

Looking Over the **Horizons**



EFU LIFE

Report (Un-audited)
Nine Months Ended

30 September
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 feathers 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.

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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 September 2017

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

Your Company's total premium income was Rs. 22.61 Billion (2016: Rs. 16.78 Billion) during the first nine months of 2017, a growth of 35%. New individual life regular premium income was Rs. 3.19 Billion (2016: Rs.2.58 Billion), an increase of 23.4%. Renewal premium was Rs. 10.41 Billion (2016: Rs. 9.27 billion) an increase of 12.3%. Inclusive of renewal premium, the total individual life regular premium business increased by 14.7% to Rs. 13.62 Billion (2016: Rs. 11.86 billion). Group Benefits business increased by 16.7% at Rs. 2.02 Billion (2016: Rs. 1.72 billion).

Your company had launched its window takaful operations under a dedicated brand name "Hemayah" in February 2015. The total family takaful business was Rs.1.62 Billion (2016: 1.33 billion), a growth of 22%. Out of this, Rs. 1.49 Billion (2016: Rs.1.29 Billion) was from Takaful Investment Linked Business, while Rs.124 Million (2016: Rs.31 Million) was from Takaful Protection Business. The Company expects this line of business to grow further during the next few years.

Your Company had a Profit after Tax of Rs. 1.19 Billion (2016: Rs. 1.09 Billion). The Earnings per Share is Rs. 11.90 (2016: Rs. 10.92).

The Directors have pleasure in declaring 3rd Interim Dividend of Rs.1.25/- per share. i.e. 12.5% . This cash dividend is in addition to Interim Cash Dividend of Rs.2.50/- per share i.e. 25% already declared and paid during the year 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.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Karachi 28 October, 2017

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

سال ۲۰۱۷ء کے اوّل نومہینوں میں آپ کی کمپنی کے کل مجموعی پریمیئم کی آمدنی 22.61 بلین روپے رہی (۲۰۱۶: 16.78 بلین روپے) یعنی اس میں 35 فیصد اضافہ ہوا۔ نئے انفرادی بیمہ زندگی کے باقاعدہ پریمیئم کی آمدنی 3.19 بلین روپے تھی، (۲۰۱۶: 2.58 بلین روپے) یعنی اس میں 23.4 فیصد اضافہ ہوا۔ تجدیدی پریمیئم 10.41 بلین روپے رہا (۲۰۱۶: 9.27 بلین روپے)، یعنی اضافہ 12.3 فیصد رہا۔ تجدیدی پریمیئم کو ملا کر، مجموعی انفرادی بیمہ زندگی سے متعلق باقاعدہ پریمیئم کا کاروبار 14.7 فیصد اضافے سے 13.62 بلین روپے رہا (۲۰۱۶: 11.86 بلین روپے)۔ گروپ پیلیسیٹس کا کاروبار 16.7 فیصد اضافے سے 2.02 بلین روپے رہا (۲۰۱۶: 1.72 بلین روپے)۔

آپ کی کمپنی نے ونڈو تکافل آپریشنز کا آغاز ”حمایہ“ سے منسوب نام سے فروری ۲۰۱۵ء میں کیا تھا۔ مجموعی فیملی تکافل کاروبار 1.62 بلین روپے رہا (۲۰۱۶: 1.33 بلین روپے) یعنی اس میں 22 فیصد اضافہ ہوا۔ اس مجموعے میں سے 1.49 بلین روپے (۲۰۱۶: 1.29 بلین روپے) تکافل سرمایہ کاری سے منسلک کاروبار سے حاصل ہوئے جبکہ 124 ملین روپے (۲۰۱۶: 31 ملین روپے) تکافل تحفظ سے حاصل ہوئے۔ کمپنی اس کاروبار کی آنے والے چند سالوں میں مزید ترقی کی امید رکھتی ہے۔

کمپنی نے اس تیسری سہ ماہی میں، گزشتہ سال کے اسی دورے کے مقابلے میں بعد از ٹیکس 1.19 بلین روپے کا منافع حاصل کیا۔ فی حصص آمدن 11.90 روپے ہے (۲۰۱۶: 10.92 روپے)

ڈائریکٹرز 1.25 روپے فی حصص یعنی 12.5 فیصد تیسرے عبوری ڈویڈنڈ کا اعلان کرنے میں خوشی محسوس کرتے ہیں۔ یہ نقد ڈویڈنڈ، 2.50 روپے فی حصص یعنی 25 فیصد پہلے عبوری نقد ڈویڈنڈ جو پہلی ششماہی میں پیش کیا گیا، کے علاوہ ہے۔

ڈائریکٹرز، کمپنی کی ترقی اور نشوونما کے لئے ای ایف یو لائف ہیڈ آفس کی ٹیم اور تمام تقسیم کاری چینلوں کی محنت اور کوششوں کے لئے داد ہائے تحسین پیش کرنا چاہتے ہیں۔ ہم سیکورٹیز اینڈ ایچیج کمپنیشن آف پاکستان کی رہنمائی کے لئے اور اپنے اصل ری انشورر میونخ آرا می کا اس کے مسلسل تعاون کا بھی شکریہ ادا کرنا چاہیں گے۔ سب سے آخر میں لیکن دیگر سے تم نہیں، کمپنی میں ان کے مسلسل بھروسے کیلئے اپنے تمام صارفین کے بھی شکر گزار ہیں۔

رفیق آر۔ بھیم جی
چیرمین

طاہر جی۔ ساچک
نیٹنگ ڈائریکٹر و چیف ایگزیکٹو

سیف الدین این. زومکا والا
ڈائریکٹر

حسن علی عبداللہ
ڈائریکٹر

Condensed Interim Balance Sheet as at 30 September 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 September 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									
	924 674	-	-	-	-	-	-	924 674	1 543 383
General reserves									
	1 900 000	-	-	-	-	-	-	1 900 000	1 650 000
Net shareholders' equity									
	3 824 674	-	-	-	-	-	-	3 824 674	4 193 383
Balance of statutory fund [including policyholders' liabilities Rs. 98 700 million (2016: Rs. 95 869 million)]									
Statutory fund									
6	-	97 394 711	1 168 261	26 203	1 854	2 065 603	66 915	100 723 547	97 774 373
Cede Money-Waaf									
	-	-	-	-	-	2 000	-	2 000	2 000
Shareholder's Fund unit holding in PIF									
	-	-	-	-	-	5 695	-	5 695	5 690
	-	97 394 711	1 168 261	26 203	1 854	2 073 298	66 915	100 731 242	97 782 063
Deferred tax liability									
	133 900	-	-	-	-	-	-	133 900	131 000
Creditors and accruals									
Outstanding claims									
	-	818 938	802 227	-	1 346	6 222	16 702	1 645 435	1 692 717
Premiums / Contribution received in advance									
	-	790 700	33 507	35	28	41 056	13 194	878 520	575 806
Amounts due to reinsurers / retakaful									
	-	10 267	15 048	-	-	6 167	25 263	56 745	148 023
Amounts due to agents									
	-	347 527	14 442	15	12	50 292	2 217	414 505	556 464
Accrued expenses									
	-	263 159	13 602	4	7	12 500	12 501	301 773	411 528
Unclaimed dividend									
	21 223	-	-	-	-	-	-	21 223	22 047
Other creditors and accruals									
	46 043	105 357	6 098	-	13	78 214	25 000	260 725	371 455
Inter-fund payable									
	-	343 942	31 820	1 735	4 158	-	4 676	386 331	417 045
Total liabilities									
	67 266	2 679 890	916 744	1 789	5 564	194 451	99 553	3 965 257	4 195 085
Contingencies and commitments									
8	-	-	-	-	-	-	-	-	-
Total equity and liabilities									
	4 025 840	100 074 601	2 085 005	27 992	7 418	2 267 749	166 468	108 655 073	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 September 2017 Unaudited	31 December 2016 Audited
Cash and bank deposits									
Policy stamps in hand	–	9 437	105	–	–	258	–	9 800	4 379
Current and other accounts	87 780	4 458 415	314 194	5 630	1 781	348 209	136 660	5 352 669	3 033 110
Deposits maturing within 12 months	–	10 475 000	25 100	–	–	1 021 000	18 000	11 539 100	9 358 100
	87 780	14 942 852	339 399	5 630	1 781	1 369 467	154 660	16 901 569	12 395 589
Loans									
To employees - secured	84 750	–	–	–	–	–	–	84 750	80 918
To employees and agents - unsecured	10 239	–	–	–	–	–	–	10 239	10 994
	94 989	–	–	–	–	–	–	94 989	91 912
Investments	7								
Government securities	1 423 305	47 406 082	1 347 273	15 506	5 355	140 836	–	50 338 357	48 870 068
Other fixed income securities	–	932 548	–	–	–	–	–	932 548	1 575 511
Listed equities and mutual funds	962 300	34 195 284	110 116	6 777	261	706 531	–	35 981 269	38 385 096
Unlisted equities	508	–	–	–	–	–	–	508	508
	2 386 113	82 533 914	1 457 389	22 283	5 616	847 367	–	87 252 682	88 831 183
Current assets - others									
Premiums due but unpaid	–	–	116 657	–	–	–	10 944	127 601	92 029
Amounts due from reinsurers	–	223	124 802	–	–	–	–	125 025	75 757
Prepayments	–	35 333	1 068	1	4	2 815	–	39 221	36 280
Sundry receivables	50 000	71 881	4 377	1	7	5 969	–	132 235	208 871
Investment income accrued	3 026	966 435	3 264	74	–	14 089	114	987 002	1 782 633
Shareholders' Fund unit holding in PIF	–	–	–	–	–	5 695	–	5 695	5 690
Taxation - provision less payments	175 970	–	–	–	–	647	645	177 262	58 550
Advances and deposits	10 500	130 730	38 049	3	10	107	105	179 504	151 600
Inter-fund receivable	364 738	–	–	–	–	21 593	–	386 331	417 045
	604 234	1 204 602	288 217	79	21	50 915	11 808	2 159 876	2 828 455
Fixed assets	9								
Tangible assets									
Leased hold land	–	126 505	–	–	–	–	–	126 505	126 505
Building	–	1 266 728	–	–	–	–	–	1 266 728	1 254 115
Furniture fixtures office equipment and vehicles	838 217	–	–	–	–	–	–	838 217	752 127
Intangible assets									
Computer software	14 507	–	–	–	–	–	–	14 507	21 645
	852 724	1 393 233	–	–	–	–	–	2 245 957	2 154 392
Total assets	4 025 840	100 074 601	2 085 005	27 992	7 418	2 267 749	166 468	108 655 073	106 301 531

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

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

SYED SHAHID ABBAS
Chief Financial
Officer

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Karachi 28 October, 2017

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

Rupees '000

	Note	Nine months ended 30 September		Three months ended 30 September	
		2017	2016	2017	2016
Investment income not attributable to statutory funds					
Return on government securities		66 596	84 406	22 386	22 442
Return on other fixed income securities and deposits		14 041	15 524	1 597	1 674
Dividend income		61 556	41 078	9 184	8 004
		142 193	141 008	33 167	32 120
Profit on sale of Investments		35 924	–	35 924	–
(Provision for) / Reversal of impairment in the value of available for sale investments		(7 140)	119 225	23 054	99 572
Net investment income		170 977	260 233	92 145	131 692
Other revenue		18 257	21 745	5 988	7 302
		189 234	281 978	98 133	138 994
Expenses not attributable to statutory funds		(9 779)	(38 853)	(3 724)	(11 807)
		179 455	243 125	94 409	127 187
Surplus transferred from statutory funds		1 608 161	1 439 045	494 404	457 640
Profit before tax for the period		1 787 616	1 682 170	588 813	584 827
Taxation	10	(597 900)	(589 200)	(172 900)	(184 650)
Profit after tax for the period		1 189 716	1 092 970	415 913	400 177
				(Rupees)	
Earnings per share - basic and diluted		11.90	10.93	4.16	4.00

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

HASANALI ABDULLAH
Director

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Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Karachi 28 October, 2017

Condensed Interim Statement of Changes in Equity for the nine months period ended 30 September 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 Nine months period ended 30 September 2016	–	–	–	1 092 970	1 092 970
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)
Dividend for the quarter ended 30 June 2016 at Rs.1 per share	–	–	–	(100 000)	(100 000)
Balance as at 30 September 2016	<u>1 000 000</u>	<u>1 650 000</u>	<u>–</u>	<u>952 713</u>	<u>3 602 713</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 Nine months ended 30 September 2017	–	–	(108 425)	–	(108 425)
Profit for the Nine months period ended 30 September 2017	–	–	–	1 189 716	1 189 716
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)
Dividend for the for the quarter ended 30 June 2017 at Rs.1.25 per share	–	–	–	(125 000)	(125 000)
Balance as at 30 September 2017	<u>1 000 000</u>	<u>1 900 000</u>	<u>(197 681)</u>	<u>1 122 355</u>	<u>3 824 674</u>

HASANALI ABDULLAH
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RAFIQUE R. BHIMJEE
Chairman

Karachi 28 October, 2017

Condensed Interim Statement of Cash Flows

for the nine months period ended 30 September 2017 (Unaudited)

Rupees in '000

	Statutory Funds						Aggregate		
	Shareholders Fund	Investment		Pension Business	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	30 September 2017	30 September 2016
		Linked Business	Conventional Business	(Unit Linked)					
Operating cash flows									
a) Underwriting activities									
Premiums / contribution received	-	19 448 076	1 789 443	942	738	1 515 487	126 090	22 880 776	16 842 938
Reinsurance premiums paid	-	(166 138)	57 898	(252)	(4)	(11 319)	(1)	(119 816)	(151 198)
Claims paid	-	(482 859)	(1 446 024)	-	1	(24 095)	(31 263)	(1 984 240)	(2 043 406)
Surrenders paid	-	(9 278 946)	-	(100)	-	(259 174)	-	(9 538 220)	(12 175 850)
Commissions paid	-	(2 188 522)	(194 096)	(3)	(114)	(318 076)	(22 505)	(2 723 316)	(2 202 701)
Net cash generated from / (used in) underwriting activities	-	7 331 611	207 221	587	621	902 823	72 321	8 515 184	269 783
b) Other operating activities									
Income tax paid	(713 712)	-	-	-	-	-	-	(713 712)	(721 745)
General management expenses paid	(13 566)	(1 623 707)	(179 239)	(24)	(125)	(256 978)	1 048	(2 072 591)	(1 736 179)
Other operating payments	33 191	(88 206)	209	(43)	(44)	(55 832)	-	(110 725)	(260 447)
Other operating receipts	(36 150)	(140 827)	23 599	60	1 698	147 285	4 335	-	273 362
Loans advanced	(55 899)	-	-	-	-	-	-	(55 899)	(42 266)
Loan repayments received	52 822	-	-	-	-	-	-	52 822	51 890
Other payments on operating assets	124 808	(60 723)	(31 527)	2	(10)	11 668	744	44 962	(53 889)
Net cash (used in) / generated from other operating activities	(608 506)	(1 913 463)	(186 958)	(5)	1 519	(153 857)	6 127	(2 855 143)	(2 489 274)
Total cash (used in) / generated from all operating activities	(608 506)	5 418 148	20 263	582	2 140	748 966	78 448	5 660 041	(2 219 491)
Investment activities									
Profit / return received	95 914	4 333 846	72 485	855	243	28 817	104	4 532 264	5 159 001
Dividends received	61 556	962 443	5 123	191	-	9 406	-	1 038 719	950 900
Payments for investments	(8 645 790)	(56 618 014)	(2 529 548)	(36 232)	(35 408)	(2 399 613)	(53 500)	(70 318 105)	(11 117 038)
Proceeds from disposal of investments	8 859 170	51 404 614	2 795 000	36 599	35 548	2 090 739	56 000	65 277 670	5 339 011
Fixed capital expenditure	(191 078)	(60 554)	-	-	-	-	-	(251 632)	(423 785)
Proceeds from disposal of fixed assets	17 023	-	-	-	-	-	-	17 023	19 785
Total cash (used in) / generated from all investing activities	196 795	22 335	343 060	1 413	383	(270 651)	2 604	295 939	(72 126)
Financing activities									
Surplus appropriated to shareholders' fund	1 608 161	(1 442 730)	(164 414)	(224)	(793)	-	-	-	-
Dividends paid	(1 450 000)	-	-	-	-	-	-	(1 450 000)	(900 000)
Total cash generated from / (used in) all financing activities	158 161	(1 442 730)	(164 414)	(224)	(793)	-	-	(1 450 000)	(900 000)
Net cash generated from / (used in) all activities	(253 550)	3 997 753	198 909	1 771	1 730	478 315	81 052	4 505 980	(3 191 617)
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	87 780	14 942 852	339 399	5 630	1 781	1 369 467	154 660	16 901 569	11 214 970
Reconciliation to profit and loss account									
Operating cash flows								5 660 041	(2 219 491)
Depreciation								(142 883)	(63 030)
Amortization								(8 881)	(7 472)
Profit on disposal of fixed assets								8 720	11 755
Other revenue								9 537	9 990
Investment revenue								4 765 815	5 130 375
Appreciation in market value of investments								(9 758 150)	2 966 599
(Provision for) / reversal of impairment in the value of available for sale equity investments								(8 491)	121 929
Profit on sale of investments								3 147 705	1 004 030
Increase / (Decrease) in assets other than cash								130 129	50 177
Capital contribution								108 425	-
Increase in liabilities								(2 722 251)	(5 911 892)
Profit after taxation								1 189 716	1 092 970

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

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

SYED SHAHID ABBAS
Chief Financial
Officer

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Karachi 28 October, 2017

Condensed Interim Revenue Account for the nine months period ended 30 September 2017 (Unaudited)

Rupees '000

Note	Statutory Funds						Aggregate		Three months ended	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Nine months ended 30 September		30 September	
							2017	2016	2017	2016
Income										
Premiums / contribution less reinsurances / retakaful	18 939 446	1 587 620	922	474	1 472 400	102 367	22 103 229	16 231 274	7 496 663	4 850 677
Net investment income	(2 085 280)	75 259	649	127	84 552	36 619	(1 888 074)	9 043 042	(5 348 653)	4 113 006
Total net income	16 854 166	1 662 879	1 571	601	1 556 952	138 986	20 215 155	25 274 316	2 148 010	8 963 683
Claims net of reinsurance recoveries	9 657 586	993 847	100	–	268 914	36 351	10 956 798	14 202 821	2 890 607	3 997 884
Management expenses	3 708 974	364 508	44	224	669 541	66 156	4 809 447	3 749 881	1 682 374	1 180 629
Total claims and expenditure	13 366 560	1 358 355	144	224	938 455	102 507	15 766 245	17 952 702	4 572 981	5 178 513
Excess of income over claims and expenditure	3 487 606	304 524	1 427	377	618 497	36 479	4 448 910	7 321 614	(2 424 971)	3 785 170
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	101 578 998	84 688 365
Less : policyholders' liabilities at end of the period	95 915 166	728 245	25 791	1 545	1 998 287	31 238	98 700 272	87 915 016	98 700 272	87 915 016
	(2 052 111)	(64 164)	(1 183)	280	(690 618)	(23 227)	(2 831 023)	(5 729 645)	2 878 726	(3 226 651)
Surplus / (Deficit) before tax	1 435 495	240 360	244	657	(72 121)	13 252	1 617 887	1 591 969	453 755	558 519
Movement in policyholders' liabilities	2 052 111	64 164	1 183	(280)	690 618	23 227	2 831 023	5 729 645	(2 878 726)	3 226 651
Transfer of (surplus) / deficit to shareholders' fund	(1 442 730)	(164 414)	(224)	(793)	–	–	(1 608 161)	(1 439 045)	(494 404)	(457 640)
Capital contribution	–	–	–	–	101 528	6 897	108 425	–	16 917	–
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	83 829 194	103 626 005	86 384 233
Balance of statutory funds at end of the period	97 394 711	1 168 261	26 203	1 854	2 065 603	66 915	100 723 547	89 711 763	100 723 547	89 711 763
Represented by:										
Policyholders' liabilities	95 915 166	728 245	25 791	1 545	1 998 287	31 238	98 700 272	87 915 016	98 700 272	87 915 016
Retained earnings on other than participating business	1 479 545	440 016	412	309	67 316	35 677	2 023 275	1 796 747	2 023 275	1 796 747
Balance of statutory funds	97 394 711	1 168 261	26 203	1 854	2 065 603	66 915	100 723 547	89 711 763	100 723 547	89 711 763

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

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

SYED SHAHID ABBAS
Chief Financial
Officer

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Karachi 28 October, 2017

Condensed Interim Statement of Premiums / Contributions for the nine months period ended 30 September 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	Nine months ended 30 September		Three months ended 30 September	
							2017	2016	2017	2016
Gross premiums / contribution										
Regular premium / Contribution individual policies*										
First year	2 683 213	1 074	-	117	504 962	-	3 189 366	2 584 757	1 199 867	865 187
Second year renewal	1 910 032	821	-	13	235 766	-	2 146 632	1 851 225	752 993	577 327
Subsequent year renewal	8 194 905	1 696	922	602	68 385	-	8 266 510	7 420 343	2 844 294	2 298 414
Single premium / Contribution individual policies	6 303 516	-	-	-	685 856	-	6 989 372	3 204 332	2 092 101	649 316
Group policies with cash values	40 955	-	-	-	-	-	40 955	20 898	13 840	6 568
Group policies without cash values	-	1 856 644	-	-	-	124 155	1 980 799	1 697 378	744 591	609 293
Total gross premiums / Contribution	19 132 621	1 860 235	922	732	1 494 969	124 155	22 613 634	16 778 933	7 647 686	5 006 105
Less: Reinsurance premiums / Retakaful contribution ceded										
On individual life first year business	20 425	6	-	5	12 307	-	32 743	37 785	10 035	10 045
On individual life second year business	27 794	139	-	-	8 209	-	36 142	21 874	9 881	4 602
On individual life renewal business	144 956	347	-	253	2 053	-	147 609	133 002	28 578	34 063
On group policies	-	272 123	-	-	-	21 788	293 911	354 998	102 529	106 718
Total reinsurance premium / retakaful contribution ceded	193 175	272 615	-	258	22 569	21 788	510 405	547 659	151 023	155 428
Net premium / contribution	18 939 446	1 587 620	922	474	1 472 400	102 367	22 103 229	16 231 274	7 496 663	4 850 677

* 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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Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Karachi 28 October, 2017

Condensed Interim Statement of Claims

for the nine months period ended 30 September 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	Nine months ended 30 September		Three months ended 30 September	
							2017	2016	2017	2016
Gross claims										
Claims under individual policies										
by death	427 562	1 521	-	-	23 419	-	452 502	592 079	156 180	115 141
by insured event other than death	5 727	31	-	-	-	-	5 758	15 259	4 710	2 647
by maturity	699 119	-	100	-	-	-	699 219	486 672	165 543	136 110
by surrender	8 608 061	-	-	-	260 044	-	8 868 105	12 175 850	2 240 460	3 381 337
Total gross individual policy claims	9 740 469	1 552	100	-	283 463	-	10 025 584	13 269 860	2 566 893	3 635 235
Claims under group policies										
by death	770	1 225 288	-	-	-	42 700	1 268 758	1 132 842	384 427	413 679
by insured event other than death	-	103 265	-	-	-	1 934	105 199	42 713	15 816	15 759
by surrender	4 514	-	-	-	-	-	4 514	1 846	1 903	999
experience refund	-	71 123	-	-	-	-	71 123	106 418	32 365	38 786
Total gross group claims	5 284	1 399 676	-	-	-	44 634	1 449 594	1 283 819	434 511	469 223
Total gross claims	9 745 753	1 401 228	100	-	283 463	44 634	11 475 178	14 553 679	3 001 404	4 104 458
Less: Reinsurance recoveries										
On individual life first year business	43 366	-	-	-	2 309	-	45 675	58 675	13 958	7 298
On individual life second year business	1 358	-	-	-	11 293	-	12 651	-	2 456	(3 020)
On individual life subsequent renewal business	43 443	844	-	-	363	-	44 650	21 181	21 215	9 251
On group claims	-	373 223	-	-	-	8 283	381 506	245 195	60 154	102 244
On experience refund of premiums	-	33 314	-	-	584	-	33 898	24 227	13 014	(10 779)
Total reinsurance recoveries	88 167	407 381	-	-	14 549	8 283	518 380	349 278	110 797	104 994
Net claims	9 657 586	993 847	100	-	268 914	36 351	10 956 798	14 204 401	2 890 607	3 999 464

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

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Officer

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Karachi 28 October, 2017

Condensed Interim Statement of Expenses for the nine months period ended 30 September 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	Nine months ended 30 September		Three months ended 30 September	
							2017	2016	2017	2016
Acquisition costs										
Remuneration to insurance intermediaries on individual policies:										
- commission on first year premiums / Contribution	1 236 184	319	-	44	213 787	-	1 450 334	1 087 673	615 296	358 716
- commission on second year premiums / Contribution	160 515	77	-	5	20 302	-	180 899	161 520	46 501	51 513
- commission on subsequent renewal premiums / Contribution	178 339	41	15	35	1 679	-	180 109	185 469	13 616	56 823
- commission on single premiums / Contribution	202 235	-	-	-	22 124	-	224 359	110 568	57 836	20 182
- override commission	290 225	73	3	13	36 845	-	327 159	264 421	112 418	85 223
- other benefits to insurance intermediaries	414 165	100	15	23	101 773	-	516 076	430 569	159 446	137 749
	2 481 663	610	33	120	396 510	-	2 878 936	2 240 220	1 005 113	710 206
Remuneration to insurance intermediaries on group policies:										
- commission	3 147	190 867	-	-	-	24 483	218 497	165 130	73 873	43 681
- other benefits to insurance intermediaries	614	41 094	-	-	-	1 250	42 958	37 953	11 843	12 516
	3 761	231 961	-	-	-	25 733	261 455	203 083	85 716	56 197
Branch overheads	393 124	11 964	11	23	44 532	-	449 654	358 025	150 286	113 735
Other acquisition costs										
- policy stamps	42 137	241	-	2	9 459	-	51 839	52 663	19 011	18 037
Total acquisition cost	2 920 685	244 776	44	145	450 501	25 733	3 641 884	2 853 991	1 260 126	898 175
Administration expenses										
Salaries and other benefits	314 385	52 406	-	37	56 870	1 992	425 690	375 180	145 529	124 120
Travelling expenses	51 919	5 200	-	1	1 753	52	58 925	58 030	3 389	16 400
Actuary's fees	6 595	370	-	1	1 134	-	8 100	7 650	2 700	2 550
Medical fees	14 692	149	-	-	309	-	15 150	16 142	4 199	4 948
Legal and professional fee	13 987	29 476	-	2	6 374	1 556	51 395	31 522	26 502	12 982
Advertisements and publicity	91 604	8 034	-	-	-	-	99 638	87 637	61 100	17 961
Computer expenses	10 713	616	-	1	1 836	1	13 167	11 515	3 071	3 940
Printing and stationery	30 748	2 435	-	4	6 306	49	39 542	21 764	6 450	4 867
Depreciation	73 364	4 464	-	9	12 510	20	90 367	23 447	31 428	6 429
Amortisation	7 231	406	-	1	1 243	-	8 881	7 472	3 010	2 320
Rental	4 226	1 245	-	1	726	53	6 251	25 814	2 298	13 665
Exchange (gain) / loss	(2 327)	-	-	-	-	-	(2 327)	(336)	(326)	(1 481)
Postage	30 955	1 744	-	4	5 445	1	38 149	46 470	10 905	11 439
Fees and subscription	43 716	2 950	-	5	10 723	59	57 453	40 407	23 135	13 014
Wakala/Wakalat-ul-Istasmr Expenses	-	-	-	-	99 615	36 409	136 024	80 342	60 633	26 174
Other management expenses	111 660	10 239	-	13	19 485	231	141 628	85 990	44 481	29 589
Gross management expenses	3 724 153	364 510	44	224	674 830	66 156	4 829 917	3 773 037	1 688 630	1 187 092
Commission from reinsurers	(7 523)	(2)	-	-	(5 230)	-	(12 755)	(15 425)	(3 975)	(4 086)
Fees charged to policy holders	(7 656)	-	-	-	(59)	-	(7 715)	(7 731)	(2 281)	(2 377)
Net management expenses	3 708 974	364 508	44	224	669 541	66 156	4 809 447	3 749 881	1 682 374	1 180 629

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

HASANALI ABDULLAH
Director

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Director

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Chief Financial
Officer

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Karachi 28 October, 2017

Condensed Interim Statement of Investment Income for the nine months period ended 30 September 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	Nine months ended 30 September		Three months ended 30 September	
							2017	2016	2017	2016
Investment income										
Income from Trading Investments										
Gain / (loss) on trading	146 222	-	-	-	-	-	146 222	40 654	124 390	3 998
Dividend Income on trading	6 311	-	-	-	-	-	6 311	18 310	97	1 363
	152 533	-	-	-	-	-	152 533	58 964	124 487	5 361
On government securities	2 974 843	66 024	789	243	6 811	49	3 048 759	3 440 749	945 334	1 058 523
On other fixed income securities and deposits	565 077	5 072	36	-	33 815	161	604 161	643 017	213 994	206 263
Dividend income	956 132	5 123	191	-	9 406	-	970 852	891 512	269 970	262 685
Amortisation of (premium) / discount	(227 027)	277	15	(2)	-	-	(226 737)	(278 368)	(78 108)	(101 096)
	4 269 025	76 496	1 031	241	50 032	210	4 397 035	4 696 910	1 351 190	1 426 375
Gain on sale of investments	2 920 776	-	133	-	44 650	-	2 965 559	963 376	407 464	252 063
Unrealised (loss) / gain on investment										
Government securities	(486 762)	-	(58)	-	-	-	(486 820)	157 731	(217 662)	(294 363)
Other fixed income securities	(41 215)	-	-	-	-	-	(41 215)	(2 237)	(1 895)	7 730
Listed equities securities and mutual fund units	(8 893 176)	-	(457)	-	(109 745)	-	(9 003 378)	3 089 473	(7 070 968)	2 687 778
	(9 421 153)	-	(515)	-	(109 745)	-	(9 531 413)	3 244 967	(7 290 525)	2 401 145
Provision for impairment in value of investments										
Available-for-sale fixed income securities	-	-	-	-	-	-	-	-	-	-
Available-for-sale equity securities and mutual fund units	-	(1 237)	-	(114)	-	-	(1 351)	2 704	442	2 915
	-	(1 237)	-	(114)	-	-	(1 351)	2 704	442	2 915
	(2 078 819)	75 259	649	127	(15 063)	210	(2 017 637)	8 966 921	(5 406 942)	4 087 859
Less: Investment related expense	(6 461)	-	-	-	-	-	(6 461)	(4 221)	(2 344)	(1 027)
Add: Wakala / Wakalat-ul-Istasmr Income	-	-	-	-	99 615	36 409	136 024	80 342	60 633	26 174
Net investment income	(2 085 280)	75 259	649	127	84 552	36 619	(1 888 074)	9 043 042	(5 348 653)	4 113 006

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

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Director

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TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Karachi 28 October, 2017



Notes to and Forming Part of the Condensed Interim Financial information for the nine months period ended 30 September 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 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 Nine months period ended 30 September 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 circular No.7 dated 20 July 2017 and circular No.23 dated 4 October 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.

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

	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	
							30 September 2017 Unaudited	31 December 2016 Audited
5.1 Gross of reinsurance/retakaful								
Actuarial liability relating to future events	95 647 505	603 356	25 794	1 696	2 024 421	30 785	98 333 557	95 491 066
Provision for outstanding reported claims payable over a period exceeding twelve months	462 083	178 876	-	6	607	-	641 572	562 058
Provision for incurred but not reported claims	128 487	258 200	-	-	-	10 456	397 143	379 460
	<u>96 238 075</u>	<u>1 040 432</u>	<u>25 794</u>	<u>1 702</u>	<u>2 025 028</u>	<u>41 241</u>	<u>99 372 272</u>	<u>96 432 584</u>
5.2 Net of reinsurance/retakaful								
Actuarial liability relating to future events	95 515 004	491 988	25 791	1 540	1 997 791	22 770	98 054 884	95 251 783
Provision for outstanding reported claims payable over a period exceeding twelve months	299 471	40 928	-	5	496	-	340 900	324 160
Provision for incurred but not reported claims	100 691	195 329	-	-	-	8 468	304 488	293 306
	<u>95 915 166</u>	<u>728 245</u>	<u>25 791</u>	<u>1 545</u>	<u>1 998 287</u>	<u>31 238</u>	<u>98 700 272</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 September 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	2 052 111	64 164	1 183	(280)	690 618	23 227	2 831 023	13 683 878
Balance at end of the period	95 915 166	728 245	25 791	1 545	1 998 287	31 238	98 700 272	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	1 435 495	240 360	244	657	(72 121)	13 252	1 617 887	2 498 124
Capital contribution	-	-	-	-	101 528	6 897	108 425	89 256
Surplus appropriated to shareholders' fund	(1 442 730)	(164 414)	(224)	(793)	-	-	(1 608 161)	(2 326 078)
Balance at end of the period (refer note no. 6.1)	1 479 545	440 016	412	309	67 316	35 677	2 023 275	1 905 124
Balance of statutory funds	97 394 711	1 168 261	26 203	1 854	2 065 603	66 915	100 723 547	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.1,916 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 September 2017 Unaudited	31 December 2016 Audited
Government securities									
Held to maturity (at amortized cost)	1 423 305	417 680	1 347 273	-	5 355	-	-	3 193 613	3 465 074
Available for sale (at fair value)	-	46 988 402	-	15 506	-	140 836	-	47 144 744	45 404 994
	1 423 305	47 406 082	1 347 273	15 506	5 355	140 836	-	50 338 357	48 870 068
Other fixed income securities									
Held to maturity (at amortized cost)	-	-	-	-	-	-	-	-	-
Available for sale (at fair value)	-	932 548	-	-	-	-	-	932 548	1 575 511
	-	932 548	-	-	-	-	-	932 548	1 575 511
Listed equities and mutual funds									
Available for sale (at fair value)	-	34 013 372	-	6 777	-	706 531	-	34 726 680	36 742 608
Held for trading (at fair value)	-	100 331	-	-	-	-	-	100 331	459 246
Available for sale (at lower of cost or market value)	1 332 543	81 581	150 491	-	1 035	-	-	1 565 650	1 586 143
	1 332 543	34 195 284	150 491	6 777	1 035	706 531	-	36 392 661	38 787 997
Less: Provision for impairment in value of investments	370 243	-	40 375	-	774	-	-	411 392	402 901
	962 300	34 195 284	110 116	6 777	261	706 531	-	35 981 269	38 385 096

- 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. 3,213 million (31 December 2016: Rs. 3,492.21 million).
- 7.3 Government securities include Rs.125 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. 2,030 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. 1,834 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 September 2017 is Rs. 28.069 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. Subsequent to the period, the department has filed review application against the order in Honourable Court of Sindh. The decision is still pending.

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. 8.265 million have been given in respect of Group Life coverage. These bank guarantees will expire by 31st March 2018 and 16 January 2020.

9. FIXED ASSETS

Rupees in '000

Nine months ended - Unaudited

	30 September 2017		30 September 2016	
	Additions	Disposals	Additions	Disposals
9.1 Tangible and intangible				
Furniture, fixture and fittings	50 802	936	11 369	18
Office equipment	34 197	1 172	4 323	70
Computers	21 553	23	12 449	-
Motor Vehicles	82 784	25 918	75 699	27 536
Intangibles	1 742	-	4 854	-
Capital work in progress	-	-	313 493	-
Building	60 554	-	-	-
	251 632	28 049	422 187	27 624

	Rupees in '000	
	Nine months ended (Unaudited)	
	30 September 2017	30 September 2016
10. TAXATION		
Current	(523 062)	(523 161)
Prior years	(71 938)	(66 839)
Deferred	(2 900)	800
	<u>(597 900)</u>	<u>(589 200)</u>

11. RELATED PARTY TRANSACTIONS

The related parties comprise of directors, key management personnel, associated companies / associated undertakings, and entities with common directors and retirement benefit fund. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. 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	
	Nine months ended - Unaudited	
	30 September 2017	30 September 2016
11.1 Transactions		
11.1.1 Associated companies / Associated undertakings		
Premium written	89 260	50 555
Premium paid	37 454	41 529
Claims paid	13 629	11 354
Claims received	2 403	4 369
Commission paid	71 860	64 704
Travelling expenses	2 357	1 041
Dividend paid	927 189	567 963
Dividend received	129 059	78 650
Bonus shares	-	375 263
Interest on bank deposit	98 345	121 898
11.1.2 Employees' funds		
Contribution to provident fund	19 243	17 034
Contribution to pension fund	15 783	13 767
11.1.3 Key Management Personnel		
Loan to Key Employees	550	35 869
Loan recovered	3 003	500
Compensation paid	93 936	87 413
Loan Receivable	27 491	30 844

(Rupees in '000)

	Rupees in '000	
	30 September 2017 Unaudited	31 December 2016 Audited
	11.2 Balances	
Bank balances	46 744	30 906
Bank deposits	2 150 000	2 150 000
Premium payable	22	49
Premium receivable	785	5 197
Investment in EFU General Insurance Company Limited	1 476 329	1 486 093
Investment in related party	712 845	238 310

12. WINDOW TAKAFUL OPERATIONS

The Statement of financial position of Window Takaful Operations as at 30 September 2017 and its financial performance for the period ended 30 September 2017 are as follows:

12.1 Balance sheet

Note	Rupees '000				
	Shareholders' Fund	Statutory Funds		Aggregate	
		Family Takaful Investment Linked Business	Family Takaful Protection Business	30 September 2017 Unaudited	31 December 2016 Audited
Share capital and reserves					
Operator's Fund	50 000	–	–	50 000	50 000
Accumulated deficit	–	–	–	–	–
Net shareholders' equity	50 000	–	–	50 000	50 000
Balance of statutory fund [including policyholders' liabilities Rs. 2 029.525 million (2016: Rs. 1 315.68 million)]					
Participant Investment Fund	52 076	1 980 276	–	2 032 352	1 317 350
Participant Takaful Fund - Waqf	–	57 097	43 069	100 166	51 767
Cede Money- Waqf	–	2 000	–	2 000	2 000
Shareholder's Fund unit holding in PIF	–	5 695	–	5 695	5 690
	52 076	2 045 068	43 069	2 140 213	1 376 807
Creditors and accruals					
Outstanding claims	–	6 222	16 702	22 924	9 359
Contribution received in advance	–	41 056	13 194	54 250	22 565
Amounts due to retakaful	–	6 167	25 263	31 430	26 455
Amounts due to agents	–	50 292	2 217	52 509	73 870
Accrued expenses	25 001	–	–	25 001	12 418
Other creditors and accruals	53 300	119 958	181 407	354 665	275 223
Interfund balance	84 182	–	–	84 182	58 671
Total liabilities	162 483	223 695	238 783	624 961	478 561
Total equity and liabilities	264 559	2 268 763	281 852	2 815 174	1 905 368
Cash and bank deposits					
Policy stamps in hand	258	–	–	258	19
Current and other accounts	90 933	347 743	46 193	484 869	456 741
Deposits maturing within 12 months	28 000	1 011 000	–	1 039 000	508 000
	119 191	1 358 743	46 193	1 524 127	964 760
Investments					
Government securities	–	140 836	–	140 836	145 836
Listed equities and mutual funds	–	706 531	–	706 531	460 252
	–	847 367	–	847 367	606 088
Current assets - others					
Prepayments	2 815	–	–	2 815	5 450
Contribution due but unpaid	–	–	10 944	10 944	1 712
Amount due from retakaful	–	–	–	–	–
Sundry receivables	118 212	41 716	147 494	307 422	181 228
Investment income accrued	227	13 976	–	14 203	2 288
Shareholder's Fund unit holding in PIF	5 695	–	–	5 695	5 690
Taxation - provision less payments	1 290	–	–	1 290	–
Capital Contribution	16 917	–	–	16 917	78 579
Advances and deposits	212	–	–	212	902
Interfund balance	–	6 961	77 221	84 182	58 671
	145 368	62 653	235 659	443 680	334 520
Total assets	264 559	2 268 763	281 852	2 815 174	1 905 368

12.2 Revenue Account

	Statutory Funds		Aggregate		Rupees '000	
	Family Takaful Investment Linked Business	Family Takaful Protection Business	Nine months ended		Aggregate	
			30 September 2017	30 September 2016	30 September 2017	30 September 2016
12.2.1 Participants' Investment Fund (PIF)						
Income						
Allocated contribution	1 049 517	–	1 049 517	1 022 524	409 231	259 768
Policy transfer to other statutory fund	6 766	–	6 766	1 580	1 879	1 580
Net investment income	(20 209)	–	(20 209)	34 127	(117 992)	30 258
Total net income	1 036 074	–	1 036 074	1 058 231	293 118	291 606
Less: Claims and Expenditure						
Investment management charges	17 316	–	17 316	5 450	6 803	3 405
Bid offer spread	50 176	–	50 176	50 608	18 857	12 669
Policy admin fee	15 368	–	15 368	7 030	5 900	2 456
Wakalat-ul-Istismar	82 860	–	82 860	63 088	31 560	18 530
Surrender	260 044	–	260 044	5 713	60 659	3 414
Excess of income over claims and expenditure	693 170	–	693 170	989 430	200 899	269 662
Add : Technical reserves at the beginning of the period	1 287 106	–	1 287 106	55 931	1 779 377	775 699
Less : Technical reserves at the end of the period	1 980 276	–	1 980 276	1 045 361	1 980 276	1 045 361
	(693 170)	–	(693 170)	(989 430)	(200 899)	(269 662)
Surplus / (Deficit)	–	–	–	–	–	–
Movement in technical reserves	693 170	–	693 170	989 430	200 899	269 662
Balance of PIF at beginning of the period	1 287 106	–	1 287 106	55 931	1 779 377	775 699
Balance of PIF at end of the period	(a) 1 980 276	–	1 980 276	1 045 361	1 980 276	1 045 361
12.2.2 Participants' Takaful Fund (PTF)						
Income						
Contribution net of retakaful recoveries	37 618	102 367	139 985	43 284	60 003	20 932
Net investment income	1 359	210	1 569	718	82	429
Total net income	38 977	102 577	141 554	44 002	60 085	21 361
Less: Claims and Expenditure						
Wakala Income	16 755	36 409	53 164	17 253	29 073	7 643
Selection discount	(5 230)	–	(5 230)	–	(1 827)	–
Claims net of Retaful recoveries	8 870	36 351	45 221	9 408	19 777	4 510
	20 395	72 760	93 155	26 661	47 023	12 153
Excess of income over claims and expenditure	18 582	29 817	48 399	17 341	13 062	9 208
Add : Technical reserves at the beginning of the period	20 563	8 011	28 574	9 339	30 877	16 634
Less : Technical reserves at the end of the period	18 011	31 238	49 249	15 944	49 249	15 944
	2 552	(23 227)	(20 675)	(6 605)	(18 372)	690
Surplus / (Deficit) before distribution	21 134	6 590	27 724	10 736	(5 310)	9 898
Movement in technical reserves	(2 552)	23 227	20 675	6 605	18 372	(690)
Balance of PTF at beginning of the period	38 515	13 252	51 767	11 276	87 104	19 409
Qard-e-Hasna contributed from shareholder's fund	–	–	–	–	–	–
Balance of PTF at end of the period	(b) 57 097	43 069	100 166	28 617	100 166	28 617

12.2.3 Shareholders' Sub-Fund

(Rupees in '000)

	Statutory Funds		Aggregate		Aggregate	
	Family Takaful Investment Linked Business	Family Takaful Protection Business	Nine months ended 30 September		Three months ended 30 September	
			2017	2016	2017	2016
Income						
Un-allocated contribution	378 499	–	378 499	238 389	144 123	76 073
Net investment income	3 787	–	3 787	1 036	637	283
Wakalat-ul-Istismar - PIF	82 860	–	82 860	63 088	31 560	18 530
Wakala Fee - PTF	16 755	36 409	53 164	17 253	29 073	7 643
Total net income	481 901	36 409	518 310	319 766	205 393	102 529
Less: Expenditure						
Acquisition costs	455 731	25 733	481 464	304 656	166 978	98 895
Administration expenses	119 425	4 014	123 439	48 260	45 372	20 573
	575 156	29 747	604 903	352 916	212 350	119 468
(Shortfall) / Excess of income over expenditure	(93 255)	6 662	(86 593)	(33 150)	(6 957)	(16 939)
Add : Technical reserves at the beginning of the period	–	–	–	–	–	–
Less : Technical reserves at the end of the period	–	–	–	–	–	–
	–	–	–	–	–	–
(Deficit) / surplus before tax	(93 255)	6 662	(86 593)	(33 150)	(6 957)	(16 939)
Movement in technical reserves	–	–	–	–	–	–
(Deficit) / surplus transfer to shareholder's fund	–	–	–	28 215	–	17 538
Capital contribution	101 528	6 897	108 425	–	16 917	–
Balance of shareholders' sub fund at beginning of the period	–	–	–	–	–	–
Qard-e-Hasna	–	–	–	–	–	–
Retained earnings on other than participating business	19 957	10 287	30 244	16 291	52 076	10 757
Balance of shareholders' sub fund at end of the period (c)	28 230	23 846	52 076	11 356	62 036	11 356
Balance of statutory funds at end of the period (a+b+c)	2 065 603	66 915	2 132 518	1 085 334	2 142 478	1 085 334
Represented by:						
Policy holder's liability	1 998 287	31 238	2 029 525	1 061 305	2 029 525	1 061 305
Retained Earnings	67 316	35 677	102 993	24 029	112 953	24 029
	2 065 603	66 915	2 132 518	1 085 334	2 142 478	1 085 334

12.3 Statement of contribution

Gross contribution

Regular contribution individual policies						
First year	504 962	–	504 962	327 967	190 497	104 135
Second year	235 766	–	235 766	68 449	84 033	39 523
Third year	68 385	–	68 385	975	44 567	975
Single contribution individual policies	685 856	–	685 856	900 255	258 419	204 864
Group policies without cash values	–	124 155	124 155	31 201	55 453	9 483
Total gross contribution	1 494 969	124 155	1 619 124	1 328 847	632 969	358 980

(Rupees in '000)

	Statutory Funds		Aggregate		Aggregate	
	Family Takaful Investment Linked Business	Family Takaful Protection Business	Nine months ended 30 September		Three months ended 30 September	
			2017	2016	2017	2016
12.3.1 Participants' Investment Fund						
Allocated regular contribution	370 427	-	370 427	122 269	152 691	54 904
Allocated single contribution	685 856	-	685 856	900 255	258 419	204 864
Total allocated contribution	1 056 283	-	1 056 283	1 022 524	411 110	259 768
12.3.2 Participants' Takaful Fund						
Allocated gross contribution	60 187	124 155	184 342	67 934	77 736	23 139
Less: Retakaful contribution ceded						
On individual life first year business	12 307	-	12 307	13 822	4 262	3 204
On individual life second year business	8 209	-	8 209	-	2 417	-
On individual life renewal year business	2 053	-	2 053	-	1 171	-
On group policies	-	21 788	21 788	10 828	9 883	(997)
Total retakaful contribution ceded	22 569	21 788	44 357	24 650	17 733	2 207
Net Risk Contribution of PTF	37 618	102 367	139 985	43 284	60 003	20 932
12.3.3 Shareholders' Sub-Fund						
Unallocated regular contribution	378 499	-	378 499	238 389	144 123	76 073
12.4 Statement of claims						
Gross Claims						
Claims under individual policies by death	23 419	-	23 419	2 400	(2 799)	2 000
by insured event other than death	-	-	-	-	-	-
	23 419	-	23 419	2 400	(2 799)	2 000
Surrenders / partial withdrawals	260 044	-	260 044	5 714	60 659	3 415
Claims under group policies by death	-	42 700	42 700	11 541	23 701	5 441
by insured event other than death	-	1 934	1 934	281	1 177	113
	-	44 634	44 634	11 822	24 878	5 554
Total Gross Claims	283 463	44 634	328 097	19 936	82 738	10 969
Gross Claims allocated as follows:						
Participants' Investment Fund (PIF)						
Surrenders / Partial withdrawals under same in source policies	260 044	-	260 044	5 714	60 659	3 415
Participants' Takaful Fund (PTF)						
Under individual policies by death	23 419	-	23 419	2 400	(2 799)	2 000
Under group policies by death	-	42 700	42 700	11 541	23 701	5 441
Under group policies by event other than death	-	1 934	1 934	281	1 177	113
Total gross claims under PTF	23 419	44 634	68 053	14 222	22 079	7 554
Less: Retakaful recoveries under PTF						
On individual policies first year	2 309	-	2 309	-	(4 445)	-
On individual policies second year	11 293	-	11 293	-	1 064	-
On individual policies subsequent year	363	-	363	-	363	-
On group policies	-	8 283	8 283	4 814	5 320	3 044
Profit commission from reinsurer	584	-	584	-	-	-
PTA income	14 549	8 283	22 832	4 814	2 302	3 044
Net Claims under PTF	8 870	36 351	45 221	9 408	19 777	4 510

12.5 Statement of Expenses

Rupees '000

Acquisition costs	Statutory Funds		Aggregate		Rupees '000	
	Family Takaful	Family Takaful	Nine months ended		Three months ended	
	Investment Linked Business	Protection Business	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Shareholders' Sub-Fund						
Remuneration to insurance intermediaries on individual policies:						
– commission on first year Contribution	213 787	–	213 787	143 185	80 352	43 432
– commission on second year Contribution	20 302	–	20 302	7 229	6 987	4 156
– commission on subsequent renewal	1 679	–	1 679	–	1 160	–
– commission on single Contribution	22 124	–	22 124	33 584	8 653	7 418
– override commission	36 845	–	36 845	20 849	13 696	9 081
– other benefits to insurance intermediaries	101 773	–	101 773	71 838	23 559	26 434
	396 510	–	396 510	276 685	134 407	90 521
Remuneration to insurance intermediaries on group policies:						
– Commission	–	24 483	24 483	1 381	9 716	647
– other benefits to insurance intermediaries	–	1 250	1 250	1 000	326	318
Branch overheads	44 532	–	44 532	25 112	17 233	7 245
Other acquisition costs – policy stamps	9 459	–	9 459	478	3 469	164
Total acquisition cost	450 501	25 733	476 234	304 656	165 151	98 895
Administration expenses						
Salaries and other benefits	56 870	1 992	58 862	26 149	20 933	8 230
Travelling expenses	1 753	52	1 805	1 045	660	358
Cede money-Waaf	–	–	–	–	–	–
Actuary's fees	1 134	–	1 134	452	378	152
Medical fees	309	–	309	421	55	60
Legal and professional fee	6 374	1 556	7 930	2 777	4 644	1 142
Advertisements and publicity	–	–	–	523	2	106
Computer expenses	1 836	1	1 837	678	429	232
Printing and stationery	6 306	49	6 355	1 233	1 237	254
Depreciation	12 510	20	12 530	1 338	4 323	398
Amortisation	1 243	–	1 243	440	421	137
Rental	726	53	779	1 488	279	831
Postage	5 445	1	5 446	2 847	1 632	674
Fees and subscription	10 723	59	10 782	925	6 009	765
Other management expenses	19 485	231	19 716	7 950	6 197	2 485
Commission from Reinsurance	(5 230)	–	(5 230)	–	(1 827)	4 752
Fees charged to policy holder	(59)	–	(59)	(6)	82	(3)
Net Management Expenses	569 926	29 747	599 673	352 916	210 523	119 468

12.6 Statement of Investment Income

12.6.1 Participants' Investment Fund (PIF)	Statutory Funds		Aggregate		Rupees '000	
	Family Takaful	Family Takaful	Nine months ended		Three months ended	
	Investment Linked Business	Protection Business	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Return on government securities	6 743	–	6 743	3 791	2 047	2 049
Other Fixed Income securities	28 577	–	28 577	9 895	12 354	5 691
Dividend Income	9 379	–	9 379	4 916	3 338	3 870
Gain/(loss) on investment	44 522	–	44 522	(956)	997	(974)
Unrealised gain on Investment	(109 430)	–	(109 430)	16 481	(136 728)	19 622
Net investment income of PIF (a)	(20 209)	–	(20 209)	34 127	(117 992)	30 258
12.6.2 Participants' Takaful Fund (PTF)						
Return on government securities	49	49	98	164	(10)	55
Profit on bank deposits	1 310	161	1 471	554	92	374
Net investment income of PTF (b)	1 359	210	1 569	718	82	429
12.6.3 Shareholders' Sub-Fund						
Return on government securities	19	–	19	19	3	19
Other Fixed Income securities	82	–	82	51	26	51
Dividend Income	27	–	27	25	6	25
Gain/(loss) on investment	128	–	128	(5)	(21)	(5)
Unrealised gain on Investment	(315)	–	(315)	84	(409)	84
Interest on bank deposits	3 846	–	3 846	862	1 032	109
Net investment income of shareholders' sub-fund (c)	3 787	–	3 787	1 036	637	283
Net Investment Income (a+b+c)	(15 063)	210	(14 853)	35 881	(117 273)	30 970

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 September 2017

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												
- Government Securities (Tbills + PIBs + Sukuks)	47 144 744	-	-	-	-	-	47 144 744	-	47 144 744	-	-	47 144 744
- Sukuk Bonds (other than government)	513 256	-	-	-	-	-	513 256	513 256	-	-	-	513 256
- Listed equity securities	34 734 576	100 331	-	-	-	-	34 834 907	34 834 907	-	-	-	34 834 907
- Units of mutual funds	115 435	-	-	-	-	-	115 435	115 435	-	-	-	115 435
- Debt securities (Listed TFCs)	209 292	-	-	-	-	-	209 292	209 292	-	-	-	209 292
Financial assets not measured at fair value												
- Government Securities (Tbills + PIBs + Sukuks)	-	-	3 193 613	-	-	-	3 193 613	-	3 434 595	-	-	3 434 595
- Unlisted equity securities	508	-	-	-	-	-	508	-	-	508	-	508
- Balances with banks *	-	-	-	16 901 569	-	-	16 901 569	-	-	-	-	-
- Certificate of Investment	-	-	-	210 000	-	-	210 000	-	-	-	-	-
- Advances	-	-	-	94 989	987 002	-	1 081 991	-	-	-	-	-
- Listed equity securities and mutual fund units (at lower of cost or market value)	1 154 258	-	-	-	-	-	1 154 258	1 834 447	-	-	-	1 834 447
- Other assets (excluding markup accrued)*	-	-	-	-	956 391	-	956 391	-	-	-	-	-
	83 872 069	100 331	3 193 613	17 206 558	1 943 393	-	106 315 964	37 391 902	50 694 774	508	88 087 184	
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) *	-	-	-	-	-	3 578 926	3 578 926	-	-	-	-	-
	-	100 331	3 193 613	17 206 558	1 943 383	(3 578 926)	102 737 038	37 391 902	50 694 774	508	88 087 184	

(Rupees '000)

31 December 2016

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												
	45 404 994	-	-	-	-	-	45 404 994	-	45 404 994	-	-	45 404 994
	1 192 326	-	-	-	-	-	1 192 326	-	1 192 326	-	-	1 192 326
	36 230 825	459 246	-	-	-	-	36 690 071	36 690 071	-	-	-	36 690 071
	511 783	-	-	-	-	-	511 783	-	511 783	-	-	511 783
	173 185	-	-	-	-	-	173 185	173 185	-	-	-	173 185
Financial assets not measured at fair value												
	-	-	3 465 074	-	-	-	3 465 074	-	3 492 212	-	-	3 492 212
	508	-	-	-	-	-	508	-	-	508	-	508
	-	-	-	12 391 210	-	-	12 391 210	-	-	-	-	-
	-	-	-	210 000	-	-	210 000	-	-	-	-	-
	-	-	-	91 912	1 782 633	-	1 874 545	-	-	-	-	-
	1 183 242	-	-	-	-	-	1 183 242	1 995 995	-	-	-	1 995 995
	-	-	-	-	2 162 060	-	2 162 060	-	-	-	-	-
	84 696 863	459 246	3 465 074	12 693 122	3 944 693	-	105 258 998	38 859 251	50 601 315	508	-	89 461 074
Financial liabilities not measured at fair value												
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	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	38 859 251	50 601 315	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 28 October 2017.

HASANALI ABDULLAH
Director

SAIFUDDIN N. ZOOMKAWALA
Director

SYED SHAHID ABBAS
Chief Financial
Officer

TAHER G. SACHAK
Managing Director &
Chief Executive

RAFIQUE R. BHIMJEE
Chairman

Karachi 28 October, 2017

