1 January 2017	1 000 000	1 650 000	( 89 256 )	1 632 639	4 193 383
Capital contribution for the three months ended 31 March 2017			( 32 327 )		( 32 327 )
Profit for the three months period ended 31 March 2017	–	–	–	565 291	565 291
Balance as at 31 March 2017	<u>1 000 000</u>	<u>1 650 000</u>	<u>( 121 583 )</u>	<u>2 197 930</u>	<u>4 726 347</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

Karachi 27 April, 2017

# Condensed Interim Statement of Cash Flows

## for the three months period ended 31 March 2017 (Unaudited)

Rupees in '000

	Shareholders Fund	Statutory Funds						Aggregate	
		Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	31 March 2017 Unaudited	31 March 2016 Audited
Operating cash flows									
a) Underwriting activities									
Premiums / contribution received	-	6 240 919	531 756	224	302	328 723	32 770	7 134 694	5 599 907
Reinsurance premiums paid	-	(3 062)	(1 844)	(252)	467	(1)	-	(4 692)	(45 262)
Claims paid	-	(174 580)	(472 156)	-	(42)	(7)	(5 945)	(652 730)	(643 490)
Surrenders paid	-	(3 774 471)	-	(100)	-	(84 049)	-	(3 858 620)	(4 869 259)
Commissions paid	-	(830 430)	(49 267)	(9)	(27)	(131 627)	(2 913)	(1 014 273)	(851 330)
Net cash generated from / (used in) underwriting activities	-	1 458 376	8 489	(137)	700	113 039	23 912	1 604 379	(809 434)
b) Other operating activities									
Income tax paid	(250 211)	-	-	-	-	-	-	(250 211)	(281 408)
General management expenses paid	(5 493)	(716 835)	(55 332)	(11)	(49)	(79 125)	(704)	(857 549)	(668 965)
Other operating payments	-	53 602	4 746	2	2	(56 990)	-	1 362	(458 419)
Other operating receipts	(249 539)	76 345	98 599	137	26	93 998	(19 566)	-	477 535
Loans advanced	(9 085)	-	-	-	-	-	-	(9 085)	(55 961)
Loan repayments received	13 848	-	-	-	-	-	-	13 848	59 471
Other payments on operating assets	(29 703)	(27 446)	(2 135)	-	(1)	630	302	(58 353)	(156 575)
Net cash (used in) / generated from other operating activities	(530 183)	(614 334)	45 878	128	(22)	(41 487)	(19 968)	(1 159 988)	(1 084 322)
Total cash (used in) / generated from all operating activities	(530 183)	844 042	54 367	(9)	678	71 552	3 944	444 391	(1 893 756)
Investment activities									
Profit / return received	31 010	1 946 974	25 823	271	79	2 995	46	2 007 198	2 156 813
Dividends received	4 064	331 175	2 370	49	-	3 549	-	341 207	401 094
Payments for investments	(1 450 990)	(17 085 879)	(1 254 062)	-	(10 930)	(960 843)	(14 000)	(20 776 704)	(2 964 407)
Proceeds from disposal of investments	1 596 900	15 176 642	1 445 000	70	11 000	840 895	14 000	19 084 507	989 937
Fixed capital expenditure	(30 051)	-	-	-	-	-	-	(30 051)	(167 933)
Proceeds from disposal of fixed assets	8 716	-	-	-	-	-	-	8 716	7 668
Total cash (used in) / generated from all investing activities	159 649	368 912	219 131	390	149	(113 404)	46	634 873	423 172
Financing activities									
Surplus appropriated to shareholders' fund	649 501	(558 825)	(90 586)	43	(133)	-	-	-	-
Cede Money	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Total cash generated from / (used in) all financing activities	649 501	(558 825)	(90 586)	43	(133)	-	-	-	-
Net cash generated from / (used in) all activities	278 967	654 129	182 912	424	694	(41 852)	3 990	1 079 264	(1 470 584)
Cash and cash equivalents at beginning of the period	341 330	10 945 099	140 490	3 859	51	891 152	73 608	12 395 589	14 406 587
Cash and cash equivalents at end of the period	620 297	11 599 228	323 402	4 283	745	849 300	77 598	13 474 853	12 936 003
Reconciliation to profit and loss account									
Operating cash flows								444 391	(1 893 756)
Depreciation								(43 717)	(18 733)
Amortization								(2 931)	(2 744)
Profit on disposal of fixed assets								4 176	4 859
Other revenue								2 810	3 225
Investment revenue								1 592 119	1 854 871
Appreciation in market value of investments (Provision for) / reversal of impairment in the value of available for sale equity investments								(71 502)	(336 471)
Profit on sale of investments								119 150	72 939
Increase / (Decrease) in assets other than cash								1 364 962	305 931
Capital contribution								341 121	(26 071)
Increase in liabilities								32 327	-
								(3 217 615)	447 278
Profit after taxation								565 291	411 328

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

Karachi 27 April, 2017

# Condensed Interim Revenue Account for the three months period ended 31 March 2017 (Unaudited)

							Rupees in '000	
Note	Statutory Funds						Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Three months ended 31 March	
							2017	2016
Income								
Premiums / contribution less reinsurances / retakaful	6 071 229	410 872	219	184	312 326	23 491	6 818 321	5 309 050
Net investment income	2 744 090	29 291	350	79	103 755	3 240	2 880 805	1 769 668
Total net income	8 815 319	440 163	569	263	416 081	26 731	9 699 126	7 078 718
Claims net of reinsurance recoveries	4 039 159	299 274	100	217	90 952	7 453	4 437 155	5 693 791
Management expenses	1 147 727	89 975	20	74	191 119	6 813	1 435 728	1 153 078
Total claims and expenditure	5 186 886	389 249	120	291	282 071	14 266	5 872 883	6 846 869
Excess of income over claims and expenditure	3 628 433	50 914	449	( 28 )	134 010	12 465	3 826 243	231 849
Add : policyholders' liabilities at beginning of the period	93 863 055	664 081	24 608	1 825	1 307 669	8 011	95 869 249	82 185 370
Less : policyholders' liabilities at end of the period	96 910 497	620 676	25 092	1 688	1 457 376	13 041	99 028 370	81 962 608
	( 3 047 442 )	43 405	( 484 )	137	( 149 707 )	( 5 030 )	( 3 159 121 )	222 762
Surplus / ( Deficit ) before tax	580 991	94 319	( 35 )	109	( 15 697 )	7 435	667 122	454 611
Movement in policyholders' liabilities	3 047 442	( 43 405 )	484	( 137 )	149 707	5 030	3 159 121	( 222 762 )
Transfer of ( surplus ) / deficit to shareholders' fund	( 558 825 )	( 90 586 )	43	( 133 )	–	–	( 649 501 )	( 454 009 )
Capital contribution	–	–	–	–	26 839	5 488	32 327	–
Balance of statutory funds at beginning of the period	95 349 835	1 028 151	25 000	2 270	1 345 578	23 539	97 774 373	83 829 193
Balance of statutory funds at end of the period	98 419 443	988 479	25 492	2 109	1 506 427	41 492	100 983 442	83 607 033
Represented by:								
Policyholders' liabilities	96 910 497	620 676	25 092	1 688	1 457 376	13 041	99 028 370	81 962 608
Retained earnings on other than participating business	1 508 946	367 803	400	421	49 051	28 451	1 955 072	1 644 425
Balance of statutory funds	98 419 443	988 479	25 492	2 109	1 506 427	41 492	100 983 442	83 607 033

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

Karachi 27 April, 2017

# Condensed Interim Statement of Premiums / Contributions for the three months period ended 31 March 2017 (Unaudited)

	Statutory Funds						Rupees in '000	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Aggregate	
							Three months ended 31 March	
							2017	2016
<b>Gross premiums / contribution</b>								
Regular premium / Contribution individual policies*								
First year	798 766	534	–	34	153 367	–	952 701	704 386
Second year renewal	652 754	67	–	2	61 940	–	714 763	616 658
Subsequent year renewal	2 726 285	574	219	260	6 507	–	2 733 845	2 480 232
Single premium / Contribution individual policies	1 964 675	–	–	–	95 861	–	2 060 536	1 133 191
Group policies with cash values	12 120	–	–	–	–	–	12 120	5 284
Group policies without cash values	–	504 712	–	–	–	32 302	537 014	620 751
<b>Total gross premiums / Contribution</b>	<b>6 154 600</b>	<b>505 887</b>	<b>219</b>	<b>296</b>	<b>317 675</b>	<b>32 302</b>	<b>7 010 979</b>	<b>5 560 502</b>
Less: Reinsurance premiums / Retakaful contribution ceded								
On individual life first year business	7 192	6	–	–	3 069	–	10 267	10 447
On individual life second year business	11 345	61	–	–	2 160	–	13 566	9 410
On individual life renewal business	64 834	309	–	112	120	–	65 375	53 454
On group policies	–	94 639	–	–	–	8 811	103 450	178 141
<b>Total reinsurance premium / retakaful contribution ceded</b>	<b>83 371</b>	<b>95 015</b>	<b>–</b>	<b>112</b>	<b>5 349</b>	<b>8 811</b>	<b>192 658</b>	<b>251 452</b>
<b>Net premium / contribution</b>	<b>6 071 229</b>	<b>410 872</b>	<b>219</b>	<b>184</b>	<b>312 326</b>	<b>23 491</b>	<b>6 818 321</b>	<b>5 309 050</b>

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

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

Karachi 27 April, 2017

# Condensed Interim Statement of Claims

## for the three months period ended 31 March 2017 (Unaudited)

Note	Rupees in '000							
	Statutory Funds						Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Three months ended 31 March	
							2017	2016
<b>Gross claims</b>								
Claims under individual policies								
by death	119 999	260	–	–	21 538	–	141 797	345 977
by insured event other than death	1 475	–	–	542	–	–	2 017	3 608
by maturity	245 387	–	100	–	–	–	245 487	205 684
by surrender	3 689 495	–	–	–	84 919	–	3 774 414	4 869 259
Total gross individual policy claims	4 056 356	260	100	542	106 457	–	4 163 715	5 424 528
Claims under group policies								
by death	431	465 429	–	–	–	7 963	473 823	346 808
by insured event other than death	–	31 356	–	–	–	5 403	36 759	7 048
by surrender	1 315	–	–	–	–	–	1 315	438
experience refund	–	12 333	–	–	–	–	12 333	35 207
Total gross group claims	1 746	509 118	–	–	–	13 366	524 230	389 501
<b>Total gross claims</b>	<b>4 058 102</b>	<b>509 378</b>	<b>100</b>	<b>542</b>	<b>106 457</b>	<b>13 366</b>	<b>4 687 945</b>	<b>5 814 029</b>
<b>Less: Reinsurance recoveries</b>								
On individual life first year business	6 927	–	–	–	5 265	–	12 192	44 555
On individual life second year business	(407)	–	–	–	10 240	–	9 833	318
On individual life subsequent renewal business	12 423	–	–	325	–	–	12 748	1 897
On group claims	–	202 377	–	–	–	5 913	208 290	57 348
On experience refund of premiums	–	7 727	–	–	–	–	7 727	16 120
<b>Total reinsurance recoveries</b>	<b>18 943</b>	<b>210 104</b>	<b>–</b>	<b>325</b>	<b>15 505</b>	<b>5 913</b>	<b>250 790</b>	<b>120 238</b>
<b>Net claims</b>	<b>4 039 159</b>	<b>299 274</b>	<b>100</b>	<b>217</b>	<b>90 952</b>	<b>7 453</b>	<b>4 437 155</b>	<b>5 693 791</b>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

Karachi 27 April, 2017

# Condensed Interim Statement of Expenses

## for the three months period ended 31 March 2017 (Unaudited)

Rupees '000

	Statutory Funds						Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Three months ended 31 March	
							2017	2016
<b>Acquisition costs</b>								
Remuneration to insurance intermediaries								
on individual policies:								
– commission on first year premiums / Contribution	345 635	192	–	14	66 874	–	412 715	297 428
– commission on second year premiums / Contribution	45 894	7	–	1	5 273	–	51 175	46 322
– commission on subsequent renewal premiums / Contribution	69 466	14	7	12	112	–	69 611	63 785
– commission on single premiums / Contribution	69 187	–	–	–	3 062	–	72 249	40 543
– override commission	90 690	53	2	7	11 296	–	102 048	81 609
– other benefits to insurance intermediaries	187 552	49	7	11	42 928	–	230 547	194 934
	808 424	315	16	45	129 545	–	938 345	724 621
Remuneration to insurance intermediaries								
on group policies:								
– commission	853	47 835	–	–	–	3 078	51 766	58 517
– other benefits to insurance intermediaries	–	14 366	–	–	–	25	14 391	13 247
	853	62 201	–	–	–	3 103	66 157	71 764
Branch overheads	96 946	1 001	4	5	6 994	–	104 950	74 604
Other acquisition costs								
– policy stamps	11 165	64	–	–	2 506	–	13 735	24 056
<b>Total acquisition cost</b>	917 388	63 581	20	50	139 045	3 103	1 123 187	895 045
<b>Administration expenses</b>								
Salaries and other benefits	104 628	16 115	–	11	14 267	527	135 548	124 175
Travelling expenses	2 974	261	–	1	430	5	3 671	1 424
Actuary's fees	2 253	123	–	–	324	–	2 700	2 550
Medical fees	5 443	108	–	–	169	–	5 720	5 664
Legal and professional fee	9 054	496	–	1	1 302	–	10 853	8 563
Advertisements and publicity	24 317	2 133	–	–	–	–	26 450	26 125
Computer expenses	2 767	157	–	–	398	–	3 322	3 962
Printing and stationery	6 623	888	–	1	2 313	21	9 846	7 591
Depreciation	16 877	925	–	2	2 428	–	20 232	4 669
Amortisation	2 445	134	–	–	352	–	2 931	2 744
Rental	2 028	546	–	–	291	23	2 888	5 807
Exchange (gain) / loss	(2 048)	–	–	–	–	–	(2 048)	915
Postage	13 855	760	–	2	1 993	–	16 610	19 281
Fees and subscription	13 206	901	–	2	1 900	9	16 018	12 484
Wakala/Wakalat-ul-Istasmr Expenses	–	–	–	–	22 856	3 052	25 908	14 508
Other management expenses	31 342	2 847	–	4	4 365	73	38 631	24 379
Gross management expenses	1 153 152	89 975	20	74	192 433	6 813	1 442 467	1 159 886
Commission from reinsurers	(2 559)	–	–	–	(1 282)	–	(3 841)	(3 993)
Fees charged to policy holders	(2 866)	–	–	–	(32)	–	(2 898)	(2 815)
Net management expenses	1 147 727	89 975	20	74	191 119	6 813	1 435 728	1 153 078

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

Karachi 27 April, 2017



# Condensed Interim Statement of Investment Income for the three months period ended 31 March 2017 (Unaudited)

	Statutory Funds						Rupees '000	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Aggregate	
							Three months ended 31 March	
							2017	2016
<b>Investment income</b>								
<b>Income from Trading Investments</b>								
Gain/loss on trading	9 718						9 718	34
Dividend Income on trading	3 293						3 293	7 052
	13 011	–	–	–	–	–	13 011	7 086
On government securities	1 021 758	23 158	262	79	2 059	27	1 047 343	1 184 728
On other fixed income securities and deposits	166 845	2 067	15	–	8 313	16	177 401	226 167
Dividend income	327 882	2 370	49	–	3 549	–	333 850	368 058
Amortisation of (premium) / discount	(47 813)	88	6	–	–	–	(47 719)	(103 218)
	1 468 672	27 683	332	79	13 921	188	1 510 875	1 675 735
<b>Gain on sale of investments</b>	1 324 823	–	–	–	30 421	–	1 355 244	305 897
<b>Unrealised gain on investment</b>								
Government securities	(80 182)	–	4	–	–	–	(80 178)	428 978
Other fixed income securities	(53 249)	–	–	–	–	–	(53 249)	888
Listed equities securities and mutual fund units	73 073	–	14	–	36 557	–	109 644	(663 119)
	(60 358)	–	18	–	36 557	–	(23 783)	(233 253)
<b>(Provision for) / Reversal of impairment in value of investments</b>								
Available-for-sale fixed income securities	–	–	–	–	–	–	–	–
Available-for-sale equity securities and mutual fund units	–	1 608	–	–	–	–	1 608	733
	–	1 608	–	–	–	–	1 608	733
	2 746 148	29 291	350	79	80 899	188	2 856 955	1 756 198
Less : Investment related expense	(2 058)	–	–	–	–	–	(2 058)	(1 039)
Add: Wakala / Wakalat-ul-Istasmr Income					22 856	3 052	25 908	14 509
<b>Net investment income</b>	<u>2 744 090</u>	<u>29 291</u>	<u>350</u>	<u>79</u>	<u>103 755</u>	<u>3 240</u>	<u>2 880 805</u>	<u>1 769 668</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

Karachi 27 April, 2017



# Notes to and Forming Part of the Condensed Interim Financial information for the three months period ended 31 March 2017 - 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 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 EFU life house Plot No.112, 8th East street, phase 1, DHA, 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
  - Family Takaful investment linked business (Refer note 1.3)
  - Family Takaful protection business (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 2017 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 2016.

## 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 2016.

## 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 2016.

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 2016.

## 5. POLICYHOLDERS' LIABILITIES

Rupees '000

	Statutory Funds						Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	31 March 2017 Unaudited	31 December 2016 Audited
<b>5.1 Gross of reinsurance/retakaful</b>								
Actuarial liability relating to future events	96 648 062	540 168	25 094	1 892	1 478 881	17 811	98 711 908	95 491 066
Provision for outstanding reported claims payable over a period exceeding twelve months	440 828	174 861	–	6	371	–	616 066	562 058
Provision for incurred but not reported claims	128 487	270 228	–	–	–	3 403	402 118	379 460
	<u>97 217 377</u>	<u>985 257</u>	<u>25 094</u>	<u>1 898</u>	<u>1 479 252</u>	<u>21 214</u>	<u>99 730 092</u>	<u>96 432 584</u>
<b>5.2 Net of reinsurance/retakaful</b>								
Actuarial liability relating to future events	96 524 642	386 906	25 092	1 683	1 457 005	11 012	98 406 340	95 251 783
Provision for outstanding reported claims payable over a period exceeding twelve months	285 164	38 151	–	5	371	–	323 691	324 160
Provision for incurred but not reported claims	100 691	195 619	–	–	–	2 029	298 339	293 306
	<u>96 910 497</u>	<u>620 676</u>	<u>25 092</u>	<u>1 688</u>	<u>1 457 376</u>	<u>13 041</u>	<u>99 028 370</u>	<u>95 869 249</u>

## 6. RECONCILIATION OF STATUTORY FUNDS

Rupees '000

	Statutory Funds						Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	31 March 2017 Unaudited	31 December 2016 Audited
Policyholders' liabilities								
Balance at beginning of the period	93 863 055	664 081	24 608	1 825	1 307 669	8 011	95 869 249	82 185 371
Increase / (decrease) during the period	3 047 442	(43 405)	484	(137)	149 707	5 030	3 159 121	13 683 878
Balance at end of the period	<u>96 910 497</u>	<u>620 676</u>	<u>25 092</u>	<u>1 688</u>	<u>1 457 376</u>	<u>13 041</u>	<u>99 028 370</u>	<u>95 869 249</u>
Retained earnings on other than participating business								
Balance at beginning of the period	1 486 780	364 070	392	445	37 909	15 528	1 905 124	1 643 822
Surplus for the period	580 991	94 319	(35)	109	(15 697)	7 435	667 122	2 498 124
Capital contributio					26 839	5 488	32 327	89 256
Surplus appropriated to shareholders' fund	(558 825)	(90 586)	43	(133)	–	–	(649 501)	(2 326 078)
Balance at end of the period (refer note no. 6.1)	<u>1 508 946</u>	<u>367 803</u>	<u>400</u>	<u>421</u>	<u>49 051</u>	<u>28 451</u>	<u>1 955 072</u>	<u>1 905 124</u>
Balance of statutory funds	<u>98 419 443</u>	<u>988 479</u>	<u>25 492</u>	<u>2 109</u>	<u>1 506 427</u>	<u>41 492</u>	<u>100 983 442</u>	<u>97 774 373</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.1,854 million (2016: Rs. 1,629 million) in the Statutory Funds, based on the advice of the appointed actuary.

## 7. INVESTMENTS

	Statutory Funds							Aggregate	
	Shareholders Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	31 March 2017 Unaudited	31 December 2016 Audited
<b>Government Securities</b>									
Held to maturity (at amortized cost)	1 427 893	260 491	1 427 223	1 579	5 427	–	–	3 122 613	3 465 074
Available for sale (at fair value)	–	46 399 580	–	14 094	–	143 336	2 500	46 559 510	45 404 994
	<u>1 427 893</u>	<u>46 660 071</u>	<u>1 427 223</u>	<u>15 673</u>	<u>5 427</u>	<u>143 336</u>	<u>2 500</u>	<u>49 682 123</u>	<u>48 870 068</u>
<b>Other fixed income securities</b>									
Held to maturity (at amortized cost)	–	–	–	–	–	–	–	–	11 282
Available for sale (at fair value)	–	1 287 530	–	–	–	–	–	1 287 530	1 564 229
	<u>–</u>	<u>1 287 530</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1 287 530</u>	<u>1 575 511</u>
<b>Listed equities and mutual funds</b>									
Available for sale (at fair value)	–	38 580 073	–	7 298	–	647 178	–	39 234 549	36 742 608
Held for trading (at fair value)	–	428 048	–	–	–	–	–	428 048	459 246
Available for sale (at lower of cost or market value)	1 359 501	81 581	144 866	–	1 035	–	–	1 586 983	1 586 143
	<u>1 359 501</u>	<u>39 089 702</u>	<u>144 866</u>	<u>7 298</u>	<u>1 035</u>	<u>647 178</u>	<u>–</u>	<u>41 249 580</u>	<u>38 787 997</u>
Less: Provision for impairment in value of investments	245 561	–	37 530	–	660	–	–	283 751	402 901
	<u>1 113 940</u>	<u>39 089 702</u>	<u>107 336</u>	<u>7 298</u>	<u>375</u>	<u>647 178</u>	<u>–</u>	<u>40 965 829</u>	<u>38 385 096</u>

- 7.1 Market value of the government securities carried at amortized cost amounted to Rs. 3,150 million (31 December 2016: Rs. 3,492.21 million).
- 7.2 Market value of other fixed income securities carried at amortized cost amounted to Rs. 0.00 million (31 December 2016: Rs. 0.00 million).
- 7.3 Government securities includes Rs.115 million (31 December 2016: 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. 1,702 million (31 December 2016: Rs. 1,486 million) representing 6.81% (31 December 2016: 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. 2,184 million (31 December 2016: Rs. 2,037 million).

## 8. CONTINGENCIES AND COMMITMENTS

- 8.1 The Income tax assessment of the Company for tax year 2016 has been finalized. The tax department has reopened the assessment order issued under Sec 122(5A) for the tax year 2009-2016 and has raised a demand of Rs. 56.31 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 Income Tax 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 filed an appeal before CIT appeals against the order, where the case was decided in favour of the Company. For the tax year 2015 and 2016, the Company has filed an appeal before CIT appeal. No provision has been made in respect of aforementioned additional demand.

In 2013 Income Tax Department 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 filed second appeal before the Appellate Tribunal against the order of CIT. The learned Appellate Tribunal Inland revenue has decided the case in Company's favour.

In 2015 and 2016, The searle company Limited issued bonus shares (76,031 shares and 342,480 shares respectively) after withholding 5 percent of bonus shares (3,801.55 shares and 18,707.44 shares respectively) and the IBL Healthcare Ltd. issued bonus shares (46,625 shares and 80,311 shares respectively) after withholding 5 percent of bonus shares (2,331.26 shares and 4,031 shares respectively). In this regard, a constitutional petition had been filed by the company in Sindh High Court challenging the applicability of withholding tax provision on bonus shares received by the Company. The honorable high court decide the case against the Company. Subsequently, the Company filed an appeal with a larger bench of the Sindh High Court and in response the Sindh High Court has suspended the earlier judgement until the next date of hearing, which has not yet been decided. The Company is of the view that the case will be decided in it's favour and no provision has been made for the aforementioned tax.

- 8.2 Bank guarantees amounting to Rs. 16.88 million has been given in respect of Group Life coverage. These bank guarantees will expire by 30th June 2017 and 31st March 2018.

## 9. FIXED ASSETS

Rupees in '000

### Three months ended - Unaudited

	30 March 2017		31 March 2016	
	Additions	Disposals	Additions	Disposals
9.1 Tangible and intangible				
Furniture, fixture and fittings	5 762	936	6 060	38
Office equipment	5 622	38	600	—
Computers	6 995	—	848	—
Motor Vehicles	10 889	12 874	9 556	10 831
Intangibles	783	—	1 656	—
Capital work in progress	—	—	149 218	—
Building	—	—	—	—
	30 051	13 848	167 938	10 869

Rupees in '000

### Three months ended

	31 March 2017	31 March 2016
10 TAXATION		
Current	( 238 700 )	( 180 500 )
Prior years	—	—
Deferred	1 500	1 600
	( 237 200 )	( 178 900 )

## 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 2017	31 March 2016
<b>11.1 Transactions</b>			
<b>11.1.1 Associated companies / Associated undertakings</b>			
Premium written		44 284	29 823
Premium paid		36 516	34 853
Claims paid		5 256	2 461
Claims received		2 106	790
Commission paid		29 434	32 221
Travelling Expense		–	14
Dividend payable		–	441 749
Dividend accrued		–	49 054
Bonus shares		–	221 206
Interest on bank deposit		36 964	33 307
<b>11.1.2 Employees' funds</b>			
Contribution to provident fund		6 619	5 967
Contribution to pension fund		5 262	4 652
<b>11.1.3 Key Management Personnel</b>			
Loan to Key Employees		–	–
Loan recovered		900	900
Compensation paid		44 678	42 540

		(Rupees in '000)	
		31 March 2017 Unaudited	31 December 2016 Audited
<b>11.2 Balances</b>			
Loan receivable		29 044	29 944
Bank balances		43 307	30 906
Bank deposits		2 150 000	2 150 000
Premium payable		13 220	49
Premium receivable		258	5 197
Investment in EFU General Insurance Company Limited		1 702 960	1 486 093
Investment in related party		251 336	238 310

## 12. WINDOW TAKAFUL OPERATIONS

The Statement of financial position of Window Takaful Operations as at 31 March 2017 and its financial performance for the period ended 31 March 2017 are as follows:

## 12.1 Balance sheet

Note	Rupees '000				
	Statutory Funds			Aggregate	
	Shareholders' Fund	Family Takaful Investment Linked Business	Family Takaful Protection Business	31 March 2017 Unaudited	31 December 2016 Audited
<b>Share capital and reserves</b>					
Operators Fund	50 000	–	–	50 000	50 000
Accumulated deficit	–	–	–	–	–
Net shareholders' equity	50 000	–	–	50 000	50 000
<b>Balance of statutory fund [including policyholders' liabilities Rs. 1,470.417 million (2016: 1,315.68 million)]</b>					
Participant Investment Fund	36 842	1 444 105	–	1 480 947	1 317 350
Participant Takaful Fund - Waqf	–	40 547	26 426	66 973	51 767
Cede Money- Waqf	–	2 000	–	2 000	2 000
Shareholder's Fund unit holding in PIF	–	6 013	–	6 013	5 690
	36 842	1 492 665	26 426	1 555 933	1 376 807
<b>Creditors and accruals</b>					
Outstanding claims	–	28 429	10 752	39 181	9 359
Contribution received in advance	–	31 586	3 448	35 034	22 565
Amounts due to retakaful	–	3 257	14 657	17 914	26 455
Amounts due to agents	–	28 621	404	29 025	73 870
Accrued expenses	12 376	–	–	12 376	12 418
Other creditors and accruals	50 873	81 402	60 879	193 154	275 223
Interfund balance	98 672	–	–	98 672	58 671
<b>Total liabilities</b>	161 921	173 295	90 140	425 356	478 561
<b>Total equity and liabilities</b>	248 763	1 665 960	116 566	2 031 289	1 905 368
<b>Cash and bank deposits</b>					
Policy stamps in hand	244	–	–	244	19
Current and other accounts	85 154	202 478	21 022	308 654	456 741
Deposits maturing within 12 months	28 000	590 000	–	618 000	508 000
	113 398	792 478	21 022	926 898	964 760
<b>Investments</b>	7				
Government securities	–	143 336	2 500	145 836	145 836
Listed equities and mutual funds	–	647 178	–	647 178	460 252
	–	790 514	2 500	793 014	606 088
<b>Current assets - others</b>					
Prepayments	7 233	–	–	7 233	5 450
Contribution due but unpaid	–	–	2 665	2 665	1 712
Sundry receivables	89 376	4 786	60 324	154 486	181 228
Investment income accrued	242	9 536	29	9 807	2 288
Shareholder's Fund unit holding in PIF	6 013	–	–	6 013	5 690
Taxation - provision less payments	24	–	–	24	–
Capital Contribution	32 327	–	–	32 327	78 579
Advances and deposits	150	–	–	150	902
Interfund balance	–	68 646	30 026	98 672	58 671
	135 365	82 968	93 044	311 377	334 520
<b>Total assets</b>	248 763	1 665 960	116 566	2 031 289	1 905 368

## 12.2 Revenue Account

### 12.2.1 Participants' Investment Fund (PIF)

<b>Income</b>				
Allocated contribution	177 992	–	177 992	160 360
Policy transfer to other statutory fund	3 098	–	3 098	–
Net investment income	79 141	–	79 141	594
Total net income	260 231	–	260 231	160 954
<b>Less: Claims and Expenditure</b>				
Investment management charges	4 836	–	4 836	254
Bid offer spread	9 009	–	9 009	7 962
Policy admin fee	4 468	–	4 468	1 648
Wakalat-ul-Istismar	18 313	–	18 313	9 864
Surrender	84 919	–	84 919	1 202
<b>Excess of income over claims and expenditure</b>	156 999	–	156 999	149 888
Add : Technical reserves at the beginning of the period	1 287 106	–	1 287 106	55 931
Less : Technical reserves at the end of the period	1 444 105	–	1 444 105	205 819
	( 156 999 )	–	156 999	( 149 888 )
<b>Surplus / (Deficit)</b>	–	–	–	–
Movement in technical reserves	156 999	–	156 999	149 888
Balance of PIF at beginning of the period	1 287 106	–	1 287 106	55 931
Balance of PIF at end of the period	(a) 1 444 105	–	1 444 105	205 819

### 12.2.2 Participants' Takaful Fund (PTF)

<b>Income</b>				
Contribution net of retakaful recoveries	10 638	23 491	34 129	11 261
Net investment income	688	188	876	74
Total net income	11 326	23 679	35 005	11 335
<b>Less: Claims and Expenditure</b>				
Wakala Income	4 543	3 052	7 595	4 643
Selection discount	( 1 282 )	—	( 1 282 )	—
Claims net of Retakaful recoveries	6 033	7 453	13 486	1 510
	9 294	10 505	19 799	6 153
Excess of income over claims and expenditure	2 032	13 174	15 206	5 18
Add : Technical reserves at the beginning of the period	20 563	8 011	28 574	9 339
Less : Technical reserves at the end of the period	13 271	13 041	26 312	12 313
	7 292	( 5 030 )	2 262	( 2 974 )
<b>Surplus / (Deficit) before distribution</b>	9 324	8 144	17 468	2 208
Movement in technical reserves	( 7 292 )	5 030	( 2 262 )	2 974
Balance of PTF at beginning of the period	38 515	13 252	51 767	11 276
Qard-e-Hasna contributed from shareholder's fund	—	—	—	—
Balance of PTF at end of the period	(b) 40 547	26 426	66 973	16 458



Rupees '000

Statutory Funds		Three months ended	
Family Takaful Investment Linked Business	Family Takaful Protection Business	31 March 2017	31 March 2016
120 598	–	120 598	55 017
1 070	–	1 070	232
18 313	–	18 313	9 864
4 543	3 052	7 595	4 645
144 524	3 052	147 576	69 758
140 327	3 103	143 430	73 596
29 218	658	29 876	8 000
169 545	3 761	173 306	81 596
( 25 021 )	( 709 )	( 25 730 )	( 11 838 )
–	–	–	–
–	–	–	–
–	–	–	–
( 25 021 )	( 709 )	( 25 730 )	( 11 838 )
–	–	–	–
		–	3 742
26 839	5 488	32 327	–
–	–	–	–
19 957	10 287	30 244	16 290
21 775	15 066	36 841	8 194
1 506 427	41 492	1 547 919	230 471
1 457 376	13 041	1 470 417	218 132
49 051	28 451	77 502	12 339
1 506 427	41 492	1 547 919	230 471

## 12.2.3 Shareholders' Sub-Fund

## 12.3 Statement of contribution

	Statutory Funds		Aggregate	
	Family Takaful Investment Linked Business	Family Takaful Protection Business	Three months ended 31 March	
			2017	2016
<b>Gross contribution</b>				
<b>Regular contribution individual policies</b>				
First year	153 367	–	153 367	76 871
Second year	61 940	–	61 940	3 622
Third year	6 507	–	6 507	–
Single contribution individual policies	95 861	–	95 861	141 231
Group policies without cash values	–	32 302	32 302	11 422
<b>Total gross contribution</b>	<b>317 675</b>	<b>32 302</b>	<b>349 977</b>	<b>233 146</b>
<b>12.3.1 Participants' Investment Fund</b>				
Allocated regular contribution	85 229	–	85 229	19 129
Allocated single contribution	95 861	–	95 861	141 231
<b>Total allocated contribution</b>	<b>181 090</b>	<b>–</b>	<b>181 090</b>	<b>160 360</b>
<b>12.3.2 Participants' Takaful Fund</b>				
Allocated gross contribution	15 987	32 302	48 289	17 769
<b>Less: Retakaful contribution ceded</b>				
On individual life first year business	3 069	–	3 069	2 705
On individual life second year business	2 160	–	2 160	–
On individual life renewal year business	120	–	120	–
On group policies	–	8 811	8 811	3 803
<b>Total retakaful contribution ceded</b>	<b>5 349</b>	<b>8 811</b>	<b>14 160</b>	<b>6 508</b>
<b>Net Risk Contribution of PTF</b>	<b>10 638</b>	<b>23 491</b>	<b>34 129</b>	<b>11 261</b>
<b>12.3.3 Shareholders' Sub-Fund</b>				
Unallocated regular contribution	120 598	–	120 598	55 017
<b>12.4 Statement of claims</b>				
<b>Gross Claims</b>				
<b>Claims under Individual Policies</b>				
by death	21 538	–	21 538	–
by insured event other than death	–	–	–	–
	21 538	–	21 538	–
Surrenders / Partial withdrawals	84 919	–	84 919	1 202
<b>Claims under group policies</b>				
by death	–	7 963	7 963	1 939
by insured event other than death	–	5 403	5 403	110
	–	13 366	13 366	2 049
<b>Total Gross Claims</b>	<b>106 457</b>	<b>13 366</b>	<b>119 823</b>	<b>3 251</b>
<b>Gross Claims allocated as follows:</b>				
<b>Participants' Investment Fund (PIF)</b>				
Surrenders/Partial withdrawals under Individual policies	84 919	–	84 919	1 202
<b>Participants' Takaful Fund (PTF)</b>				
Under individual policies by death	21 538	–	21 538	–
Under group policies by death	–	7 963	7 963	1 939
Under group policies by event other than death	–	5 403	5 403	110
<b>Total gross claims under PTF</b>	<b>21 538</b>	<b>13 366</b>	<b>34 904</b>	<b>2 049</b>
<b>Less:Re - Takaful recoveries under PTF</b>				
On individual policies first year	5 265	–	5 265	–
On individual policies second year	10 240	–	10 240	–
On Group policies	–	5 913	5 913	539
	15 505	5 913	21 418	539
<b>Net Claims under PTF</b>	<b>6 033</b>	<b>7 453</b>	<b>13 486</b>	<b>1 510</b>

## 12.5 Statement of Expenses

Acquisition costs			Rupees '000	
	Statutory Funds		Aggregate	
	Family Takaful Investment Linked Business	Family Takaful Protection Business	Three months ended 31 March	
			2017	2016
<b>Shareholders' Sub-Fund</b>				
Remuneration to insurance intermediaries on individual policies:				
– commission on first year Contribution	66 874	–	66 874	34 626
– commission on second year Contribution	5 273	–	5 273	276
– commission on subsequent renewal	112	–	112	44
– commission on single Contribution	3 062	–	3 062	5 144
– override commission	11 296	–	11 296	4 281
– other benefits to insurance intermediaries	42 928	–	42 928	19 117
	129 545	–	129 545	63 488
Remuneration to insurance intermediaries on group policies:				
– Commission	–	3 078	3 078	230
– other benefits to insurance intermediaries		25	25	825
Branch overheads	6 994	–	6 994	9 019
Other acquisition costs				
– policy stamps	2 506	–	2 506	34
<b>Total acquisition cost</b>	<b>139 045</b>	<b>3 103</b>	<b>142, 148</b>	<b>73 596</b>
<b>Administration expenses</b>				
Salaries and other benefits	14 267	527	14 794	5 419
Travelling expenses	430	5	435	268
Actuary's fees	324	–	324	83
Medical fees	169	–	169	164
Legal and professional fee	1 302	–	1 302	351
Advertisements and publicity	–	–	–	417
Computer expenses	398	–	398	129
Printing and stationery	2 313	21	2 334	247
Depreciation	2 428	–	2 428	146
Amortisation	352	–	352	89
Rental	291	23	314	192
Postage	1 993	–	1 993	–
Fees and subscription	1 900	9	1 909	339
Other management expenses	4 365	73	4 438	1 204
Commission from Reinsurance	( 1 282 )	–	( 1 282 )	( 1 048 )
Fees charged to policy holder	( 32 )	–	( 32 )	–
Net Management Expenses	168 263	3 761	172 024	81 596
<b>12.6 Statement of Investment Income</b>				
<b>12.6.1 Participants' Investment Fund (PIF)</b>				
Return on government securities	2 023	–	2 023	222
Other Fixed Income securities	6 882	–	6 882	322
Dividend Income	3 534	–	3 534	–
Gain/(loss) on investment	30 296	–	30 296	–
Unrealised gain on Investment	36 406	–	36 406	50
<b>Net investment income of PIF</b>	<b>(a) 79 141</b>	<b>–</b>	<b>79 141</b>	<b>594</b>
<b>12.6.2 Participants' Takaful Fund (PTF)</b>				
Return on government securities	28	27	55	20
Interest on bank deposits	660	161	821	54
<b>Net investment income of PTF</b>	<b>(b) 688</b>	<b>188</b>	<b>876</b>	<b>74</b>
<b>12.6.3 Shareholders' Sub-Fund</b>				
Return on government securities	8	–	8	–
Other Fixed Income securities	28	–	28	–
Dividend Income	15	–	15	–
Gain/(loss) on investment	125	–	125	–
Unrealised gain on Investment	151	–	151	–
Interest on bank deposits	743	–	743	233
<b>Net investment income of shareholders' sub-fund</b>	<b>(c) 1 070</b>	<b>–</b>	<b>1 070</b>	<b>233</b>
<b>Net Investment Income</b>	<b>(a+b+c) 80 899</b>	<b>188</b>	<b>81 087</b>	<b>901</b>



(Rupees '000)

## 31 December 2016

Fair value											
Note	Available for Sale	HFT	HTM	Loans and Receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments											
Financial assets measured at fair value											
- Investments											
	45 404 994	-	-	-	-	-	45 404 994	-	45 404 994	-	45 404 994
Government Securities (Tbills + PBs + Sukuks)	1 192 326	-	-	-	-	-	1 192 326	1 192 326	-	-	1 192 326
Sukuk Bonds (other than government)	36 230 825	459 246	-	-	-	-	36 690 071	36 690 071	-	-	36 690 071
Listed equity securities	508	-	-	-	-	-	508	-	-	508	508
Unlisted equity securities	511 783	-	-	-	-	-	511 783	-	511 783	-	511 783
Units of mutual funds	173 185	-	-	-	-	-	173 185	173 185	-	-	173 185
Debt securities (Listed TFCs)											
Financial assets not measured at fair value											
- Government Securities (Tbills + PBs + Sukuks)	-	-	3 465 074	-	-	-	3 465 074	-	3 492 212	-	3 492 212
- Balances with banks *	12 391 210	-	-	-	-	-	12 391 210	-	-	-	-
- Certificate of Investment	210 000	-	-	-	-	-	210 000	-	-	-	-
- Advances	-	-	-	91 912	1 782 633	-	1 874 545	-	-	-	-
- Listed equity securities and mutual fund units (at lower of cost or market value)	1 183 242	-	-	-	-	-	1 183 242	1 995 995	-	-	1 995 995
- Other assets (excluding markup accrued)*	-	-	-	-	2 162 060	-	2 162 060	-	-	-	-
	97 298 073	459 246	3 465 074	91 912	3 944 693	-	105 258 998	40 051 577	49 408 989	508	89 461 074
Financial liabilities not measured at fair value											
- Deposits and other accounts *	-	-	-	-	-	-	-	-	-	-	-
- Borrowings	-	-	-	-	-	-	-	-	-	-	-
- Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-	-
- Sub -ordinated loans	-	-	-	-	-	-	-	-	-	-	-
- Other liabilities (excluding Liabilities against assets subject to finance lease) *	-	-	-	-	-	3 202 234	3 202 234	-	-	-	-
	-	-	-	-	-	3 202 234	3 202 234	-	-	-	-
	97 298 073	459 246	3 465 074	91 912	3 944 693	(3 202 234)	102 056 764	40 051 577	49 408 989	508	89 461 074

## **14 GENERAL**

- 14.1** Corresponding figures have been rearranged and reclassified, wherever necessary, to facilitate comparison. However, there are no material reclassifications to report.
- 14.2** Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

## **15. 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 27 April 2017.

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

Karachi 27 April, 2017



