

**Allianz EFU Health Insurance Limited**  
**Report of the Directors to Members**  
**For the Year Ended December 31, 2015**



The Board of Directors of **Allianz EFU Health Insurance Limited** is pleased to present the Sixteenth Annual Report together with the Audited Financial Statements of the Company for the year ended December 31, 2015.

**COMPANY PERFORMANCE**

Total Gross Premium for the year was Rs. 1,665 million (USD 15.90 million) compared to Rs 1,493 million (USD 14.26 million) last year, an increase of 11.5%.

Of this total, Corporate Group Business was Rs. 1,603 million (USD 15.31 million) compared to Rs. 1,446 million (USD 13.81 million) in 2014, an increase of 10.9% and the Individual Business was Rs 62 million (USD 0.59 million), compared to Rs. 47 million (USD 0.45) in 2014, an increase of 31.9%.

**PERSISTENCY**

The Persistency (based on premium) for the year was 90% as compared to 84% of last year.

**CLAIMS RATIO**

The Claims Ratio (including Experience Refund) has slightly increased from 73.6% (2014) to 75% (2015).

**MANAGEMENT EXPENSES**

The Management expenses for the year were Rs. 230 million (USD 2.20 million) compared to Rs. 206 million (USD 1.97 million).

**INVESTMENT**

After three consecutive stellar years, the Pakistan Stock Exchange, formerly Karachi Stock Exchange, took a breather in 2015 as the benchmark KSE-100 index notched up a modest 2.13% return for the year (Pak Rupee based) and closed at 32,816 mark.

The total investment at book value as on December 31, 2015 stood at Rs. 910 million (USD 8.69 million). On overall basis, market value of these investments is higher than the book value by Rs. 49 million (USD 0.47 million) and has not been recognized as gain in these financial statements in accordance with company's accounting policy.

During the period Company reported investment income of Rs. 123 million (USD 1.17 million) on its investments, as compared to Rs. 101 million (USD 0.96 million) during last year.

**FINANCIAL RESULT**

The Company made a pre-tax profit of Rs. 230 million (USD 2.20 million) as compared to Rs 234 million (USD 2.23 million) in 2014 and after tax profit of Rs 172 million (USD 1.64 million), the same as in 2014.

**APPROPRIATION AND DIVIDEND**

The Board of Directors have recommended cash dividend of Rs. 4/- i.e. 40% per share to the shareholders whose names appear in the register of the Company at the close of business on March 02, 2016.

## **FUTURE OUTLOOK**

We will continue to focus on renewing cases which can be managed profitably and shed those which we feel we cannot.

As for the Individual health insurance line of business we will focus on identifying new distribution channels by broadening our bancassurance partnerships.

## **CODE OF CORPORATE GOVERNANCE**

The requirement of the Code of Corporate Governance set out by Securities and Exchange Commission of Pakistan for non-listed Insurance Companies for the year ended December 31, 2015 have been duly complied with. A statement to this effect is annexed with the report.

As required under the Code of Corporate Governance for Insurance Companies, the Directors are pleased to state as follows:

- The financial statements, prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The sound system of internal controls has been effectively implemented and monitored. These are being continuously reviewed so that any weakness in the controls could be removed immediately.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance.
- Key operating and financial data for the last 6 years is included in the report.
- The market value of investments made by the Staff Provident Fund as at 31 December 2015 was Rs. 65.69 million.
- The statement of pattern of shareholding in the Company as at December 31, 2015 is annexed with the report.
- The earning per share for the year 2015 was Rs 5.75 (USD 0.05) {2014: earning per share of Rs 5.74 (USD 0.05)}.

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- The number of meetings attended by each Director/CEO/CFO/Corporate Secretary was as follows:

Name	Position	Number of Meetings Attended
Saifuddin N. Zoomkawala	Chairman	4 out of 4
Taher G. Sachak	Vice Chairman	4 out of 4
Kamran Ansari	Chief Executive	4 out of 4
Heinz Walter Dollberg	Director	1 out of 4
Rafique R. Bhimjee	Director	4 out of 4
Jahangir Siddiqui	Director	2 out of 2
Shahabuddin C. Subjally	Director	3 out of 4
Hasanali Abdullah	Director	4 out of 4
Muneer R. Bhimjee	Director	0 out of 2
Amjed Bahadur Ali	Chief Financial Officer & Corporate Secretary	4 out of 4

Leave of absence was granted to Directors who could not attend the Board Meetings.

Mr. Jahangir Siddiqui had resigned effective from June 30, 2015 and been replaced by Mr. Muneer R. Bhimjee.

#### **AUDIT COMMITTEE**

The Audit Committee comprises of following 4 non-executive directors.

Name of Directors
Saifuddin N. Zoomkawala
Shahabuddin C. Subjally
Rafique R. Bhimjee
Hasanali Abdullah

#### **COMPANY AUDITORS**

On the recommendations of the Audit Committee, the Board of Directors proposes appointing M/s Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants as statutory auditors of the company for the next term.

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**ACKNOWLEDGEMENT**

The Directors would like to place on record their appreciation to all members of staff and field force for their support and contribution to the development and growth of the Company.

The Board of Directors would also like to thank its valued customers, Allianz SE, EFU General Insurance Limited and EFU Life Assurance Limited for their continuous guidance and support.

Director

**Kamran Ansari**

Chief Executive Officer

Karachi: February 13, 2016

**Taher G. Sachak**

Director

**Saifuddin N. Zoomkawala**

Chairman

Pattern of Shareholding

Number of Shareholders	Shareholdings		Shares held
	From	To	
2	1	100	200
1	101	500	500
1	501	26,998	26,998
1	26,999	506,998	506,998
1	506,999	3,515,998	3,515,998
1	3,515,999	4,049,998	4,049,998
1	4,049,999	7,199,408	7,199,408
1	7,199,409	14,699,900	14,699,900
9		<b>Total</b>	<b>30,000,000</b>

Categories of Shareholders	Shareholders	Shares held	Percentage
Associated companies, undertaking and related Parties	2	21,899,308	73.0
CEO, Directors, their Spouses and minor children	6	4,050,694	13.5
Individuals/others	1	4,049,998	13.5
<b>Total</b>	<b>9</b>	<b>30,000,000</b>	<b>100.00</b>

Information as required under the Code of Corporate Governance

Categories of Shareholders	Shareholders	Shares held
<b>Associated companies, undertakings and related parties</b>		
Allianz SE	1	14,699,900
EFU Services (Private) Limited	1	7,199,408
<b>CEO, Directors, their Spouses and minor children</b>		
Saifuddin N. Zoomkawala	1	3,515,998
Rafique R. Bhimjee	1	506,998
Hasanali Abdullah	1	26,998
Muneeb R. Bhimjee		500
[Nominee of EFU Services (Private) Limited]	1	
Shahabuddin C. Subjally		100
[Nominee of EFU Services (Private) Limited]	1	
Heinz Walter Dollberg		100
[Nominee of Allianz SE]	1	
<b>Individuals/others</b>		
Jahangir Siddiqui	1	4,049,998

Allianz EFU Health Insurance Limited

Allianz 

Comparison Over Last Six Years



KEY FINANCIAL DATA	Years					
	2015	2014	2013	2012	2011	2010
	PKR in '000					
Gross Premium Written	1,664,793	1,492,970	1,294,270	1,082,540	1,060,767	1,025,046
Net Premium Revenue	1,026,724	994,753	798,144	752,578	645,038	680,338
Investment Income	122,960	101,228	87,295	91,263	37,156	43,206
Profit before Tax	229,913	234,282	183,050	169,341	96,804	25,386
Investments	910,217	759,480	757,437	640,457	518,792	468,878
Cash & Bank Balances	67,576	41,511	33,816	26,152	35,969	38,272
Total Assets	1,580,931	1,349,190	1,265,851	1,077,793	1,026,582	959,990