

Looking Over the Horizons



EFU LIFE

Report (Un-audited)
Six Months Ended

30 June 2017



EFU LIFE ASSURANCE LTD.

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

www.efulife.com



(021) 111-338-111



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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.





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Company Information

Chairman

Rafique R. Bhimjee

**Managing Director
& Chief Executive**

Taher G. Sachak

Directors

Saifuddin N. Zoomkawala

Muneer R. Bhimjee

Ali Raza Siddiqui

Hasanali Abdullah

Heinz Walter Dollberg

Kamal Afsar

Syed Salman Rashid

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

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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, 30 June 2017

The Directors of your Company are pleased to present the Condensed Interim Financial Statements (Un-audited) for the half year ended 30 June 2017.

Your Company's total premium income was Rs.14.97 billion during the first half year of 2017 (2016: Rs.11.77 billion), a growth of 27%. New individual life regular premium income was Rs.1.99 billion (2016: Rs.1.72 billion), an increase of 15.7%. Renewal premium was Rs.6.81 billion (2016: Rs.6.4 billion). The total individual life regular premium business increased by 8.5% to Rs.8.8 billion (2016: 8.12 billion). Single Premium was Rs.4.9 billion (2016: 2.56 billion). Group Benefits business increased by 15% at Rs.1.26 billion (2016: Rs.1.1 billion).

Your company's window takaful operations are in the third year of business. The total family takaful contribution was Rs.986 million (2016: 970 million). Out of this, Rs.917 million (2016: Rs.948 million) was from Individual family takaful business while Rs.69 million (2016: Rs.22 million) was from Group Family Takaful. The Company expects this line of business to grow during 2017.

Your Company had a Profit after Tax of Rs.774 million (2016: Rs.693 million). The Earnings per Share is Rs.7.74 (2016: Rs. 6.93).

The Directors have pleasure in declaring a second Interim Dividend of Rs.1.25 per share. i.e. 12.5%. This cash dividend is in addition to 1st Interim cash dividend of Rs.1.25/- per share i.e. 12.5% declared in 1st Quarter, 2017.

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

SYED SALMAN RASHID
Director

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Director
Chairman of the Meeting

Karachi 16 August, 2017

ممبران کو ڈائریکٹرز کی رپورٹ (۳۰ جون ۲۰۱۷ء)

آپ کی کمپنی کے ڈائریکٹرز، سال ۲۰۱۷ء کی پہلی ششماہی جو ۳۰ جون ۲۰۱۷ء کو اختتام پذیر ہوئی، کمپنی کے (غیر آڈٹ شدہ) مالیاتی حسابات کی مختصر مگر جامع عبوری معلومات کے ساتھ، پہلی ششماہی رپورٹ پیش کرنے میں مسرت محسوس کرتے ہیں۔

سال ۲۰۱۷ء کی پہلی ششماہی میں آپ کی کمپنی کے کل مجموعی پرمیٹیم کی آمدنی 14.97 بلین روپے رہی (۲۰۱۶: 11.77 بلین روپے) یعنی 27 فیصد اضافہ رہا۔ نئے انفرادی بیمہ زندگی کے باقاعدہ پرمیٹیم کی آمدنی 1.99 بلین روپے تھی، (۲۰۱۶: 1.72 بلین روپے) یعنی اس میں 15.7 فیصد اضافہ ہوا۔ تجدیدی پرمیٹیم 6.81 بلین روپے رہا (۲۰۱۶: 6.4 بلین روپے)۔ مجموعی انفرادی بیمہ زندگی سے متعلق باقاعدہ پرمیٹیم کا کاروبار 8.5 فیصد اضافے سے 8.8 بلین روپے رہا (۲۰۱۶: 8.12 بلین روپے)۔ سنگل پرمیٹیم کا کاروبار 4.9 بلین روپے رہا (۲۰۱۶: 5.6 بلین روپے)۔ گروپ بینیفٹس کا کاروبار 15 فیصد اضافے سے 1.26 بلین روپے رہا (۲۰۱۶: 1.1 بلین روپے)۔

آپ کی کمپنی کے ونڈو تکافل آپریشنز اب تیسرے سال میں داخل ہو گئے ہیں۔ مجموعی فیملی تکافل کا حصہ 986 بلین روپے رہا (۲۰۱۶: 970 بلین روپے)۔ اس مجموعے میں سے 917 بلین روپے (۲۰۱۶: 948 بلین روپے)، انفرادی فیملی تکافل کا کاروبار سے حاصل ہوئے جبکہ 69 بلین روپے (۲۰۱۶: 22 بلین روپے) گروپ فیملی تکافل سے حاصل ہوئے۔ کمپنی ۲۰۱۷ء کے دوران کاروبار کے اس شعبے کی مزید آگے بڑھنے کی امید رکھتی ہے۔

آپ کی کمپنی نے اس پہلی ششماہی میں، گزشتہ سال کے اسی دورانیے کے 693 بلین روپے کے مقابلے میں بعد از ٹیکس 774 بلین روپے کا منافع حاصل کیا۔ فی حصص آمدن 7.74 روپے ہے (۲۰۱۶: 6.93 روپے)۔

ڈائریکٹرز 1.25 روپے فی حصص یعنی 12.5 فیصد دوسرے عبوری ڈویڈنڈ کا اعلان کرنے میں خوشی محسوس کرتے ہیں۔ یہ نقد ڈویڈنڈ، 1.25 روپے فی حصص یعنی 12.5 فیصد پہلے عبوری نقد ڈویڈنڈ جو پہلی سہ ماہی میں پیش کیا گیا، کے علاوہ ہے۔

آپ کے ڈائریکٹرز کمپنی کی ترقی اور نشوونما کے لئے ای ایف یو لائف ہیڈ آفس کی ٹیم اور تمام تقسیم کاری چینلز کی محنت اور کوششوں کے لئے داد ہائے تحسین پیش کرنا چاہتے ہیں۔ ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی رہنمائی اور اپنے اصل ری انشورر مینوآر آرای کا بھی اس کے 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۔

سیف الدین این. زومکا والا
ڈائریکٹر
میٹنگ کے چیئرمین

طاہر جی۔ ساچک
نیجنگ ڈائریکٹر و چیف ایگزیکٹو

حسن علی عبداللہ
ڈائریکٹر

سید سلمان راشد
ڈائریکٹر

کراچی ۱۶ اگست ۲۰۱۷ء



Independent auditors' review report to the members of EFU Life Assurance Limited

Introduction

We have reviewed the accompanying

- i. condensed interim balance sheet;
- ii. condensed interim profit and loss account;
- iii. condensed interim statement of changes in equity;
- iv. condensed interim cash flow statement;
- v. condensed interim revenue account;
- vi. condensed interim statement of premiums;
- vii. condensed interim statement of claims;
- viii. condensed interim statement of expenses; and
- ix. condensed interim statement of investment income

of EFU Life Assurance Limited ("the Company") as at 30 June 2017 and for the six months period then ended together with notes to the accounts (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of the condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on the condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Other Matters

The figures for the quarter ended 30 June 2017 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

Date: 16 August, 2017
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

Condensed Interim Balance Sheet

as at 30 June 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	30 June 2017 Unaudited	31 December 2016 Audited
Share capital and reserves										
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 (2016: 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		650 678	-	-	-	-	-	650 678	1 543 383	
General reserves		1 900 000	-	-	-	-	-	1 900 000	1 650 000	
Net shareholders' equity		3 550 678	-	-	-	-	-	3 550 678	4 193 383	
Balance of statutory fund [including policyholders' liabilities Rs. 101 579 million (2016: Rs. 95 869 million)]										
Statutory fund	6	-	100 612 649	1 076 947	25 862	1 950	1 851 831	56 766	103 626 005	97 774 373
Seed Money- Waqf		-	-	-	-	-	2 000	-	2 000	2 000
Shareholder's Fund unit holding in PIF		-	-	-	-	-	6 098	-	6 098	5 690
		-	100 612 649	1 076 947	25 862	1 950	1 859 929	56 766	103 634 103	97 782 063
Deferred tax liability		133 000	-	-	-	-	-	-	133 000	131 000
Creditors and accruals										
Outstanding claims		-	810 637	918 321	-	1 345	16 320	9 202	1 755 825	1 692 717
Premiums / Contribution received in advance		-	564 846	42 665	14	20	24 997	8 231	640 773	575 806
Amounts due to reinsurers / retakaful		-	121 502	5 009	-	-	5 472	20 701	152 684	148 023
Amounts due to agents		-	260 909	13 031	7	8	28 362	2 080	304 397	556 464
Accrued expenses	250		214 929	16 096	5	6	7 687	7 689	246 662	411 528
Unclaimed dividend	21 644		-	-	-	-	-	-	21 644	22 047
Other creditors and accruals	46 044		139 248	5 796	1	14	136 113	25 000	352 216	371 455
Inter-fund payable	-		119 875	41 838	1 833	2 921	-	-	166 467	417 045
Total liabilities		67 938	2 231 946	1 042 756	1 860	4 314	218 951	72 903	3 640 668	4 195 085
Contingencies and commitments										
Total equity and liabilities	8	3 751 616	102 844 595	2 119 703	27 722	6 264	2 078 880	129 669	110 958 449	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	30 June 2017 Unaudited	31 December 2016 Audited
Cash and bank deposits										
Policy stamps in hand		–	15 367	133	–	–	244	–	15 744	4 379
Current and other accounts		176 561	2 212 652	262 619	3 671	541	317 431	52 795	3 026 270	3 033 110
Deposits maturing within 12 months		–	10 324 000	25 100	1 000	–	825 000	14 000	11 189 100	9 358 100
		176 561	12 552 019	287 852	4 671	541	1 142 675	66 795	14 231 114	12 395 589
Loans										
To employees - secured		85 465	–	–	–	–	–	–	85 465	80 918
To employees and agents - unsecured		9 768	–	–	–	–	–	–	9 768	10 994
		95 233	–	–	–	–	–	–	95 233	91 912
Investments	7									
Government securities		1 440 657	46 189 877	1 365 538	15 729	5 433	143 336	2 500	49 163 070	48 870 068
Other fixed income securities		–	1 258 068	–	–	–	–	–	1 258 068	1 575 511
Listed equities and mutual funds		966 194	39 537 939	104 045	7 155	265	723 290	–	41 338 888	38 385 096
Unlisted equities		508	–	–	–	–	–	–	508	508
		2 407 359	86 985 884	1 469 583	22 884	5 698	866 626	2 500	91 760 534	88 831 183
Current assets - others										
Premiums due but unpaid		–	–	92 800	–	–	–	1 829	94 629	92 029
Amounts due from reinsurers		–	222	216 657	–	–	8 346	–	225 225	75 757
Prepayments		–	44 085	1 068	1	4	2 374	–	47 532	36 280
Sundry receivables		50 000	142 371	6 979	1	12	6 575	–	205 938	208 871
Investment income accrued		9 938	1 618 794	6 731	162	–	11 674	131	1 647 430	1 782 633
Shareholders' Fund unit holding in PIF		–	–	–	–	–	6 098	–	6 098	5 690
Taxation - provision less payments		88 343	–	–	–	–	587	587	89 517	58 550
Advances and deposits		10 500	108 207	38 033	3	9	122	122	156 996	151 600
Inter-fund receivable		74 959	–	–	–	–	33 803	57 705	166 467	417 045
		233 740	1 913 679	362 268	167	25	69 579	60 374	2 639 832	2 828 455
Fixed assets	9									
Tangible assets										
Leased hold land		–	126 505	–	–	–	–	–	126 505	126 505
Building		–	1 266 508	–	–	–	–	–	1 266 508	1 254 115
Furniture fixtures office equipment and vehicles		822 044	–	–	–	–	–	–	822 044	752 127
Capital work in progress		–	–	–	–	–	–	–	–	–
Intangible assets										
Computer software		16 679	–	–	–	–	–	–	16 679	21 645
		838 723	1 393 013	–	–	–	–	–	2 231 736	2 154 392
Total assets		3 751 616	102 844 595	2 119 703	27 722	6 264	2 078 880	129 669	110 958 449	106 301 531

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

SYED SALMAN RASHID
Director

HASANALI ABDULLAH
Director

SYED SHAHID ABBAS
Chief Financial
Officer

TAHER G. SACHAK
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Director
Chairman of the Meeting

Karachi 16 August, 2017

Condensed Interim Profit and Loss Account for the six months period ended 30 June 2017 (Unaudited)

Rupees '000

	Note	Six months ended 30 June		Three months ended 30 June	
		2017	2016	2017	2016
Investment income not attributable to statutory funds					
Return on government securities		44 210	61 964	21 961	31 893
Return on other fixed income securities and deposits		12 444	13 850	6 467	–
Dividend income		52 372	33 074	48 308	7 090
		109 026	108 888	76 736	38 983
(Provision for) / Reversal of impairment in the value of available for sale investments		(30 194)	19 653	(147 736)	(52 553)
Net investment income		78 832	128 541	(71 000)	(13 570)
Other revenue		12 269	14 443	5 283	6 359
		91 101	142 984	(65 717)	(7 211)
Expenses not attributable to statutory funds		(6 055)	(27 046)	(2 227)	(13 070)
		85 046	115 938	(67 944)	(20 281)
Surplus transferred from statutory funds		1 113 757	981 405	464 256	527 396
Profit before tax for the period		1 198 803	1 097 343	396 312	507 115
Taxation	10	(425 000)	(404 550)	(187 800)	(225 650)
Profit after tax for the period		773 803	692 793	208 512	281 465
			(Rupees)		
Earnings per share - basic and diluted		7.74	6.93	2.09	2.82

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

SYED SALMAN RASHID
Director

HASANALI ABDULLAH
Director

SYED SHAHID ABBAS
Chief Financial
Officer

TAHER G. SACHAK
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Director
Chairman of the Meeting

Karachi 16 August, 2017



Condensed Interim Statement of Changes in Equity for the six months period ended 30 June 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	–	1 459 743	3 409 743
Profit for the Six months period ended 30 June 2016	–	–	–	692 793	692 793
Transactions with owners of the Company					
Transfer to General Reserve	–	700 000	–	(700 000)	–
Dividend for the year 2015 at Rs.7 per share	–	–	–	(700 000)	(700 000)
Dividend for the quarter ended 31 March 2016 at Rs.1 per share	–	–	–	(100 000)	(100 000)
Balance as at 30 June 2016	<u>1 000 000</u>	<u>1 650 000</u>	<u>–</u>	<u>652 536</u>	<u>3 302 536</u>
Balance as at 01 January 2017	1 000 000	1 650 000	(89 256)	1 632 639	4 193 383
Capital contribution for the six months ended 30 June 2017	–	–	(91 508)	–	(91 508)
Profit for the six months period ended 30 June 2017	–	–	–	773 803	773 803
Transactions with owners of the Company					
Transfer to General Reserve	–	250 000	–	(250 000)	–
Dividend for the year 2016 at Rs.12 per share	–	–	–	(1 200 000)	(1 200 000)
Dividend for the for the quarter ended 31 March 2017 at Rs.1.25 per share	–	–	–	(125 000)	(125 000)
Balance as at 30 June 2017	<u>1 000 000</u>	<u>1 900 000</u>	<u>(180 764)</u>	<u>831 442</u>	<u>3 550 678</u>

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

SYED SALMAN RASHID
Director

HASANALI ABDULLAH
Director

SYED SHAHID ABBAS
Chief Financial
Officer

TAHER G. SACHAK
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Director
Chairman of the Meeting

Karachi 16 August, 2017

Condensed Interim Statement of Cash Flows

for the six months period ended 30 June 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	30 June 2017 Unaudited	30 June 2016 Audited
Operating cash flows									
a) Underwriting activities									
Premiums / contribution received	-	12 898 862	1 131 872	387	493	921 912	74 789	15 028 315	11 670 395
Reinsurance premiums paid	-	(56 210)	(20 130)	(252)	85	(11 319)	-	(87 826)	(45 373)
Claims paid	-	(326 785)	(920 983)	-	-	(16 796)	(13 885)	(1 278 449)	(1 555 781)
Surrenders paid	-	(6 933 602)	-	(100)	-	(198 515)	-	(7 132 217)	(8 794 513)
Commissions paid	-	(1 539 437)	(132 263)	(6)	(94)	(229 158)	(12 926)	(1 913 884)	(1 591 576)
Net cash generated from / (used in) underwriting activities	-	4 042 828	58 496	29	484	466 124	47 978	4 615 939	(316 848)
b) Other operating activities									
Income tax paid	(453 967)	-	-	-	-	-	-	(453 967)	(476 898)
General management expenses paid	(9 592)	(1 166 773)	(115 197)	(15)	(88)	(177 648)	(2 138)	(1 471 451)	(1 250 677)
Other operating payments	33 192	(54 315)	(93)	(42)	(43)	2 470	-	(18 831)	(380 882)
Other operating receipts	233 216	(336 080)	36 395	159	466	119 316	(53 472)	-	425 622
Loans advanced	(36 722)	-	-	-	-	-	-	(36 722)	(55 961)
Loan repayments received	33 401	-	-	-	-	-	-	33 401	61 730
Other payments on operating assets	124 826	(117 442)	(34 113)	2	(14)	11 488	727	(14 526)	(63 351)
Net cash (used in) / generated from other operating activities	(75 646)	(1 674 610)	(113 008)	104	321	(44 374)	(54 883)	(1 962 096)	(1 740 417)
Total cash (used in) / generated from all operating activities	(75 646)	2 368 218	(54 512)	133	805	421 750	(6 905)	2 653 843	(2 057 265)
Investment activities									
Profit / return received	61 300	2 563 478	45 878	558	161	15 683	92	2 687 150	2 774 212
Dividends received	52 372	696 228	4 660	146	-	6 062	-	759 468	678 848
Payments for investments	(1 959 697)	(43 656 870)	(1 297 385)	(26 797)	(16 437)	(2 443 763)	(112 000)	49 512 949	(7 484 785)
Proceeds from disposal of investments	2 092 853	40 691 977	1 550 100	26 800	16 500	2 251 791	112 000	46 742 021	4 237 548
Fixed capital expenditure	(137 805)	(44 300)	-	-	-	-	-	(182 105)	(337 784)
Proceeds from disposal of fixed assets	13 097	-	-	-	-	-	-	13 097	13 383
Total cash (used in) / generated from all investing activities	122 120	250 513	303 253	707	224	(170 227)	92	506 682	(118 578)
Financing activities									
Surplus appropriated to shareholders' fund	1 113 757	(1 011 811)	(101 379)	(28)	(539)	-	-	-	-
Dividends paid	(1 325 000)	-	-	-	-	-	-	(1 325 000)	(800 000)
Total cash generated from / (used in) all financing activities	(211 243)	(1 011 811)	(101 379)	(28)	(539)	-	-	(1 325 000)	(800 000)
Net cash generated from / (used in) all activities	(164 769)	1 606 920	147 362	812	490	251 523	(6 813)	1 835 525	(2 975 843)
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	176 561	12 552 019	287 852	4 671	541	1 142 675	66 795	14 231 114	11 430 744
Reconciliation to profit and loss account									
Operating cash flows								2 653 843	(2 057 265)
Depreciation								(92 244)	(40 175)
Amortization								(5 871)	(5 152)
Profit on disposal of fixed assets								6 451	8 190
Other revenue								5 818	6 253
Investment revenue								3 305 597	3 570 448
Appreciation in market value of investments								(2 389 517)	666 550
(Provision for) / reversal of impairment in the value of available for sale equity investments								(31 987)	19 442
Profit on sale of investments								2 579 927	747 969
Increase / (Decrease) in assets other than cash								(50 099)	(185 275)
Capital contribution								91 508	-
Increase in liabilities								(5 299 623)	(2 038 192)
Profit after taxation								773 803	692 793

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

SYED SALMAN RASHID
Director

HASANALI ABDULLAH
Director

SYED SHAHID ABBAS
Chief Financial
Officer

TAHER G. SACHAK
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Director
Chairman of the Meeting

Karachi 16 August, 2017

Condensed Interim Revenue Account for the six months period ended 30 June 2017 (Unaudited)

Rupees '000

Note	Statutory Funds						Aggregate		Three months ended 30 June	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Investment Linked Business	Family Takaful Protection Business	Six months ended 30 June		2017	2016
							2017	2016	2017	2016
Income										
Premiums / contribution less reinsurance / retakaful	12 656 729	989 592	388	326	902 734	56 797	14 606 566	11 380 597	7 788 245	6 071 547
Net investment income	3 230 973	51 113	632	50	164 156	13 655	3 460 579	4 930 036	579 774	3 160 368
Total net income	15 887 702	1 040 705	1 020	376	1 066 890	70 452	18 067 145	16 310 633	8 368 019	9 231 915
Claims net of reinsurance recoveries	7 187 670	653 592	100	–	208 036	16 793	8 066 191	10 204 937	3 629 036	4 511 146
Management expenses	2 425 407	236 938	30	157	432 705	31 836	3 127 073	2 569 252	1 691 345	1 416 174
Total claims and expenditure	9 613 077	890 530	130	157	640 741	48 629	11 193 264	12 774 189	5 320 381	5 927 320
Excess of income over claims and expenditure	6 274 625	150 175	890	219	426 149	21 823	6 873 881	3 536 444	3 047 638	3 304 595
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	82 185 371	99 028 370	81 962 609
Less : policyholders' liabilities at end of the period	99 082 535	659 239	25 345	1 625	1 794 242	16 012	101 578 998	84 688 364	101 578 998	84 688 364
	(5 219 480)	4 842	(737)	200	(486 573)	(8 001)	(5 709 749)	(2 502 993)	(2 550 628)	(2 725 755)
Surplus / (Deficit) before tax	1 055 145	155 017	153	419	(60 424)	13 822	1 164 132	1 033 451	497 010	578 840
Movement in policyholders' liabilities	5 219 480	(4 842)	737	(200)	486 573	8 001	5 709 749	2 502 993	2 550 628	2 725 755
Transfer of (surplus) / deficit to shareholders' fund	(1 011 811)	(101 379)	(28)	(539)	–	–	(1 113 757)	(981 405)	(464 256)	(527 396)
Capital contribution	–	–	–	–	80 104	11 404	91 508	–	59 181	–
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	100 983 442	83 607 033
Balance of statutory funds at end of the period	100 612 649	1 076 947	25 862	1 950	1 851 831	56 766	103 626 005	86 384 232	103 626 005	86 384 232
Represented by:										
Policyholders' liabilities	99 082 535	659 239	25 345	1 625	1 794 242	16 012	101 578 998	84 688 364	101 578 998	84 688 364
Retained earnings on other than participating business	1 530 114	417 708	517	325	57 589	40 754	2 047 007	1 695 868	2 047 007	1 695 868
Balance of statutory funds	100 612 649	1 076 947	25 862	1 950	1 851 831	56 766	103 626 005	86 384 232	103 626 005	86 384 232

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

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Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Director
Chairman of the Meeting

Karachi 16 August, 2017

Condensed Interim Statement of Premiums / Contributions for the six months period ended 30 June 2017 (Unaudited)

Rupees '000

Note	Statutory Funds						Aggregate		Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Six months ended 30 June		Three months ended 30 June	
							2017	2016	2017	2016
Gross premiums / contribution										
Regular premium / Contribution individual policies*										
First year	1 674 264	700	–	70	314 465	–	1 989 499	1 719 570	1 036 798	1 015 184
Second year renewal	1 241 614	287	–	5	151 733	–	1 393 639	1 273 898	678 876	657 240
Subsequent year renewal	5 396 434	1 156	388	420	23 818	–	5 422 216	5 121 929	2 688 371	2 641 697
Single premium / Contribution individual policies	4 469 834	–	–	–	427 437	–	4 897 271	2 555 016	2 836 735	1 421 825
Group policies with cash values	27 115	–	–	–	–	–	27 115	14 330	14 995	9 046
Group policies without cash values	–	1 167 506	–	–	–	68 702	1 236 208	1 088 085	699 194	467 334
Total gross premiums / Contribution	12 809 261	1 169 649	388	495	917 453	68 702	14 965 948	11 772 828	7 954 969	6 212 326
Less: Reinsurance premiums / Retakaful contribution ceded										
On individual life first year business	14 654	6	–	3	8 045	–	22 708	27 740	12 441	17 293
On individual life second year business	20 402	67	–	–	5 792	–	26 261	17 272	12 695	7 862
On individual life renewal business	117 476	507	–	166	882	–	119 031	98 939	53 656	45 485
On group policies	–	179 477	–	–	–	11 905	191 382	248 280	87 932	70 139
Total reinsurance premium / retakaful contribution ceded	152 532	180 057	–	169	14 719	11 905	359 382	392 231	166 724	140 779
Net premium / contribution	12 656 729	989 592	388	326	902 734	56 797	14 606 566	11 380 597	7 788 245	6 071 547

* 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.

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Director
Chairman of the Meeting

Karachi 16 August, 2017

Condensed Interim Statement of Claims

for the six months period ended 30 June 2017 (Unaudited)

Rupees '000

Note	Statutory Funds						Aggregate		Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Six months ended 30 June		Three months ended 30 June	
							2017	2016	2017	2016
Gross claims										
Claims under individual policies										
by death	269 844	260	–	–	26 218	–	296 322	476 938	154 525	130 961
by insured event other than death	1 048	–	–	–	–	–	1 048	12 612	(969)	9 004
by maturity	533 576	–	100	–	–	–	533 676	350 562	288 189	144 878
by surrender	6 428 260	–	–	–	199 385	–	6 627 645	8 794 513	2 853 231	3 925 254
Total gross individual policy claims	7 232 728	260	100	–	225 603	–	7 458 691	9 634 625	3 294 976	4 210 097
Claims under group policies										
by death	695	864 637	–	–	–	18 999	884 331	719 163	410 508	372 355
by insured event other than death	–	88 626	–	–	–	757	89 383	26 954	52 624	19 906
by surrender	2 611	–	–	–	–	–	2 611	847	1 296	409
experience refund	–	38 758	–	–	–	–	38 758	67 632	26 425	32 425
Total gross group claims	3 306	992 021	–	–	–	19 756	1 015 083	814 596	490 853	425 095
Total gross claims	7 236 034	992 281	100	–	225 603	19 756	8 473 774	10 449 221	3 785 829	4 635 192
Less: Reinsurance recoveries										
On individual life first year business	24 963	–	–	–	6 754	–	31 717	51 377	19 525	6 822
On individual life second year business	(34)	–	–	–	10 229	–	10 195	3 020	362	2 702
On individual life subsequent renewal business	23 435	–	–	–	–	–	23 435	11 930	10 687	10 033
On group claims	–	318 389	–	–	–	2 963	321 352	142 951	113 062	85 603
On experience refund of premiums	–	20 300	–	–	584	–	20 884	35 006	13 157	18 886
Total reinsurance recoveries	48 364	338 689	–	–	17 567	2 963	407 583	244 284	156 793	124 046
Net claims	7 187 670	653 592	100	–	208 036	16 793	8 066 191	10 204 937	3 629 036	4 511 146

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

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Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Director
Chairman of the Meeting

Karachi 16 August, 2017

Condensed Interim Statement of Expenses

for the six months period ended 30 June 2017 (Unaudited)

Rupees '000

	Statutory Funds						Aggregate		Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Six months ended 30 June		Three months ended 30 June	
							2017	2016	2017	2016
Acquisition costs										
Remuneration to insurance intermediaries on individual policies:										
– commission on first year premiums / Contribution	701 329	245	–	29	133 435	–	835 038	728 957	422 323	431 529
– commission on second year premiums / Contribution	121 051	30	–	2	13 315	–	134 398	110 007	83 223	63 685
– commission on subsequent renewal premiums / Contribution	165 907	29	10	28	519	–	166 493	128 646	96 882	64 861
– commission on single premiums / Contribution	153 052	–	–	–	13 471	–	166 523	90 386	94 274	49 843
– override commission	191 501	74	3	14	23 149	–	214 741	179 198	112 693	97 589
– other benefits to insurance intermediaries	278 319	71	10	16	78 214	–	356 630	292 820	126 083	97 886
	1 611 159	449	23	89	262 103	–	1 873 823	1 530 014	935 478	805 393
Remuneration to insurance intermediaries on group policies:										
– commission	2 102	127 755	–	–	–	14 767	144 624	121 449	92 858	62 932
– other benefits to insurance intermediaries	444	29 747	–	–	–	924	31 115	25 437	16 724	12 190
	2 546	157 502	–	–	–	15 691	175 739	146 886	109 582	75 122
Branch overheads	264 346	7 701	7	15	27 299	–	299 368	244 290	194 418	169 686
Other acquisition costs										
– policy stamps	26 685	153	–	–	5 990	–	32 828	34 626	19 093	10 570
Total acquisition cost	1 904 736	165 805	30	104	295 392	15 691	2 381 758	1 955 816	1 258 571	1 060 771
Administration expenses										
Salaries and other benefits	208 954	33 253	–	25	36 727	1 202	280 161	251 060	144 613	126 885
Travelling expenses	49 973	4 417	–	1	1 132	13	55 536	41 630	51 865	40 206
Actuary's fees	4 397	247	–	–	756	–	5 400	5 100	2 700	2 550
Medical fees	10 590	107	–	–	254	–	10 951	11 194	5 231	5 530
Legal and professional fee	8 287	13 319	–	1	2 059	1 227	24 893	18 540	14 040	9 977
Advertisements and publicity	35 432	3 108	–	–	(2)	–	38 538	69 676	12 088	43 551
Computer expenses	8 212	475	–	1	1 407	1	10 096	7 575	6 774	3 613
Printing and stationery	25 898	2 073	–	3	5 078	40	33 092	16 897	23 246	9 306
Depreciation	47 841	2 885	–	6	8 196	11	58 939	17 018	38 707	12 349
Amortisation	4 780	268	–	1	822	–	5 871	5 152	2 940	2 408
Rental	2 738	715	–	–	471	29	3 953	12 149	1 065	6 342
Exchange (gain) / loss	(2 001)	–	–	–	–	–	(2 001)	1 145	47	230
Postage	22 181	1 246	–	3	3 814	–	27 244	35 031	10 634	15 750
Fees and subscription	27 661	1 881	–	3	4 756	17	34 318	27 393	18 300	14 909
Wakala / Wakalat-ul-Istasmr Expenses	–	–	–	–	61 951	13 440	75 391	54 168	49 483	39 660
Other management expenses	76 478	7 141	–	9	13 354	165	97 147	56 401	58 516	32 022
Gross management expenses	2 436 157	236 940	30	157	436 167	31 836	3 141 287	2 585 945	1 698 820	1 426 059
Commission from reinsurers	(5 375)	(2)	–	–	(3 403)	–	(8 780)	(11 339)	(4 939)	(7 346)
Fees charged to policy holders	(5 375)	–	–	–	(59)	–	(5 434)	(5 354)	(2 536)	(2 539)
Net management expenses	2 425 407	236 938	30	157	432 705	31 836	3 127 073	2 569 252	1 691 345	1 416 174

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

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SAIFUDDIN N. ZOOMKAWALA
Director
Chairman of the Meeting

Karachi 16 August, 2017

Condensed Interim Statement of Investment Income for the six months period ended 30 June 2017 (Unaudited)

Rupees '000

	Statutory Funds						Aggregate		Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Six months ended 30 June		Three months ended 30 June	
							2017	2016	2017	2016
Investment income										
Income from Trading Investments										
Gain / (loss) on trading	21 832	–	–	–	–	–	21 832	36 656	12 114	36 622
Dividend Income on trading	6 214	–	–	–	–	–	6 214	16 947	2 921	9 895
	28 046	–	–	–	–	–	28 046	53 603	15 035	46 517
On government securities	2 053 518	44 397	529	161	4 766	54	2 103 425	2 382 226	1 056 082	1 197 498
On other fixed income securities and deposits	366 049	3 559	87	–	20 311	161	390 167	436 754	212 766	210 587
Dividend income	690 014	4 660	146	–	6 062	–	700 882	628 827	367 032	260 769
Amortisation of (premium) / discount	(148 820)	181	12	(2)	–	–	(148 629)	(177 272)	(100 910)	(74 054)
	2 960 761	52 797	774	159	31 139	215	3 045 845	3 270 535	1 534 970	1 594 800
Gain on sale of investments	2 514 421	–	–	–	43 674	–	2 558 095	711 313	1 202 851	405 416
Unrealised (loss) / gain on investment										
Government securities	(269 147)	–	(11)	–	–	–	(269 158)	452 094	(188 980)	23 116
Other fixed income securities	(39 320)	–	–	–	–	–	(39 320)	(9 967)	13 929	(10 855)
Listed equities securities and mutual fund units	(1 959 671)	–	(131)	–	27 392	–	(1 932 410)	401 695	(2 042 054)	1 064 814
	(2 268 138)	–	(142)	–	27 392	–	(2 240 888)	843 822	(2 217 105)	1 077 075
Provision for impairment in value of investments										
Available-for-sale equity securities and mutual fund units	–	(1 684)	–	(109)	–	–	(1 793)	(211)	(3 401)	(944)
	–	(1 684)	–	(109)	–	–	(1 793)	(211)	(3 401)	(944)
	3 235 090	51 113	632	50	102 205	215	3 389 305	4 879 062	532 350	3 122 864
Less : Investment related expense	(4 117)	–	–	–	–	–	(4 117)	(3 194)	(2 059)	(2 155)
Add: Wakala / Wakalat-ul-Istasmr Income	–	–	–	–	61 951	13 440	75 391	54 168	49 483	39 659
Net investment income	3 230 973	51 113	632	50	164 156	13 655	3 460 579	4 930 036	579 774	3 160 368

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

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SAIFUDDIN N. ZOOMKAWALA
Director
Chairman of the Meeting

Karachi 16 August, 2017



Notes to and Forming Part of the Condensed Interim Financial information for the six months period ended 30 June 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 operations 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 the 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 and Takaful Rules, 2012:
- 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 seed amount of Rs. 2 million. The seed 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 six months period ended 30 June 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.
- 2.3 The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its press release dated 20 July 2017, these condensed interim financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.
- 2.4 During the period, Securities and Exchange Commission of Pakistan ("SECP") issued Insurance Accounting Regulations, 2017 and Insurance Rules, 2017 which were applicable with effect from 01 April 2017. However, the Company applied for the extension till 31 December 2017. The SECP vide his letter ID/OSM/EFU Life/2017/10488, dated 4 August 2017 allowed the Company to prepare its half yearly accounts for the period ended 30 June 2017, third quarter ended 30 September 2017 and annual audited accounts for the year ended 31 December 2017 in accordance with the requirement of previous rules and allowed the implication of Insurance Accounting Regulations, 2017 effective from the accounting year commencing from 1 January 2018. Accordingly the Company has followed the accounting format as prescribed in the previous rules.

Major impact in accordance with the format prescribed by SEC Insurance Rules 2017 is on presentation and disclosure of financial statements as per Annexure II of SEC Insurance Rules, 2017 and on valuation of available-for-sale investments the impact of which has been disclosed in note 7.5.

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 judgments, 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 judgments 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	
							Aggregate	
Statutory Funds							30 June 2017	31 December 2016
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Unaudited	Audited
5.1 Gross of reinsurance/retakaful								
Actuarial liability relating to future events	98 830 830	522 800	25 346	1 784	1 819 348	19 117	101 219 225	95 491 066
Provision for outstanding reported claims payable over a period exceeding twelve months	461 632	180 149	–	7	1	–	641 789	562 058
Provision for incurred but not reported claims	128 487	289 882	–	–	–	2 962	421 331	379 460
	<u>99 420 949</u>	<u>992 831</u>	<u>25 346</u>	<u>1 791</u>	<u>1 819 349</u>	<u>22 079</u>	<u>102 282 345</u>	<u>96 432 584</u>
5.2 Net of reinsurance/retakaful								
Actuarial liability relating to future events	98 685 938	407 180	25 345	1 620	1 794 241	13 538	100 927 862	95 251 783
Provision for outstanding reported claims payable over a period exceeding twelve months	295 906	41 000	–	5	1	–	336 912	324 160
Provision for incurred but not reported claims	100 691	211 059	–	–	–	2 474	314 224	293 306
	<u>99 082 535</u>	<u>659 239</u>	<u>25 345</u>	<u>1 625</u>	<u>1 794 242</u>	<u>16 012</u>	<u>101 578 998</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	30 June 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	5 219 480	(4 842)	737	(200)	486 573	8 001	5 709 749	13 683 878
Balance at end of the period	99 082 535	659 239	25 345	1 625	1 794 242	16 012	101 578 998	95 869 249
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	1 055 145	155 017	153	419	(60 424)	13 822	1 164 132	2 498 124
Capital contribution	-	-	-	-	80 104	11 404	91 508	89 256
Surplus appropriated to shareholders' fund	(1 011 811)	(101 379)	(28)	(539)	-	-	(1 113 757)	(2 326 078)
Balance at end of the period (refer note no. 6.1)	1 530 114	417 708	517	325	57 589	40 754	2 047 007	1 905 124
Balance of statutory funds	100 612 649	1 076 947	25 862	1 950	1 851 831	56 766	103 626 005	97 774 373

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.1,938 million (2016: Rs. 1,861 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	Family Takaful Investment Linked Business	Family Takaful Protection Business	30 June 2017 Unaudited	31 December 2016 Audited
Government securities									
Held to maturity (at amortized cost)	1 440 657	260 736	1 365 538	–	5 433	–	–	3 072 364	3 465 074
Available for sale (at fair value)	–	45 929 141	–	15 729	–	143 336	2 500	46 090 706	45 404 994
	<u>1 440 657</u>	<u>46 189 877</u>	<u>1 365 538</u>	<u>15 729</u>	<u>5 433</u>	<u>143 336</u>	<u>2 500</u>	<u>49 163 070</u>	<u>48 870 068</u>
Other fixed income securities									
Available for sale (at fair value)	–	1 258 068	–	–	–	–	–	1 258 068	1 575 511
	<u>–</u>	<u>1 258 068</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1 258 068</u>	<u>1 575 511</u>
Listed equities and mutual funds									
Available for sale (at fair value)	–	39 073 342	–	7 155	–	723 290	–	39 803 787	36 742 608
Held for trading (at fair value)	–	383 016	–	–	–	–	–	383 016	459 246
Available for sale (at lower of cost or market value)	1 359 491	81 581	144 867	–	1 034	–	–	1 586 973	1 586 143
	<u>1 359 491</u>	<u>39 537 939</u>	<u>144 867</u>	<u>7 155</u>	<u>1 034</u>	<u>723 290</u>	<u>–</u>	<u>41 773 776</u>	<u>38 787 997</u>
Less: Provision for impairment in value of investments	393 297	–	40 822	–	769	–	–	434 888	402 901
	<u>966 194</u>	<u>39 537 939</u>	<u>104 045</u>	<u>7 155</u>	<u>265</u>	<u>723 290</u>	<u>–</u>	<u>41 338 888</u>	<u>38 385 096</u>

- 7.1 These Government securities are placed in the IPS account maintained with JS Bank ("the related party").
- 7.2 Market value of the government securities carried at amortized cost amounted to Rs. 2,751 million (31 December 2016: Rs. 3,492.21 million).
- 7.3 Government securities include 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. 1,815 million (31 December 2016: Rs. 2,037 million).
- 7.6 Listed equities and mutual funds include investment in 3,178,851 (2016: 3,178,851) ordinary shares of Agritech limited which are not held in the name of the company. These shares are held in the name of Trustees i.e. Faysal Bank and Pak Brunei Investment Company, on behalf of EFU Life Assurance Limited. The market value of these shares as at 30 June 2017 is Rs. 28.546 million (2016: Rs. 40.308 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 and tax year 2016, 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, 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 Years 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 now 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 decided 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 its favour and no provision has been made for the aforementioned tax.

- 8.2 Bank guarantees amounting to Rs. 17.40 million have 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

Six months ended - Unaudited

	30 June 2017		30 June 2016	
	Additions	Disposals	Additions	Disposals
9.1 Tangible and intangible				
Furniture, fixture and fittings	44 087	936	8 186	18
Office equipment	29 938	821	1 525	56
Computers	15 958	23	3 132	—
Motor Vehicles	46 919	18 978	61 329	19 192
Intangibles	903	—	2 305	—
Capital work in progress	—	—	261 307	—
Building	44 300	—	—	—
	182 105	20 758	337 784	19 266

		Rupees in '000	
		Six months ended (Unaudited)	
		30 June 2017	30 June 2016
10. TAXATION			
	Current	(351 062)	(339 661)
	Prior years	(71 938)	(66 839)
	Deferred	(2 000)	1 950
		(425 000)	(404 550)

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 details of transactions with related parties during the period, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

		Rupees in '000	
		Six months ended - Unaudited	
		30 June 2017	30 June 2016
11.1 Transactions			
11.1.1 Associated companies / Associated undertakings			
	Premium written	76 989	47 030
	Premium paid	36 945	36 285
	Claims paid	7 632	6 738
	Claims received	2 386	1 466
	Commission paid	53 435	50 850
	Travelling expenses	1 475	912
	Dividend paid	847 202	504 856
	Dividend received	112 513	63 745
	Bonus shares	–	323 322
	Interest on bank deposit	65 111	82 111
11.1.2 Employees' funds			
	Contribution to provident fund	12 870	11 455
	Contribution to pension fund	10 533	9 155
11.1.3 Key Management Personnel			
	Loan to Key Employees	550	–
	Loan recovered	1 953	3 825
	Compensation paid	69 025	65 045
	Loan Receivable	28 541	29 944

		(Rupees in '000)	
		30 June 2017 Unaudited	31 December 2016 Audited
11.2 Balances			
	Bank balances	80 630	30 906
	Bank deposits	2 150 000	2 150 000
	Premium payable	30	49
	Premium receivable	1 035	5 197
	Investment in EFU General Insurance Company Limited	1 427 507	1 486 093
	Investment in related party	744 065	238 310

12. WINDOW TAKAFUL OPERATIONS

The Statement of financial position of Window Takaful Operations as at 30 June 2017 and its financial performance for the period ended 30 June 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
	30 June 2017 Unaudited	31 December 2016 Audited	
Share capital and reserves			
Operator's Fund	50 000	–	–
Accumulated deficit	–	–	–
Net shareholders' equity	50 000	–	–
Balance of statutory fund [including policyholders' liabilities Rs. 1810.254 million (2016: Rs. 1 315.68 million)]			
Participant Investment Fund	42 116	1 779 377	–
Participant Takaful Fund - Waqf	–	47 073	40 031
Seed Money - Waqf	–	2 000	–
Shareholder's Fund unit holding in PIF	–	6 098	–
	42 116	1 834 548	40 031
Creditors and accruals			
Outstanding claims	–	16 320	9 202
Contribution received in advance	–	24 997	8 231
Amounts due to retakaful	–	5 472	20 701
Amounts due to agents	–	28 362	2 080
Accrued expenses	15 374	–	–
Other creditors and accruals	1 775	319 387	104 259
Interfund balance	182 502	–	–
Total liabilities	199 651	394 538	144 473
Total equity and liabilities	291 767	2 229 086	184 504
Cash and bank deposits			
Policy stamps in hand	244	–	–
Current and other accounts	58 937	287 962	23 326
Deposits maturing within 12 months	28 000	811 000	–
	87 181	1 098 962	23 326
Investments			
Government securities	–	143 336	2 500
Listed equities and mutual funds	–	723 290	–
	–	866 626	2 500
Current assets - others			
Prepayments	2 374	–	–
Contribution due but unpaid	–	–	1 829
Amount due from retakaful	–	8 346	–
Sundry receivables	103 039	124 530	93 314
Investment income accrued	149	11 599	56
Shareholder's Fund unit holding in PIF	6 098	–	–
Taxation - provision less payments	1 174	–	–
Capital Contribution	91 508	–	–
Advances and deposits	244	–	–
Interfund balance	–	119 023	63 479
	204 586	263 498	158 678
Total assets	291 767	2 229 086	184 504

12.2 Revenue Account

		Rupees '000			
		Statutory Funds		Aggregate	Aggregate
		Family Takaful Investment Linked Business	Family Takaful Protection Business	Six months ended 30 June 2017	Three months ended 30 June 2016
12.2.1 Participants' Investment Fund (PIF)					
Income					
Allocated contribution		640 286	–	640 286	462 294
Policy transfer from other statutory fund		4 887	–	4 887	1 789
Net investment income		97 783	–	97 783	18 642
Total net income		742 956	–	742 956	605 671
Less: Claims and Expenditure					
Investment management charges		10 513	–	10 513	5 677
Bid offer spread		31 319	–	31 319	22 310
Policy admin fee		9 468	–	9 468	5 000
Wakalat-ul-Istismar		51 300	–	51 300	32 987
Surrender		199 385	–	199 385	114 466
Excess of income over claims and expenditure		492 271	–	492 271	335 272
Add : Technical reserves at the beginning of the period		1 287 106	–	1 287 106	1 444 105
Less : Technical reserves at the end of the period		1 779 377	–	1 779 377	1 779 377
		(492 271)	–	(492 271)	(335 272)
Surplus / (Deficit)		–	–	–	–
Movement in technical reserves		492 271	–	492 271	335 272
Balance of PIF at beginning of the period		1 287 106	–	1 287 106	1 444 105
Balance of PIF at end of the period	(a)	1 779 377	–	1 779 377	1 779 377
12.2.2 Participants' Takaful Fund (PTF)					
Income					
Contribution net of retakaful recoveries		23 185	56 797	79 982	45 853
Net investment income		1 272	215	1 487	611
Total net income		24 457	57 012	81 469	46 464
Less: Claims and Expenditure					
Wakala Income		10 651	13 440	24 091	16 496
Selection discount		(3 403)	–	(3 403)	(2 121)
Claims net of Retaful recoveries		8 651	16 793	25 444	11 958
		15 899	30 233	46 132	26 333
Excess of income over claims and expenditure		8 558	26 779	35 337	20 131
Add : Technical reserves at the beginning of the period		20 563	8 011	28 574	26 312
Less : Technical reserves at the end of the period		14 865	16 012	30 877	30 877
		5 698	(8 001)	(2 303)	(4 565)
Surplus / (Deficit) before distribution		14 256	18 778	33 034	15 566
Movement in technical reserves		(5 698)	8 001	2 303	4 565
Balance of PTF at beginning of the period		38 515	13 252	51 767	66 973
Balance of PTF at end of the period	(b)	47 073	40 031	87 104	87 104

12.2.3 Shareholders' Sub-Fund

(Rupees in '000)

	Statutory Funds		Aggregate		Aggregate	
	Family Takaful Investment Linked Business	Family Takaful Protection Business	Six months ended 30 June		Three months ended 30 June	
			2017	2016	2017	2016
Income						
Un-allocated contribution	234 376	–	234 376	162 316	113 778	107 299
Net investment income	3 150	–	3 150	753	2 080	521
Wakalat-ul-Istismar - PIF	51 300	–	51 300	44 558	32 987	34 694
Wakala Fee - PTF	10 651	13 440	24 091	9 610	16 496	4 966
Total net income	299 477	13 440	312 917	217 237	165 341	147 480
Less: Expenditure						
Acquisition costs	298 795	15 691	314 486	205 761	171 056	132 165
Administration expenses	75 362	2 705	78 067	27 687	48 191	19 687
	374 157	18 396	392 553	233 448	219 247	151 852
(Shortfall) / Excess of income over expenditure	(74 680)	(4 956)	(79 636)	(16 211)	(53 906)	(4 372)
Add : Technical reserves at the beginning of the period	–	–	–	–	–	–
Less : Technical reserves at the end of the period	–	–	–	–	–	–
	–	–	–	–	–	–
(Deficit) / surplus before tax	(74 680)	(4 956)	(79 636)	(16 211)	(53 906)	(4 372)
Movement in technical reserves	–	–	–	–	–	–
(Deficit) / surplus transfer to shareholders' fund	–	–	–	10 677	–	4 372
Capital contribution	80 104	11 404	91 508	–	–	–
Balance of shareholders' sub fund at beginning of the period	19 957	10 287	30 244	16 290	42 118	10 756
Balance of shareholders' sub fund at end of the period (c)	25 381	16 735	42 116	10 756	(11 788)	10 756
Balance of statutory funds at end of the period (a+b+c)	1 851 831	56 766	1 908 597	805 864	1 854 693	805 864
Represented by:						
Policy holder's liability	1 794 242	16 012	1 810 254	792 333	1 810 254	792 333
Retained Earnings	57 589	40 754	98 343	13 531	44 439	13 531
	1 851 831	56 766	1 908 597	805 864	1 854 693	805 864

12.3 Statement of contribution

Gross contribution						
Regular contribution individual policies						
First year	314 465	–	314 465	223 832	161 098	146 961
Second year renewal	151 733	–	151 733	28 926	89 793	25 304
Subsequent year renewal	23 818	–	23 818	–	17 311	–
Single contribution individual policies	427 437	–	427 437	695 391	331 576	554 160
Group policies without cash values	–	68 702	68 702	21 718	36 400	10 296
Total gross contribution	917 453	68 702	986 155	969 867	636 178	736 721

(Rupees in '000)

	Statutory Funds		Aggregate		Aggregate	
	Family Takaful Investment Linked Business	Family Takaful Protection Business	Six months ended 30 June		Three months ended 30 June	
			2017	2016	2017	2016
12.3.1 Participants' Investment Fund						
Allocated regular contribution	217 736	–	217 736	67 365	132 507	48 236
Allocated single contribution	427 437	–	427 437	695 391	331 576	554 160
Total allocated contribution	645 173	–	645 173	762 756	464 083	602 396
12.3.2 Participants' Takaful Fund						
Allocated gross contribution	37 904	68 702	106 606	44 795	58 317	27 026
Less : Retakaful contribution ceded						
On individual life first year business	8 045	–	8 045	10 618	4 976	7 913
On individual life second year business	5 792	–	5 792	–	3 632	–
On individual life renewal year business	882	–	882	–	762	–
On group policies	–	11 905	11 905	11 825	3 094	8 022
Total retakaful contribution ceded	14 719	11 905	26 624	22 443	12 464	15 935
Net Risk Contribution of PTF	23 185	56 797	79 982	22 352	45 853	11 091
12.3.3 Shareholders' Sub-Fund						
Unallocated regular contribution	234 376	–	234 376	162 316	113 778	107 299
12.4 Statement of claims						
Gross Claims						
Claims under individual policies						
by death	26 218	–	26 218	400	4 680	400
by insured event other than death	–	–	–	–	–	–
	26 218	–	26 218	400	4 680	400
Surrenders / partial withdrawals	199 385	–	199 385	2 299	114 466	1 097
Claims under group policies						
by death	–	18 999	18 999	6 100	11 036	4 161
by insured event other than death	–	757	757	168	(4 646)	58
	–	19 756	19 756	6 268	6 390	4 219
Total Gross Claims	225 603	19 756	245 359	8 967	125 536	5 716
Gross Claims allocated as follows:						
Participants' Investment Fund (PIF)						
Surrenders / Partial withdrawals under same in source policies	199 385	–	199 385	2 299	114 466	1 097
Participants' Takaful Fund (PTF)						
Under individual policies by death	26 218	–	26 218	400	4 680	400
Under group policies by death	–	18 999	18 999	6 100	11 036	4 161
Under group policies by event other than death	–	757	757	168	(4 646)	58
Total gross claims under PTF	26 218	19 756	45 974	6 668	11 070	4 619
Less: Retakaful recoveries under PTF						
On individual policies first year	6 754	–	6 754	–	1 489	–
On individual policies second year	10 229	–	10 229	–	(11)	–
On group policies	–	2 963	2 963	1 770	(2 950)	1 231
Profit commission from reinsurer	584	–	584	–	584	–
PTA income	17 567	2 963	20 530	1 770	(888)	1 231
Net Claims under PTF	8 651	16 793	25 444	4 898	11 958	3 388

12.5 Statement of Expenses

Rupees '000

Acquisition costs	Statutory Funds		Aggregate		Tree months ended	
	Family Takaful	Family Takaful	Six months ended		Tree months ended	
	Investment Linked Business	Protection Business	30 June 2017	30 June 2016	30 June 2017	30 June 2016
Shareholders' Sub-Fund						
Remuneration to insurance intermediaries on individual policies:						
– commission on first year Contribution	133 435	–	133 435	99 753	66 561	65 127
– commission on second year Contribution	13 315	–	13 315	3 073	8 042	2 797
– commission on subsequent renewal	519	–	519	–	407	(44)
– commission on single Contribution	13 471	–	13 471	26 166	10 409	21 022
– override commission	23 149	–	23 149	11 768	11 853	7 487
– other benefits to insurance intermediaries	78 214	–	78 214	45 404	35 286	26 287
	262 103	–	262 103	186 164	132 558	122 676
Remuneration to insurance intermediaries on group policies:						
– Commission	–	14 767	14 767	734	11 689	504
– other benefits to insurance intermediaries	–	924	924	682	899	(143)
Branch overheads	27 299	–	27 299	17 867	20 305	8 848
Other acquisition costs – policy stamps	5 990	–	5 990	314	3 484	280
Total acquisition cost	295 392	15 691	311 083	205 761	168 935	132 165
Administration expenses						
Salaries and other benefits	36 727	1 202	37 929	17 919	23 135	12 500
Travelling expenses	1 132	13	1 145	687	710	419
Cede money-Waqt	–	–	–	–	–	–
Actuary's fees	756	–	756	300	432	217
Medical fees	254	–	254	361	85	197
Legal and professional fee	2 059	1 227	3 286	1 635	1 984	1 284
Advertisements and publicity	(2)	–	(2)	417	(2)	–
Computer expenses	1 407	1	1 408	446	1 010	317
Printing and stationery	5 078	40	5 118	979	2 784	732
Depreciation	8 196	11	8 207	940	5 779	794
Amortisation	822	–	822	303	470	214
Rental	471	29	500	657	186	465
Postage	3 814	–	3 814	2 173	1 821	2 173
Fees and subscription	4 756	17	4 773	160	2 864	(179)
Other management expenses	13 354	165	13 519	5 465	9 081	4 261
Commission from Reinsurance	(3 403)	–	(3 403)	(4 752)	(2 121)	(3 704)
Fees allocated to policy holder	(59)	–	(59)	(3)	(27)	(3)
Net Management Expenses	370 754	18 396	389 150	233 448	217 126	151 852

12.6 Statement of Investment Income

	Statutory Funds		Aggregate		Tree months ended	
	Family Takaful	Family Takaful	Six months ended		Tree months ended	
	Investment Linked Business	Protection Business	30 June 2017	30 June 2016	30 June 2017	30 June 2016
12.6.1 Participants' Investment Fund (PIF)						
Return on government securities	4 696	–	4 696	1 742	2 673	1 520
Other Fixed Income securities	16 223	–	16 223	4 204	9 341	3 882
Dividend Income	6 041	–	6 041	1 046	2 507	1 046
Gain / (loss) on investment	43 525	–	43 525	18	13 229	18
Unrealised gain on Investment	27 298	–	27 298	(3 141)	(9 108)	(3 191)
Net investment income of PIF (a)	97 783	–	97 783	3 869	18 642	3 275
12.6.2 Participants' Takaful Fund (PTF)						
Return on government securities	54	54	108	109	53	89
Profit on bank deposits	1 218	161	1 379	180	558	126
Net investment income of PTF (b)	1 272	215	1 487	289	611	215
12.6.3 Shareholders' Sub-Fund						
Return on government securities	16	–	16	–	8	–
Other Fixed Income securities	56	–	56	–	28	–
Dividend Income	21	–	21	–	6	–
Gain / (loss) on investment	149	–	149	–	24	–
Unrealised gain on Investment	94	–	94	–	(57)	–
Interest on bank deposits	2 814	–	2 814	753	2 071	520
Net investment income of shareholders' sub-fund (c)	3 150	–	3 150	753	2 080	520
Net Investment Income (a+b+c)	102 205	215	102 420	4 911	21 333	4 010

13. FAIR VALUE MEASUREMENT

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

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

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

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

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

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

(Rupees '000)

30 June 2017

Statement of Financial Position											
Note	Available for Sale	HFT	HTM	Loans and Receivables	Other financial assets	Other financial liabilities	Total	Fair value			Total
								Level 1	Level 2	Level 3	
On balance sheet financial instruments											
Financial assets measured at fair value											
- Investments											
	46 090 706	-	-	-	-	-	46 090 706	-	46 090 706	-	46 090 706
Government Securities (Tbills + PIBs + Sukuks)	673 854	-	-	-	-	-	673 854	673 854	-	-	673 854
Sukuk Bonds (other than government)	39 688 352	383 016	-	-	-	-	40 071 368	40 071 368	-	-	40 071 368
Listed equity securities	115 435	-	-	-	-	-	115 435	115 435	-	-	115 435
Units of mutual funds	374 214	-	-	-	-	-	374 214	-	374 214	-	374 214
Debt securities (Listed TFCs)											
Financial assets not measured at fair value											
- Government Securities (Tbills + PIBs + Sukuks)	-	-	3 072 364	-	-	-	3 072 364	-	2 996 047	-	2 996 047
- Unlisted equity securities	508	-	-	-	-	-	508	-	-	508	508
- Balances with banks *				14 231 114	-	-	14 231 114	-	-	-	-
- Certificate of Investment				210 000	-	-	210 000	-	-	-	-
- Advances				95 233	1 657 930	-	1 753 163	-	-	-	-
- Listed equity securities and mutual fund units (at lower of cost or market value)	1 152 085	-	-	-	-	-	1 152 085	1 815 658	-	-	1 815 658
- Other assets (excluding markup accrued)*	-	-	-	-	884 853	-	844 853	-	-	-	-
	88 095 154	383 016	3 072 364	14 536 347	2 502 783	-	108 589 664	42 676 315	49 460 967	508	92 137 790
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) *	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	3 474 201	3 474 201	-	-	-	-
	-	-	-	-	-	3 474 201	3 474 201	-	-	-	-
	88 095 154	383 016	3 072 364	14 536 347	2 502 783	(3 474 201)	105 115 463	42 676 315	49 460 967	508	92 137 790

(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 + PIBs + Sukuks)											
Sukuk Bonds (other than government)	1 192 326	-	-	-	-	-	1 192 326	1 192 326	-	-	1 192 326
Listed equity securities	36 230 825	459 246	-	-	-	-	36 690 071	36 690 071	-	-	36 690 071
Units of mutual funds	511 783	-	-	-	-	-	511 783	511 783	-	-	511 783
Debt securities (Listed TFCs)	173 185	-	-	-	-	-	173 185	173 185	-	-	173 185
Financial assets not measured at fair value											
- Government Securities (Tbills + PIBs + Sukuks)	-	-	3 465 074	-	-	-	3 465 074	-	3 492 212	-	3 492 212
- Unlisted equity securities	508	-	-	-	-	-	508	-	-	508	508
- 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	-	-	-	-
	84 696 863	459 246	3 465 074	12 693 122	3 944 693	-	105 258 998	40 390 175	49 070 391	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	-	-	-	-
	84 696 863	459 246	3 465 074	12 693 122	3 944 693	(3 202 234)	102 056 764	40 390 175	49 070 391	508	89 461 074

13.1 *The Company has not disclosed the fair values for these financial assets and liabilities, as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

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 16 August 2017.

SYED SALMAN RASHID
Director

HASANALI ABDULLAH
Director

SYED SHAHID ABBAS
Chief Financial
Officer

TAHER G. SACHAK
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Director
Chairman of the Meeting

Karachi 16 August, 2017

