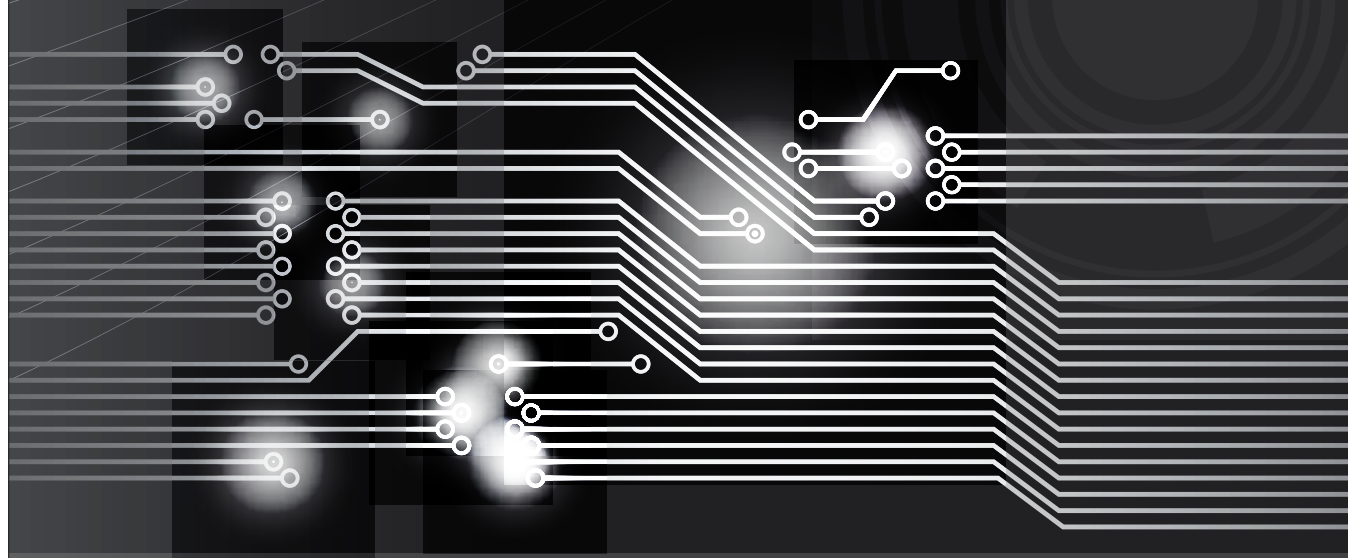


Report (Un-audited)  
Six Months Ended  
30 June 2015

**EFU Life**  
presents

# THE FUTURE...



## Company Information

### Chairman

Rafique R. Bhimjee

### Managing Director & Chief Executive

Taher G. Sachak

### Directors

Saifuddin N. Zoomkawala  
Muneer R. Bhimjee  
Hasanali Abdullah  
Heinz Walter Dollberg  
Syed Salman Rashid  
Kamal Afsar  
Mahmood Lotia

### Corporate Secretary

S. Shahid Abbas

### Appointed Actuary

Omer Morshed, F.C.A., F.P.S.A., F.I.A.

### Legal Advisor

Mohammad Ali Sayeed, M.A.B.L.

### Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants, Karachi

### Shariah Advisor

Mufti Muhammad Ibrahim Essa

### Rating

Rating Agency: JCR-VIS  
Insurer Financial Strength Rating AA  
Outlook: Stable

### Registrar

Technology Trade (Pvt.) Ltd.  
Dagja House 241-C  
Block-2, P.E.C.H.S.  
Off Shahra-e-Quaideen  
Karachi  
Ph: (92-21) 34391316-17 & 19  
Fax: (92-21) 34391318

### Website:

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

### Registered Office

Al-Malik Centre  
70 W, F-7/G-7  
Jinnah Avenue, (Blue Area)  
Islamabad

### Main Office

37-K, Block 6, P.E.C.H.S.  
Karachi

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## Directors' Review, 30 June 2015

The Directors of your Company are pleased to present the Condensed Interim Financial Statements (Un-audited) for the half year ended 30 June 2015.

Your Company's total premium income increased to Rs. 16.2 billion during the first half year of 2015 (2014: Rs 8.72 billion). Inclusive of renewal premium, the total individual life regular premium business increased by 6.2% to Rs. 7.1 billion (2014: 6.68 billion). Single premium business has done exceptionally well and increased to Rs. 8.2 billion (2014: Rs.1.21 billion). Group Benefits business increased by 14.6% at Rs. 950 million (2014: Rs. 829 million).

Your Company had a Profit after Tax of Rs. 702 million (2014: Rs.440 million), an increase of 59%. The Earnings per Share is Rs. 7.02 (2014: Rs.4.4).

The Directors have pleasure in declaring a second Interim Dividend of Rs.1 per share. i.e. 10%. This cash dividend is in addition to 1st interim cash dividend of Rs.1/- per share i.e. 10% declared in 1st Quarter 2015.

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 29 August, 2015

## Auditors' Report to members on Review of Interim Financial Information

### 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") together with notes to the accounts for the six-month period ended 30 June 2015 (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 2015 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

Date: 29 August, 2015  
Karachi

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KPMG Taseer Hadi & Co.  
Chartered Accountants  
Muhammad Taufiq

## Condensed Interim Balance Sheet as at 30 June 2015 (Unaudited)

Rupees '000

Note	Shareholders Fund	Statutory Funds						Aggregate		
		Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	30 June 2015 Unaudited	31 December 2014 Audited	
Share capital and reserves										
Authorised share capital										
[150 000 000 ordinary shares (2014: 150 000 000) of Rs.10 each]									1 500 000	1 500 000
Issued, subscribed and paid-up share capital										
15 000 000 Ordinary Shares (2014: 15 000 000) of Rs 10/- each issued as fully paid in cash									150 000	150 000
85 000 000 Ordinary Shares (2014: 85 000 000) of Rs 10/- each issued as fully paid as bonus shares									850 000	850 000
									1 000 000	1 000 000
Accumulated surplus									886 210	1 083 773
General reserves									950 000	750 500
Net shareholders' equity									2 836 210	2 834 273
Balance of statutory fund [including policyholders' liabilities Rs. 73 144 million (2014: Rs. 59 923 million)]										
Statutory fund									6	
Cede Money- Waqf									-	-
Shareholder's Fund unit holding in PIF									-	-
									-	-
									73 897 265	684 267
									20 955	2 903
									13 814	1 337
									74 620 541	61 222 367
									2 000	-
									5 097	-
									20 911	1 337
									74 627 638	61 222 367
Deferred tax liability									13 200	14 900
Creditors and accruals										
Outstanding claims									-	703 137
Premiums / Contribution received in advance									2 829	744 199
Amounts due to reinsurers / retakaful									-	88 690
Amounts due to agents									10 816	302 925
Accrued expenses									2 660	246 138
Unclaimed dividend									14 172	-
Other creditors and accruals									66 516	69 135
Inter-fund payable									-	271 793
Total liabilities									96 993	2 426 017
Contingencies and commitments									8	
Total equity and liabilities									2 946 403	76 323 282
									1 446 665	22 906
									6 976	21 795
									4 656	80 772 683
									67 228 482	

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

Rupees '000

Note	Shareholders Fund	Statutory Funds						Aggregate	
		Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	30 June 2015 Unaudited	31 December 2014 Audited
<b>Cash and bank deposits</b>									
Policy stamps in hand	165	9 640	361	–	–	–	–	10 166	14 059
Current and other accounts	358 452	3 626 118	366 620	4 454	1 402	11 427	4 656	4 373 129	2 402 310
Deposits maturing within 12 months	–	3 775 000	124 000	1 000	–	–	–	3 900 000	5 250 000
	358 617	7 410 758	490 981	5 454	1 402	11 427	4 656	8 283 295	7 666 369
<b>Loans</b>									
To employees - secured	55 204	–	–	–	–	–	–	55 204	61 631
To employees and agents - unsecured	11 708	–	–	–	–	–	–	11 708	9 669
	66 912	–	–	–	–	–	–	66 912	71 300
<b>Investments</b>									
7									
Government securities	824 816	45 534 309	659 002	11 308	5 008	5 045	–	47 039 488	38 845 000
Other fixed income securities	–	1 481 645	24 945	–	–	–	–	1 506 590	1 753 864
Listed equities and mutual funds	761 180	18 716 772	45 267	5 687	228	–	–	19 529 134	14 935 208
Unlisted equities	508	–	–	–	–	–	–	508	508
	1 586 504	65 732 726	729 214	16 995	5 236	5 045	–	68 075 720	55 534 580
<b>Current assets - others</b>									
Premiums due but unpaid	–	–	88 028	–	–	–	–	88 028	70 332
Amounts due from reinsurers	–	79 813	92 250	–	–	–	–	172 063	102 622
Prepayments	4 624	48 120	4 090	–	26	–	–	56 860	25 287
Sundry receivables	30 110	30 186	2 398	–	15	5 171	–	67 880	55 530
Investment income accrued	42 972	2 052 553	33 301	457	256	152	–	2 129 691	1 999 974
Shareholders' Fund unit holding in PIF	5 097	–	–	–	–	–	–	5 097	–
Taxation - provision less payments	161 328	–	–	–	–	–	–	161 328	157 367
Advances and deposits	259	75 328	6 403	–	41	–	–	82 031	74 721
Inter-fund receivable	279 503	–	–	–	–	–	–	279 503	386 795
	523 893	2 286 000	226 470	457	338	5 323	–	3 042 481	2 872 628
<b>Fixed assets</b>									
9									
Tangible assets									
Leased hold land	–	126 505	–	–	–	–	–	126 505	126 505
Furniture fixtures office equipment and vehicles	406 614	–	–	–	–	–	–	406 614	381 315
Capital work in progress	–	767 293	–	–	–	–	–	767 293	569 580
<b>Intangible assets</b>									
Computer software	3 863	–	–	–	–	–	–	3 863	6 205
	410 477	893 798	–	–	–	–	–	1 304 275	1 083 605
<b>Total assets</b>	<b>2 946 403</b>	<b>76 323 282</b>	<b>1 446 665</b>	<b>22 906</b>	<b>6 976</b>	<b>21 795</b>	<b>4 656</b>	<b>80 772 683</b>	<b>67 228 482</b>

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

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

RAFIQUE R. BHIMJEE  
Chairman

## Condensed Interim Profit and Loss Account for the six months period ended 30 June 2015 (Unaudited)

Rupees '000

	Note	Six months ended 30 June		Three months ended 30 June	
		2015	2014	2015	2014
Investment income not attributable to statutory funds					
Return on government securities		50 218	51 435	23 674	27 176
Return on other fixed income securities and deposits		6 237	6 447	–	1 868
Dividend income		33 579	17 774	27 809	2 197
		90 034	75 656	51 483	31 241
(Provision for) / reversal of impairment in the value of available for sale investments		( 3 732 )	206 283	41 371	92 509
Net investment income		86 302	281 939	92 854	123 750
Other revenue		9 869	5 726	6 154	3 208
		96 171	287 665	99 008	126 958
Expenses not attributable to statutory funds		( 25 628 )	( 17 538 )	( 15 475 )	( 10 748 )
		70 543	270 127	83 533	116 210
Surplus transferred from statutory funds		1 013 094	398 005	553 075	233 550
Profit before tax for the period		1 083 637	668 132	636 608	349 760
Taxation	10	( 381 700 )	( 228 000 )	( 235 400 )	( 121 500 )
Profit after tax for the period		701 937	440 132	401 208	228 260
Earnings per share - basic and diluted		7.02	4.40	4.01	2.28

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

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

RAFIQUE R. BHIMJEE  
Chairman

## Condensed Interim Statement of Changes in Equity for the six months period ended 30 June 2015 (Unaudited)

(Rupees '000)

	Statutory Funds			
	Share Capital	General Reserves	Accumulated Surplus	Total
<b>Balance as at 1 January 2014</b>	<b>1 000 000</b>	<b>500 500</b>	<b>1 032 872</b>	<b>2 533 372</b>
Profit for the six months period ended 30 June 2014	–	–	440 132	440 132
<b>Transactions with owners of the company</b>				
Transfer to General Reserve	–	250 000	( 250 000 )	–
Dividend for the year 2013 at Rs. 5.00 per share	–	–	( 500 000 )	( 500 000 )
<b>Balance as at 30 June 2014</b>	<b>1 000 000</b>	<b>750 500</b>	<b>723 004</b>	<b>2 473 504</b>
<b>Balance as at 1 January 2015</b>	<b>1 000 000</b>	<b>750 500</b>	<b>1 083 773</b>	<b>2 834 273</b>
Profit for the six months period ended 30 June 2015	–	–	701 937	701 937
<b>Transactions with owners of the company</b>				
Transfer to General Reserve	–	199 500	( 199 500 )	–
Dividend for the year 2014 at Rs. 6.00 per share	–	–	( 600 000 )	( 600 000 )
Dividend for the quarter ended 31 March 2015 at Rs. 1.00 per share	–	–	( 100 000 )	( 100 000 )
<b>Balance as at 30 June 2015</b>	<b>1 000 000</b>	<b>950 000</b>	<b>886 210</b>	<b>2 836 210</b>

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

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

RAFIQUE R. BHIMJEE  
Chairman

## Condensed Interim Statement of Cash Flows for the six months period ended 30 June 2015 (Unaudited)

								Rupees '000	
Note	Shareholders Fund	Statutory Funds						Aggregate	
		Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	30 June 2015 Unaudited	30 June 2014 Audited
<b>Operating cash flows</b>									
<b>a) Underwriting activities</b>									
Premiums / contribution received	2 829	15 375 230	927 118	292	734	52 887	4 656	16 363 746	8 765 578
Reinsurance premiums paid	-	(81 915)	57 863	(13)	(231)	-	-	(24 296)	(160 208)
Claims paid	-	(546 155)	(583 571)	(2 348)	(138)	-	-	(1 132 212)	(834 978)
Surrenders paid	-	(2 972 356)	-	(145)	-	-	-	(2 972 501)	(1 652 035)
Commissions paid	10 816	(1 561 577)	(130 918)	(10)	(103)	(25 445)	(48)	(1 707 285)	(1 458 712)
<b>Net cash generated from / (used in) underwriting activities</b>	<b>13 645</b>	<b>10 213 227</b>	<b>270 492</b>	<b>(2 224)</b>	<b>262</b>	<b>27 442</b>	<b>4 608</b>	<b>10 527 452</b>	<b>4 659 645</b>
<b>b) Other operating activities</b>									
Income tax paid	(387 361)	-	-	-	-	-	-	(387 361)	(300 298)
General management expenses paid	(17 872)	(953 238)	(74 743)	(13)	(186)	(46 970)	-	(1 093 022)	(1 063 653)
Other operating payments	(1)	(219 622)	(109 739)	-	(27 369)	-	858	(355 873)	(573 238)
Other operating receipts	367 330	-	-	118	-	4 878	-	372 326	581 164
Loans advanced	(22 047)	-	-	-	-	-	-	(22 047)	24 163
Loan repayments received	26 435	-	-	-	-	-	-	26 435	(22 367)
Other payments on operating assets	(14 225)	(32 200)	(2 759)	-	(19)	(5 171)	-	(54 374)	(7 433)
<b>Net cash (used in) / generated from other operating activities</b>	<b>(47 741)</b>	<b>(1 205 060)</b>	<b>(187 241)</b>	<b>105</b>	<b>(27 574)</b>	<b>(47 263)</b>	<b>858</b>	<b>(1 513 916)</b>	<b>(1 361 662)</b>
<b>Total cash (used in) / generated from all operating activities</b>	<b>(34 096)</b>	<b>9 008 167</b>	<b>83 251</b>	<b>(2 119)</b>	<b>(27 312)</b>	<b>(19 821)</b>	<b>5 466</b>	<b>9 013 536</b>	<b>3 297 983</b>
<b>Investment activities</b>									
Profit / return received	61 679	2 433 120	52 722	649	320	1 250	-	2 549 740	432 646
Dividends received	33 579	417 419	852	139	-	-	-	451 989	272 377
Payments for investments	97 672	(17 134 734)	6	1	1	(5 035)	-	(17 042 089)	(28 620 635)
Proceeds from disposal of investments	-	6 598 266	-	-	-	-	-	6 598 266	22 948 790
Fixed capital expenditure	(261 176)	-	-	-	-	-	-	(261 176)	(206 970)
Proceeds from disposal of fixed assets	6 660	-	-	-	-	-	-	6 660	6 049
<b>Total cash (used in) / generated from all investing activities</b>	<b>(61 586)</b>	<b>(7 685 929)</b>	<b>53 580</b>	<b>789</b>	<b>321</b>	<b>(3 785)</b>	<b>-</b>	<b>(7 696 610)</b>	<b>(5 167 743)</b>
<b>Financing activities</b>									
Surplus appropriated to shareholders' fund	1 013 094	(947 124)	(97 337)	(278)	(578)	33 033	(810)	-	-
Cede Money	(2 000)	-	-	-	-	2 000	-	-	-
Dividends paid	(700 000)	-	-	-	-	-	-	(700 000)	(500 000)
<b>Total cash generated from / (used in) all financing activities</b>	<b>311 094</b>	<b>(947 124)</b>	<b>(97 337)</b>	<b>(278)</b>	<b>(578)</b>	<b>35 033</b>	<b>(810)</b>	<b>(700 000)</b>	<b>(500 000)</b>
<b>Net cash generated from / (used in) all activities</b>	<b>215 412</b>	<b>375 114</b>	<b>39 494</b>	<b>(1 608)</b>	<b>(27 569)</b>	<b>11 427</b>	<b>4 656</b>	<b>616 926</b>	<b>(2 369 760)</b>
<b>Cash and cash equivalents at beginning of the period</b>									
	143 205	7 035 644	451 487	7 062	28 971	-	-	7 666 369	7 614 047
<b>Cash and cash equivalents at end of the period</b>	<b>358 617</b>	<b>7 410 758</b>	<b>490 981</b>	<b>5 454</b>	<b>1 402</b>	<b>11 427</b>	<b>4 656</b>	<b>8 283 295</b>	<b>5 244 287</b>
<b>Reconciliation to profit and loss account</b>									
Operating cash flows								9 013 536	3 297 983
Depreciation								(36 224)	(34 072)
Amortization								(2 965)	(4 473)
Profit on disposal of fixed assets								5 343	1 350
Other revenue								4 526	4 376
Investment revenue								3 126 920	2 248 943
Appreciation in market value of investments								993 588	775 486
(Provision for) / reversal of impairment in the value of available for sale equity investments								(2 234)	215 056
(Provision for) / reversal of impairment in the value of available for sale fixed income securities								(6 558)	52 519
Profit on sale of investments								1 112 521	647 958
Increase / (Decrease) in assets other than cash								35 748	(242 884)
Increase in liabilities								(13 542 264)	(6 522 110)
<b>Profit after taxation</b>								<b>701 937</b>	<b>440 132</b>

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

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

RAFIQUE R. BHIMJEE  
Chairman

## Condensed Interim Revenue Account for the six months period ended 30 June 2015 (Unaudited)

Rupees '000

Note	Statutory Funds						Aggregate			
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	Six months ended 30 June		Three months ended 30 June	
							2015	2014	2015	2014
<b>Income</b>										
Premiums / contribution less reinsurances / retakaful	15 082 510	754 145	284	506	52 448	2 195	15 892 088	8 375 211	8 221 262	4 430 088
Net investment income	5 082 374	52 715	1 110	324	1 412	–	5 137 935	3 658 023	4 026 288	1 963 491
Total net income	20 164 884	806 860	1 394	830	53 860	2 195	21 030 023	12 033 234	12 247 550	6 393 579
Claims net of reinsurance recoveries	3 544 511	479 971	2 493	181	–	–	4 027 156	2 296 636	2 106 477	1 176 846
Management expenses	2 309 330	208 820	29	293	73 079	48	2 591 599	2 258 964	1 390 736	1 235 188
Total claims and expenditure	5 853 841	688 791	2 522	474	73 079	48	6 618 755	4 555 600	3 497 213	2 412 034
Excess of income over claims and expenditure	14 311 043	118 069	(1 128)	356	(19 219)	2 147	14 411 268	7 477 634	8 750 337	3 981 545
Add : policyholders' liabilities at beginning of the period	59 490 506	408 153	21 997	2 604	–	–	59 923 260	42 842 022	65 063 395	46 038 296
Less : policyholders' liabilities at end of the period	72 705 372	401 170	20 624	2 419	13 152	1 252	73 143 989	49 642 820	73 143 989	49 642 820
	(13 214 866)	6 983	1 373	185	(13 152)	(1 252)	(13 220 729)	(6 800 798)	(8 080 594)	(3 604 524)
<b>Surplus / (Deficit) before tax</b>	1 096 177	125 052	245	541	(32 371)	895	1 190 539	676 836	669 743	377 021
Movement in policyholders' liabilities	13 214 866	(6 983)	(1 373)	(185)	13 152	1 252	13 220 729	6 800 798	8 080 594	3 604 524
Transfer of (surplus) / deficit to shareholders' fund	(947 124)	(97 337)	(278)	(578)	33 033	(810)	(1 013 094)	(398 005)	(553 075)	(233 550)
Balance of statutory funds at beginning of the period	60 533 346	663 535	22 361	3 125	–	–	61 222 367	43 582 653	66 423 279	46 914 286
Balance of statutory funds at end of the period	73 897 265	684 267	20 955	2 903	13 814	1 337	74 620 541	50 662 282	74 620 541	50 662 281
<b>Represented by:</b>										
Policyholders' liabilities	72 705 372	401 170	20 624	2 419	13 152	1 252	73 143 989	49 642 820	73 143 989	49 642 819
Retained earnings on other than participating business	1 191 893	283 097	331	484	662	85	1 476 552	1 019 462	1 476 552	1 019 462
<b>Balance of statutory funds</b>	73 897 265	684 267	20 955	2 903	13 814	1 337	74 620 541	50 662 282	74 620 541	50 662 281

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

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

RAFIQUE R. BHIMJEE  
Chairman

## Condensed Interim Statement of Premiums for the six months period ended 30 June 2015 (Unaudited)

Rupees '000

	Statutory Funds						Aggregate			
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	Six months ended 30 June		Three months ended 30 June	
							2015	2014	2015	2014
<b>Gross premiums / contribution</b>										
Regular premium / Contribution individual policies*										
First year	1 505 951	971	–	99	49 065	–	1 556 086	1 721 936	937 790	1 062 033
Second year renewal	1 274 809	392	–	13	–	–	1 275 214	1 150 508	674 295	571 248
Subsequent year renewal	4 252 713	1 246	292	622	–	–	4 254 873	3 802 903	2 146 923	1 964 430
Single premium / Contribution individual policies	8 160 778	–	–	–	3 822	–	8 164 600	1 210 955	4 145 176	577 718
Group policies with cash values	16 383	–	–	–	–	–	16 383	7 099	9 992	3 451
Group policies without cash values	–	928 619	–	–	–	4 656	933 275	821 823	429 136	377 009
<b>Total gross premiums / Contribution</b>	<b>15 210 634</b>	<b>931 228</b>	<b>292</b>	<b>734</b>	<b>52 887</b>	<b>4 656</b>	<b>16 200 431</b>	<b>8 715 224</b>	<b>8 343 312</b>	<b>4 555 889</b>
Less: Reinsurance premiums / Retakaful contribution ceded										
On individual life first year business	19 866	97	–	1	439	–	20 403	16 757	11 809	9 152
On individual life second year business	15 928	194	–	5	–	–	16 127	14 347	7 091	6 382
On individual life renewal business	92 330	716	8	222	–	–	93 276	89 357	43 296	42 617
On group policies	–	176 076	–	–	–	2 461	178 537	219 552	59 854	67 650
<b>Total reinsurance premium / retakaful contribution ceded</b>	<b>128 124</b>	<b>177 083</b>	<b>8</b>	<b>228</b>	<b>439</b>	<b>2 461</b>	<b>308 343</b>	<b>340 013</b>	<b>122 050</b>	<b>125 801</b>
<b>Net premium / contribution</b>	<b>15 082 510</b>	<b>754 145</b>	<b>284</b>	<b>506</b>	<b>52 448</b>	<b>2 195</b>	<b>15 892 088</b>	<b>8 375 211</b>	<b>8 221 262</b>	<b>4 430 088</b>

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

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

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Director

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Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

RAFIQUE R. BHIMJEE  
Chairman

## Condensed Interim Statement of Claims for the six months period ended 30 June 2015 (Unaudited)

Rupees '000

	Statutory Funds						Aggregate			
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	Six months ended 30 June		Three months ended 30 June	
							2015	2014	2015	2014
<b>Gross claims</b>										
Claims under individual policies										
by death	334 702	600	–	–	–	–	335 302	251 128	164 661	136 777
by insured event other than death	9 517	–	–	300	–	–	9 817	9 131	3 867	5 790
by maturity	298 833	–	2 348	–	–	–	301 181	41 999	138 730	25 048
by surrender	2 986 510	–	145	–	–	–	2 986 655	1 672 412	1 608 569	831 035
Total gross individual policy claims	3 629 562	600	2 493	300	–	–	3 632 955	1 974 670	1 915 827	998 650
Claims under group policies										
by death	1 620	524 666	–	–	–	–	526 286	533 849	270 392	308 148
by insured event other than death	–	27 566	–	–	–	–	27 566	20 598	14 338	16 677
by surrender	485	–	–	–	–	–	485	–	317	–
experience refund	–	67 758	–	–	–	–	67 758	32 580	31 483	4 904
Total gross group claims	2 105	619 990	–	–	–	–	622 095	587 027	316 530	329 729
<b>Total gross claims</b>	3 631 667	620 590	2 493	300	–	–	4 255 050	2 561 697	2 232 357	1 328 379
<b>Less: Reinsurance recoveries</b>										
On individual life first year business	24 783	–	–	–	–	–	24 783	33 146	5 133	14 213
On individual life second year business	5 883	–	–	–	–	–	5 883	5 492	2 158	3 802
On individual life subsequent renewal business	56 490	–	–	119	–	–	56 609	13 982	48 397	8 805
On group claims	–	98 586	–	–	–	–	98 586	198 661	45 808	121 207
On experience refund of premiums	–	42 033	–	–	–	–	42 033	13 780	24 384	3 506
<b>Total reinsurance recoveries</b>	87 156	140 619	–	119	–	–	227 894	265 061	125 880	151 533
<b>Net claims</b>	3 544 511	479 971	2 493	181	–	–	4 027 156	2 296 636	2 106 477	1 176 846

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

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Director

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Chief Executive

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Chairman

## Condensed Interim Statement of Expenses for the six months period ended 30 June 2015 (Unaudited)

Rupees '000

	Statutory Funds						Aggregate			
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	Six months ended 30 June		Three months ended 30 June	
							2015	2014	2015	2014
<b>Acquisition costs</b>										
Remuneration to insurance intermediaries on individual policies:										
– commission on first year premiums / Contribution	680 788	316	–	41	22 268	–	703 413	805 861	422 065	499 277
– commission on second year premiums / Contribution	112 341	32	–	5	–	–	112 378	105 742	61 684	47 119
– commission on subsequent renewal premiums / Contribution	124 986	31	7	36	–	–	125 060	88 661	54 101	45 334
– commission on single premiums / Contribution	321 912	–	–	–	77	–	321 989	46 355	162 194	21 899
– override commission	229 122	101	3	21	3 100	–	232 347	197 235	128 735	117 977
– other benefits to insurance intermediaries	239 182	108	11	28	20 597	–	259 926	289 442	117 924	133 150
	1 708 331	588	21	131	46 042	–	1 755 113	1 533 296	946 703	864 756
Remuneration to insurance intermediaries on group policies:										
– commission	991	130 898	–	–	–	48	131 937	115 179	71 405	59 793
– other benefits to insurance intermediaries	400	22 642	–	–	–	–	23 042	22 742	11 539	10 406
	1 391	153 540	–	–	–	48	154 979	137 921	82 944	70 199
Branch overheads	143 750	2 708	8	20	3 892	–	150 378	120 872	80 910	59 809
Other acquisition costs										
– policy stamps	41 458	188	–	1	58	–	41 705	31 547	17 997	14 728
<b>Total acquisition cost</b>	1 894 930	157 024	29	152	49 992	48	2 102 175	1 823 636	1 128 554	1 009 492
<b>Administration expenses</b>										
Salaries and other benefits	180 335	32 085	–	80	9 255	–	221 755	188 781	118 395	95 088
Travelling expenses	38 189	1 839	–	1	469	–	40 498	27 825	22 973	13 626
Cede money-Waqf	–	–	–	–	2 000	–	2 000	–	–	–
Actuary's fees	4 309	333	–	2	156	–	4 800	4 872	2 700	2 436
Medical fees	9 938	256	–	–	157	–	10 351	9 403	4 677	4 378
Legal and professional fee	7 791	599	–	4	2 602	–	10 996	11 450	7 067	4 570
Advertisements and publicity	31 139	1 094	–	–	1 170	–	33 403	33 866	12 724	28 053
Computer expenses	5 702	494	–	2	397	–	6 595	2 662	3 217	1 355
Printing and stationery	17 936	1 550	–	7	813	–	20 306	16 660	9 180	8 339
Depreciation	12 784	2 143	–	5	399	–	15 331	14 949	10 632	10 516
Amortisation	2 662	206	–	1	96	–	2 965	4 473	1 482	2 038
Rental	10 831	2 389	–	5	368	–	13 593	10 055	8 278	4 628
Exchange (gain) / loss	(1 140)	–	–	–	–	–	(1 140)	6 636	(1)	(886)
Postage	29 682	410	–	–	28	–	30 120	30 764	13 873	12 009
Fees and subscription	4 013	1 108	–	2	1 784	–	6 907	19 534	(11 520)	2 506
Other management expenses	72 732	7 326	–	32	3 393	–	83 483	63 413	65 489	42 380
Gross management expenses	2 321 833	208 856	29	293	73 079	48	2 604 138	2 268 979	1 397 720	1 240 528
Commission from reinsurers	(8 097)	(36)	–	–	–	–	(8 133)	(6 397)	(4 719)	(3 437)
Fees charged to policy holders	(4 406)	–	–	–	–	–	(4 406)	(3 618)	(2 265)	(1 903)
<b>Net management expenses</b>	2 309 330	208 820	29	293	73 079	48	2 591 599	2 258 964	1 390 736	1 235 188

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

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Chairman

## Condensed Interim Statement of Investment Income for the six months period ended 30 June 2015 (Unaudited)

Rupees '000

	Statutory Funds						Aggregate			
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	Six months ended 30 June		Three months ended 30 June	
							2015	2014	2015	2014
<b>Investment income</b>										
On government securities	2 282 310	37 136	585	282	178	–	2 320 491	1 524 025	1 210 366	815 564
On other fixed income securities and deposits	287 097	12 169	39	34	1 224	–	300 563	398 314	134 495	210 176
Dividend income	417 419	852	139	–	–	–	418 410	254 603	214 651	69 992
Amortisation of (premium) / discount	(52 935)	1 018	31	9	(9)	–	(51 886)	36 157	(74 121)	(1 051)
	2 933 891	51 175	794	325	1 393	–	2 987 578	2 213 099	1 485 391	1 094 681
<b>Gain on sale of investments</b>	1 112 521	–	–	–	–	–	1 112 521	647 958	613 705	404 916
<b>Unrealised gain on investment</b>	1 045 139	–	316	–	19	–	1 045 474	739 329	1 932 826	433 115
<b>(Provision for) / Reversal of impairment in value of investments</b>										
Available-for-sale fixed income securities	(6 558)	–	–	–	–	–	(6 558)	52 519	(6 558)	29 769
Available-for-sale equity securities and mutual fund units	(41)	1 540	–	(1)	–	–	1 498	8 773	2 556	2 359
	(6 599)	1 540	–	(1)	–	–	(5 060)	61 292	(4 002)	32 128
	5 084 952	52 715	1 110	324	1 412	–	5 140 513	3 661 678	4 027 920	1 964 840
<b>Less : Investment related expense</b>	(2 578)	–	–	–	–	–	(2 578)	(3 655)	(1 632)	(1 349)
<b>Net investment income</b>	5 082 374	52 715	1 110	324	1 412	–	5 137 935	3 658 023	4 026 288	1 963 491

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

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## Notes to the Condensed Interim Financial Statements (Unaudited) For the six months period ended 30 June 2015

### 1. STATUS AND NATURE OF BUSINESS

- 1.1 EFU Life Assurance Limited (the Company) was incorporated in Pakistan on 09 August 1992 as a public limited company under the Companies Ordinance, 1984 and started its operation from 08 November 1992. The shares of the Company are quoted on Karachi Stock Exchange. The registered office of the Company is located at Al-Malik Centre, 70W, F-7/G-7 Jinnah Avenue, Islamabad while principal place of business is located at 37-K, Block 6, PECHS, Karachi.
- 1.2 The Company is engaged in life insurance business including ordinary life business, pension fund business and accident and health business and has established following statutory funds, as required by the Insurance Ordinance, 2000:
- Investment Linked business (includes individual life business)
  - Conventional business (includes group life and individual life businesses)
  - Accident and health business
  - Individual Family Takaful (Refer note 1.3)
  - Group Family Takaful (Refer note 1.3)
- \* The Company had discontinued pension business and accordingly no new business has been written under this fund.
- 1.3 The Company was granted authorisation on 19 January 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operation in respect of family takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on 6 February 2015 under the brand name "Hemayah". For the purpose of carrying on takaful business, the Company has formed a Waqf namely EFU Life - Window Family Takaful Limited Waqf (here-in-after referred to as the Participant Takaful Fund (PTF)) was formed on 6 February 2015 under a Waqf deed executed by the Company with a cede amount of Rs.2 million. The cede money is required to be invested in Shariah compliant investments and any profit thereon can be utilized only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the company and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the Shariah Advisor appointed by the Company.

### 2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

- 2.1 The condensed interim financial information of the Company for the six months period ended 30 June 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' as applicable in Pakistan, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and Takaful Rules, 2012 shall prevail.
- 2.2 The condensed interim financial information does not include all the information and disclosures required in the annual financial statements, accordingly, the condensed interim financial information should be read in conjunction with the Company's annual financial statements as at and for the year ended 31 December 2014.
- 2.3 The financial results of the Window Takaful Operations of the Company have been included in these condensed interim financial information for reporting purposes. Key financial figures of Takaful Window are disclosed in note 12 of these condensed interim financial information.

### 3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The significant accounting policies and the methods of computation adopted by the Company in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended 31 December 2014, except for the policies disclosed in note 3.2 of these condensed interim financial information which have been adopted by the Company during the current period.
- 3.2 Significant Accounting Policies-Window Family Takaful Operations
- 3.2.1 Takaful Contracts
- The takaful contracts are based on the principles of Wakala Waqf Model. Takaful is a programme based on shariah compliant, approved concept founded on the principles of mutual cooperation, solidarity and brotherhood.
- The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In the event where there is insufficient funds in Waqf to meet their current payments less receipts, the deficit is funded by way of an interest free loan (Qard-e-Hasna) from the shareholders' fund to the statutory fund (Takaful Business Statutory Funds). The amount of Qard-e-Hasna is refundable to the shareholders' fund.

Technical reserves are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each balance sheet date, in accordance with section 50 of the Insurance Ordinance, 2000.

### **3.2.2 Group Takaful**

The group family takaful contracts are issued typically on yearly renewable term basis. The Company offers group term life and group credit plans to its participants.

### **3.2.3 Individual Takaful Contracts Unit-Linked**

The Company offers unit Linked Takaful plans which provide shariah compliant financial protection and investment vehicle to individual participants contribution received from policyholders, after deducting specific charges and takaful donations, are invested in internal unit funds of the Company.

The basic plan contains family takaful cover over and above the unit value with additional protection.

### **3.2.4 Retakaful**

These contracts are entered into by the Company with retakaful operator under which the retakaful operator cedes the takaful risk assumed during normal course of its business and according to which the waqf is compensated for losses on contract issued by it are classified as retakaful contracts held.

#### **Retakaful Contribution**

Retakaful contribution is recorded at the time the retakaful is ceded. Surplus from retakaful operator is recognised in the revenue account.

#### **Retakaful Expenses**

Retakaful expenses are recognized as a liability in accordance with the pattern of recognition of related contribution.

#### **Retakaful assets and liabilities**

Retakaful assets represent balances due from retakaful operator. Recoverable amounts are estimated in a manner consistent with the associated retakaful treaties.

Retakaful liabilities represent balances due to retakaful companies. Amounts payable are calculated in a manner consistent with the associated retakaful treaties.

Retakaful assets are not offset against related Retakaful liabilities. Income or expenses from retakaful contract are not offset against expenses or income from related Retakaful contracts as required by Insurance Ordinance, 2000.

Retakaful assets and liabilities are derecognized when the contractual rights are extinguished or expired.

### **3.2.5 Business Segment - Window Family Takaful Operation**

The Company has two primary business segment for reporting purposes; Individual Family Takaful and Group Family Takaful.

- a) The individual Family Takaful segments provides family takaful coverage to individuals under unit-linked policies issued by the PTF.
- b) The Group Family Takaful business segment provides family takaful coverage to member of business enterprises, corporate entities and common interest groups under group family takaful scheme operated by the Company.

### **3.2.6 Takaful operator's fee**

The shareholders of the Company manage the family takaful operations for the participants and act as Wakeel of the Waqf fund. The Company is entitled for the wakala fee for the management of takaful operation under Waqf fund to meet its general and administrative expenses.

The window takaful operator is also entitled for Wakalt-ul-Istismar fee as it manages Participant Investment Fund.

## **4. FINANCIAL RISK MANAGEMENT / JUDGEMENTS AND ESTIMATES**

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

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

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

## 5. POLICYHOLDERS' LIABILITIES

							Rupees '000	
	Statutory Funds						Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	30 June 2015 Unaudited	31 December 2014 Audited
<b>5.1 Gross of reinsurance/retakaful</b>								
Actuarial liability relating to future events	72 528 762	372 225	20 637	2 657	14 144	3 459	72 941 884	5 9 737 073
Provision for outstanding reported claims payable over a period exceeding twelve months	346 144	79 664	–	–	–	–	425 808	390 626
Provision for incurred but not reported claims	106 187	127 405	–	–	–	–	233 592	225 077
	<u>72 981 093</u>	<u>579 294</u>	<u>20637</u>	<u>2 657</u>	<u>14 144</u>	<u>3 459</u>	<u>73 601 284</u>	<u>60 352 776</u>
<b>5.2 Net of reinsurance/retakaful</b>								
Actuarial liability relating to future events	72 407 717	276 518	20 624	2 419	13 152	1 252	72 721 682	59 546 312
Provision for outstanding reported claims payable over a period exceeding twelve months	214 440	25 643	–	–	–	–	240 083	214 820
Provision for incurred but not reported claims	83 215	99 009	–	–	–	–	182 224	162 128
	<u>72 705 372</u>	<u>401 170</u>	<u>20 624</u>	<u>2 419</u>	<u>13 152</u>	<u>1 252</u>	<u>73 143 989</u>	<u>59 923 260</u>

## 6. RECONCILIATION OF STATUTORY FUNDS

							Rupees '000	
	Statutory Funds						Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	30 June 2015 Unaudited	31 December 2014 Audited
<b>Policyholders' liabilities</b>								
Balance at beginning of the year	59 490 506	408 153	21 997	2 604	–	–	59 923 260	42 842 022
Increase / (decrease) during the year	13 214 866	( 6 983 )	( 1 373 )	( 185 )	13 152	1 252	13 220 729	17 081 238
Balance at end of the year	<u>72 705 372</u>	<u>401 170</u>	<u>20 624</u>	<u>2 419</u>	<u>13 152</u>	<u>1 252</u>	<u>73 143 989</u>	<u>59 923 260</u>
<b>Retained earnings on other than participating business</b>								
Balance at beginning of the year	1 042 840	255 382	364	521	–	–	1 299 107	740 631
Surplus for the year	1 096 177	125 052	245	541	( 32 371 )	895	1 190 539	1 531 559
Surplus appropriated to shareholders' fund	( 947 124 )	( 97 337 )	( 278 )	( 578 )	33 033	( 810 )	( 1 013 094 )	( 973 083 )
Balance at end of the year (refer note no. 6.1)	<u>1 191 893</u>	<u>283 097</u>	<u>331</u>	<u>484</u>	<u>662</u>	<u>85</u>	<u>1 476 552</u>	<u>1 299 107</u>
Balance of statutory funds	<u>73 897 265</u>	<u>684 267</u>	<u>20 955</u>	<u>2 903</u>	<u>13 814</u>	<u>1 337</u>	<u>74 620 541</u>	<u>61 222 367</u>

- 6.1 The SECP has issued amendments to the SEC (Insurance) Rules, 2002, which includes revision in the solvency margin for the life insurers. Keeping in view such future solvency requirements, the Company has retained an aggregate amount of Rs.1,459 million (2014: Rs. 1,280 million) in the Statutory Funds, based on the advice of the appointed actuary.

## 7. INVESTMENTS

	Statutory Funds							Rupees '000	
	Shareholders Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Individual Family Takaful	Group Family Takaful	Aggregate 30 June 2015 Unaudited	31 December 2014 Audited
<b>Government Securities</b>									
Held to maturity (at amortized cost)	824 816	1 036 060	659 002	1 489	5 008	–	–	2 526 375	2 621 605
Available for sale (at fair value)	–	44 498 249	–	9 819	–	5 045	–	44 513 113	36 223 395
	<u>824 816</u>	<u>45 534 309</u>	<u>659 002</u>	<u>11 308</u>	<u>5 008</u>	<u>5 045</u>	<u>–</u>	<u>47 039 488</u>	<u>38 845 000</u>
<b>Other fixed income securities</b>									
Held to maturity (at amortized cost)	–	24 945	24 945	–	–	–	–	49 890	61 182
Available for sale (at fair value)	–	1 456 700	–	–	–	–	–	1 456 700	1 692 682
	<u>–</u>	<u>1 481 645</u>	<u>24 945</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1 506 590</u>	<u>1 753 864</u>
<b>Listed equities and mutual funds</b>									
Available for sale (at fair value)	–	18 117 735	–	5 687	–	–	–	18 123 422	13 115 234
Held for trading (at fair value)	–	507 656	–	–	–	–	–	507 656	916 336
Available for sale (at lower of cost or market value)	1 297 808	94 416	88 138	–	1 034	–	–	1 481 396	1 484 745
	<u>1 297 808</u>	<u>18 719 807</u>	<u>88 138</u>	<u>5 687</u>	<u>1 034</u>	<u>–</u>	<u>–</u>	<u>20 112 474</u>	<u>15 516 315</u>
Less: Provision for impairment in value of investments	536 628	3 035	42 871	–	806	–	–	583 340	581 107
	<u>761 180</u>	<u>18 716 772</u>	<u>45 267</u>	<u>5 687</u>	<u>228</u>	<u>–</u>	<u>–</u>	<u>19 529 134</u>	<u>14 935 208</u>

- 7.1 Market value of the government securities carried at amortized cost amounted to Rs.2,671.883 million (31 December 2014: Rs.2,715.914 million).
- 7.2 Market value of other fixed income securities carried at amortized cost amounted to Rs. 51.829 million (31 December 2014: Rs. 48.815 million).
- 7.3 Government securities includes Rs.115 million (31 December 2014: Rs. 115 million) placed with the State Bank of Pakistan, in accordance with Section 29 of the Insurance Ordinance, 2000.
- 7.4 Listed equities include investment in EFU General Insurance Limited (a related party) at carrying value of Rs. 1159.962 million (31 December 2014: Rs. 1205.972 million) representing 6.81% (31 December 2014: 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. 1,509 million (31 December 2014: Rs. 1,568 million).

## 8. CONTINGENCIES AND COMMITMENTS

- 8.1 Income tax assessment for Tax Year 2014 has been finalised. However, in 2013 Income Tax Department has imposed an additional tax demand under section 151(1)(d) on account of non-deduction of withholding tax on surrender and maturity amounting to Rs. 13.833 million and Rs. 15.014 million for Tax Year 2012 and 2013 respectively. The Company filed an appeal before Commissioner Inland Revenue (Appeals) and the same was dismissed. The Company has now filed a second appeal before the Appellate Tribunal and believes that the matter will be settled in its favour. No provision has been made in respect of the aforementioned additional tax demand.

- 8.2 The tax department has reopened the amended order u/s 125 (5A) for tax year 2009-2013 and raised a demand of Rs.25.7 million against dividend income so received by the Company to be tax at corporate rate instead of reduced rates as per first schedule read with section 5 of the income tax ordinance. The Company has now filed an appeal before CIT appeal and believes that the matter will be settled in its favour. No provision has been made in respect of aforementioned additional demand.

The Company is also in the process of filing a petition in Sindh High Court against the said amended orders.

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

## 9. FIXED ASSETS

Rupees in '000

		Six months ended - Unaudited			
		30 June 2015		30 June 2014	
		Additions	Disposals	Additions	Disposals
9.1	<b>Tangible and intangible</b>				
	Furniture, fixture and fittings	3 214	159	1 995	–
	Office equipment	2 821	–	1 696	–
	Computers	6 083	175	3 397	–
	Motor Vehicles	56 033	16 600	63 329	9 004
	Intangibles	624	–	–	–
	Capital work in progress	197 713	–	136 553	–
		<u>266 488</u>	<u>16 934</u>	<u>206 970</u>	<u>9 004</u>

Rupees in '000

		Six months ended - Unaudited	
		30 June 2015	30 June 2014
10	<b>TAXATION</b>		
	Current	( 341 048 )	( 231 000 )
	Prior years	( 42 352 )	–
	Deferred	1 700	3 000
		<u>( 381 700 )</u>	<u>( 228 000 )</u>

- 10.1 Finance Act, 2015 has introduced a new tax under the section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or a Modaraba, that derives profits for a tax year but does not distribute cash dividend within six months of the end of the said tax year (requisite time) or distributes dividends to such an extent that its reserves, after such distribution, are in excess of hundred percent of its paid up capital. Such company is liable to pay tax at the rate of ten percent on undistributed reserves that exceed hundred percent of its paid up capital. The said provision shall not apply to public company which distributes profit equal to either forty per cent of its after tax profits or fifty per cent of its paid up capital, whichever is less, within six months of the end of the tax year.

The Company's undistributed reserves are in excess of its paid up capital. However, no provision has been made for tax on undistributed reserves as the Company intends to distribute sufficient cash dividend for the year ending 31 December 2015, so that such tax is not required to be paid.

The Company has provided for prior year taxation aggregating to Rs.42 million in this condensed interim financial information.

## 11. RELATED PARTY TRANSACTIONS

The related parties comprise of directors, key management personnel, associated companies / associated undertakings, and entities with common directors and retirement benefit fund. The transactions for the period and balances at the period/year end with related parties are as follows:

		Rupees in '000	
		Six months ended - Unaudited	
		30 June 2015	30 June 2014
<b>11.1 Transactions</b>			
<b>11.1.1 Associated companies</b>			
Premium written		33 925	32 236
Premium paid		32 999	30 764
Claims paid		3 966	7 250
Claims received		3 623	1 710
Commission paid		42 950	56 489
Dividend paid		450 313	316 892
Dividend received		66 557	34 065
Interest on bank deposits		11 279	–
Bonus shares received		–	262 962
Redemption on mutual fund		208 523	–
<b>11.1.2 Employees' funds</b>			
Contribution to provident fund		9 692	9 609
Contribution to pension fund		8 204	7 550
<b>11.1.3 Key Management Personnel</b>			
Loan recovered		500	–
Compensation paid		59 984	55 008

		(Rupees in '000)	
		30 June 2015 Unaudited	31 December 2014 Audited
<b>11.2 Balances</b>			
Loan Receivable		250	750
Bank balances		365 799	40 085
Premium payable		328	224
Premium receivable		288	7
Investment in EFU General Insurance Company Limited		1 159 962	1 205 972
Investment in Jahangir Siddiqui & Company Limited		177 351	77 497
Investment in Associates		145 681	339 484

## 12. WINDOW TAKAFUL OPERATIONS

The Statement of financial position of Window Takaful Operations as at 30 June 2015 and its financial performance for the period ended 30 June 2015 are as follows:

## 12. Balance sheet

Note	Rupees '000				
	Shareholders' Fund	Statutory Funds		Aggregate	
		Individual Family Takaful	Group Family Takaful	30 June 2015 Unaudited	31 December 2014 Audited
<b>Share capital and reserves</b>					
Operator's Fund	50 000	–	–	50 000	–
Accumulated deficit	(32 222)	–	–	(32 222)	–
Net shareholders' equity	17 778	–	–	17 778	–
<b>Balance of statutory fund [including policyholders' liabilities Rs. 14 404 million (2014: Nil)]</b>					
Participant Investment Fund	–	11 383	–	11 383	–
Participant Takaful Fund - Waqf	–	2 431	1 337	3 768	–
Cede Money- Waqf	–	2 000	–	2 000	–
Shareholder's Fund unit holding in PIF	–	5 097	–	5 097	–
		20 911	1 337	22 248	–
<b>Creditors and accruals</b>					
Contribution received in advance	2 829	–	–	2 829	–
Amounts due to reinsurers/retakaful	–	439	2 461	2 900	–
Amounts due to agents	10 816	–	–	10 816	–
Accrued expenses	660	–	–	660	–
Other creditors and accruals	19 502	445	858	20 805	–
<b>Total liabilities</b>	33 807	884	3 319	38 010	–
<b>Total equity and liabilities</b>	51 585	21 795	4 656	78 036	–
<b>Cash and bank deposits</b>					
Policy stamps in hand	165	–	–	165	–
Current and other accounts	38 811	11 427	4 656	54 894	–
	38 976	11 427	4 656	55 059	–
<b>Investments</b>	7				
Government securities	–	5 045	–	5 045	–
		5 045	–	5 045	–
<b>Current assets - others</b>					
Prepayments	4 624	–	–	4 624	–
Sundry receivables	2 628	5 171	–	7 799	–
Investment income accrued	–	152	–	152	–
Shareholder's Fund unit holding in PIF	5 097	–	–	5 097	–
Advances and deposits	260	–	–	260	–
	12 609	5 323	–	17 932	–
<b>Total assets</b>	51 585	21 795	4 656	78 036	–

## 12.2 Revenue Account

Rupees '000

	Statutory Funds		Aggregate			
	Individual Family Takaful	Group Family Takaful	Six months ended		Tree months ended	
			30 June 2015	30 June 2014	30 June 2015	30 June 2014
<b>12.2.1 Participants' Investment Fund (PIF)</b>						
<b>Income</b>						
Allocated contribution	12 853	–	12 853	–	11 351	–
Net investment income	90	–	90	–	74	–
Total net income	12 943	–	12 943	–	11 425	–
<b>Less: Claims and Expenditure</b>						
Wakalat-ul-Istismar	1 560	–	1 560	–	1 312	–
<b>Excess of income over claims and expenditure</b>	11 383	–	11 383	–	10 113	–
Add : Technical reserves at the beginning of the period	–	–	–	–	–	–
Less : Technical reserves at the end of the period	11 383	–	11 383	–	10 113	–
	( 11 383 )	–	( 11 383 )	–	( 10 113 )	–
<b>Surplus / (Deficit)</b>						
Movement in technical reserves	11 383	–	11 383	–	10 113	–
Balance of PIF at beginning of the period	–	–	–	–	–	–
Balance of PIF at end of the period	(a) 11 383	–	11 383	–	10 113	–
<b>12.2.2 Participants' Takaful Fund (PTF)</b>						
<b>Income</b>						
Contribution net of retakaful recoveries	3 729	2 195	5 924	–	5 391	–
Net investment income	28	–	28	–	28	–
Total net income	3 757	2 195	5 952	–	5 419	–
<b>Less: Claims and Expenditure</b>						
Wakala Fee	1 326	858	2 184	–	1 937	–
<b>Excess of income over claims and expenditure</b>	2 431	1 337	3 768	–	3 482	–
Add : Technical reserves at the beginning of the period	–	–	–	–	–	–
Less : Technical reserves at the end of the period	1 769	1 252	3 021	–	2 802	–
	( 1 769 )	( 1 252 )	( 3 021 )	–	( 2 802 )	–
<b>Surplus / (Deficit) before distribution</b>	662	85	747	–	680	–
Movement in technical reserves	1 769	1 252	3 021	–	2 802	–
Balance of PTF at beginning of the period	–	–	–	–	–	–
Balance of PTF at end of the period	(b) 2 431	1 337	3 768	–	3 482	–

### 12.2.3 Shareholders' Sub-Fund

(Rupees in '000)

	Statutory Funds		Aggregate			
	Individual Family Takaful	Group Family Takaful	Six months ended 30 June		Three months ended 30 June	
			2015	2014	2015	2014
<b>Income</b>						
Un-allocated contribution	35 866	–	35 866	–	30 155	–
Net investment income	1 294	–	1 294	–	1 267	–
Wakalat-ul-Istismar - PIF	1 560	–	1 560	–	1 312	–
Wakala Fee - PTF	1 326	858	2 184	–	1 937	–
Total net income	40 046	858	40 904	–	34 671	–
<b>Less: Expenditure</b>						
Acquisition costs	49 992	48	50 040	–	46 681	–
Administration expenses	23 087	–	23 087	–	10 593	–
	73 079	48	73 127	–	57 274	–
<b>(Shortfall) / Excess of income over expenditure</b>	(33 033)	810	(32 223)	–	(22 603)	–
Add : Technical reserves at the beginning of the period	–	–	–	–	–	–
Less : Technical reserves at the end of the period	–	–	–	–	–	–
	–	–	–	–	–	–
<b>(Deficit) / surplus transferred to shareholders' fund</b>	(33 033)	810	(32 223)	–	(22 603)	–
Movement in technical reserves	–	–	–	–	–	–
Balance of shareholders' sub fund at beginning of the period	–	–	–	–	–	–
Balance of shareholders' sub fund at end of the period (c)	–	–	–	–	–	–
Balance of statutory funds at end of the period (a+b+c)	13 814	1 337	15 151	–	13 595	–

### 12.3 Statement of contribution

#### Gross contribution

Regular contribution individual policies

First year

49 065 – 49 065 – 41 199 –

Single contribution individual policies

3 822 – 3 822 – 3 772 –

Group policies without cash values

– 4 656 4 656 – 4 656 –

Total gross contribution

52 887 4 656 57 543 – 49 627 –

#### 12.3.1

Participants' Investment Fund

Allocated regular contribution

9 031 – 9 031 – 7 579 –

Allocated single contribution

3 822 – 3 822 – 3 772 –

Total allocated contribution

12 853 – 12 853 – 11 351 –

### 12.3 Statement of contribution

(Rupees in '000)

	Statutory Funds		Aggregate			
	Individual Family Takaful	Group Family Takaful	Six months ended 30 June		Three months ended 30 June	
			2015	2014	2015	2014
<b>12.3.2 Participants' Takaful Fund</b>						
Allocated gross contribution	4 168	4 656	8 824	–	8 121	–
<b>Less: Retakaful contribution ceded</b>						
On individual life first year business	439	–	439	–	269	–
On group policies	–	2 461	2 461	–	2 461	–
<b>Total retakaful contribution ceded</b>	439	2 461	2 900	–	2 730	–
<b>Net Risk Contribution of PTF</b>	3 729	2 195	5 924	–	5 391	–
<b>12.3.3 Shareholders' Sub-Fund</b>						
Unallocated regular contribution	35 866	–	35 866	–	30 155	–

### 12.4 Statement of claims

Since no claims are intimated with respect to Window Takaful operations as at 30 June 2015, accordingly Statement of Claims has not been presented for Window Takaful Operations.

### 12.5 Statement of Expenses

Rupees '000

	Statutory Funds		Aggregate			
	Individual Family Takaful	Group Family Takaful	Six months ended 30 June		Tree months ended 30 June	
			2015	2014	2015	2014
<b>Acquisition costs</b>						
<b>Acquisition costs</b>						
Remuneration to insurance intermediaries on individual policies:						
– commission on first year Contribution	22 268	–	22 268	–	19 552	–
– commission on single Contribution	77	–	77	–	77	–
– override commission	3 100	–	3 100	–	2 458	–
– other benefits to insurance intermediaries	20 597	–	20 597	–	12 954	–
	46 042		46 042		35 041	
Remuneration to insurance intermediaries on group policies:						
– Commission	–	48	48	–	48	–
Branch overheads	3 892	–	3 892	–	3 855	–
Other acquisition costs						
– policy stamps	58	–	58	–	–	–
<b>Total acquisition cost</b>	49 992	48	50 040	–	38 944	–
<b>Administration expenses</b>						
Salaries and other benefits	9 255	–	9 255	–	7 031	–
Travelling expenses	469	–	469	–	335	–
Cede money-Waqf	2 000	–	2 000	–	–	–
Actuary's fees	156	–	156	–	151	–
Medical fees	157	–	157	–	143	–
Legal and professional fee	2 602	–	2 602	–	2 593	–
Advertisements and publicity	1 170	–	1 170	–	1 099	–
Computer expenses	397	–	397	–	389	–
Printing and stationery	813	–	813	–	783	–
Depreciation	399	–	399	–	389	–
Amortisation	96	–	96	–	93	–
Rental	368	–	368	–	308	–
Postage	28	–	28	–	–	–
Fees and subscription	1 784	–	1 784	–	1 738	–
Other management expenses	3 393	–	3 393	–	3 278	–
<b>Net Management Expenses</b>	73 079	48	73 127	–	57 274	–

## 12.6 Statement of Investment Income

		Statutory Funds		Aggregate			
		Individual Family Takaful	Group Family Takaful	Six months ended		Tree months ended	
				30 June 2015	30 June 2014	30 June 2015	30 June 2014
<b>12.6.1</b>	<b>Participants' Investment Fund (PIF)</b>						
	Return on government securities	71	–	71	–	55	–
	Unrealised gain on Investment	19	–	19	–	19	–
	<b>Net investment income of PIF</b>	(a) 90	–	90	–	74	–
<b>12.6.2</b>	<b>Participants' Takaful Fund (PTF)</b>						
	Interest on bank deposits	28	–	28	–	28	–
	<b>Net investment income of PTF</b>	(b) 28	–	28	–	28	–
<b>12.6.3</b>	<b>Shareholders' Sub-Fund</b>						
	Return on government securities	98	–	98	–	71	–
	Interest on bank deposits	1 196	–	1 196	–	1 196	–
	<b>Net investment income of shareholders' sub-fund</b>	(c) 1 294	–	1 294	–	1 267	–
	<b>Net Investment Income</b>	(a+b+c) 1 412	–	1 412	–	1 369	–

## 13 GENERAL

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

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

## 14. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue by the Board of Directors of the Company in their meeting held on 29 August 2015.

HASANALI ABDULLAH  
Director

SAIFUDDIN N. ZOOMKAWALA  
Director

TAHER G. SACHAK  
Managing Director &  
Chief Executive

RAFIQUE R. BHIMJEE  
Chairman



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