

FOR THE PERIOD ENDED MARCH 31, 2013 - UNAUDITED

1. STATUS AND NATURE OF BUSINESS

East West Insurance Company Limited (the Company) was incorporated as a Public Limited Company in the year 1983 under the Companies Act, 1913 (now the Companies Ordinance, 1984). The Head Office of the company is situated at 4th Floor, E.F.U House (Qamar House), M.A.Jinnah Road, Karachi and the shares of the Company are quoted on the Karachi Stock Exchange. The Company is engaged in the general insurance business.

2. BASIS OF PRESENTATION

These Financial Statements are un-audited and are being presented in terms of Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the format prescribed under Insurance Rules 2002 and with the requirements of the International Accounting Standard-34 "Interim Financial Reporting".

3. BASIS OF MEASUREMENT

These financial statements have been prepared under historical cost convention.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

- (i) These Financial Statements are un-audited and are being submitted to shareholders as required by SRO No.764 (1) 2001 dated November 5, 2001 of the Securities and Exchange Commission of Pakistan.
- (ii) The accounting policies adopted for the preparation of these Financial Statements are consistent with the policies applied in the preparation of the preceding annual financial statements of the Company.
- (iii) The interim financial report has been prepared in compliance with IAS-34 as adopted by the Securities and Exchange Commission of Pakistan.

5. AUTHORIZATION FOR ISSUE

These Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors on April 26, 2013.

6. GENERAL

- (i) Figures have been rounded off to the nearest thousand of rupees.
- (ii) Previous year's figures have been re-arranged and re-grouped wherever necessary for the purpose of comparison.


CHAIRMAN


MANAGING DIRECTOR
& CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi: 26th April, 2013

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FOR THE PERIOD ENDED MARCH 31, 2013 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class	Commission paid or payable	Deferred Commission		Net Commission Expense	Other Management Expense	Underwriting Expense	Commission from Reinsurance	January to March	
		Opening	Closing					2013 Net underwriting expense	2012 Net underwriting expense
Direct and Facultative									
Fire and property damage	12,180	11,618	9,865	13,933	8,395	22,328	3,659	18,669	18,654
Marine, aviation and transport	2,739	2,266	1,826	3,179	3,800	6,979	2,462	4,517	3,351
Motor	1,825	6,659	5,896	2,588	7,251	9,839	1,684	8,155	5,008
Miscellaneous	10,115	13,570	12,855	10,830	6,498	17,328	1,237	16,092	6,589
Sub-total	26,859	34,113	30,442	30,530	25,944	56,474	9,042	47,432	33,602
Treaty									
Proportional	-	-	-	-	-	-	-	-	-
Grand-total	26,859	34,113	30,442	30,530	25,944	56,474	9,042	47,432	33,602

Note: The company does not underwrite business outside Pakistan
Commission from reinsurers is arrived after taking impact of opening and closing unearned commission.

The annexed notes form an integral part of these Financial Statements


CHAIRMAN


MANAGING DIRECTOR
& CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi: 26th April, 2013

EAST WEST INSURANCE CO., LTD. - QUARTERLY REPORT MARCH 2013

FOR THE PERIOD ENDED MARCH 31, 2013 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class	Claims Paid	Outstanding claims		Claims Expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	January to March	
		Opening	Closing			Opening	Closing		2013 Net Claims expenses	2012 Net Claims expenses
Direct and Facultative										
Fire and property damage	32,754	42,293	39,413	29,874	24,275	31,767	29,563	22,071	7,803	19,827
Marine, aviation and transport	14,960	9,889	9,257	14,328	4,140	5,963	7,124	5,301	9,027	2,509
Motor	26,582	6,489	9,287	29,380	2,868	1,372	5,215	6,711	22,669	9,290
Miscellaneous	17,359	60,255	55,259	12,363	6,371	55,727	51,633	2,277	10,086	4,516
Sub-total	91,655	118,926	113,216	85,945	37,654	94,829	93,535	36,360	49,585	36,142
Treaty Proportional										
Grand-total	91,655	118,926	113,216	85,945	37,654	94,829	93,535	36,360	49,585	36,142

Note: The company does not underwrite business outside Pakistan.
The annexed notes form an integral part of these Financial Statements


CHAIRMAN


MANAGING DIRECTOR
& CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi: 26th April, 2013

CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD	...	Chairman
NAVED YUNUS	...	Managing Director & Chief Executive
JAVED YUNUS	...	Executive Director (Marketing)
PERVEZ YUNUS	...	Executive Director (Operations)
MAHEEN YUNUS	...	Director
A.K.M. SAYEED	...	Director
TULU JAVED YUNUS	...	Director
M. JAMALUDDIN	...	Consultant / Advisor
SHABBIR ALI KANCHWALA	...	Director Finance / Company Secretary
ENGR. KAZIM RAZA	...	Director Operations
UMEED ANSARI	...	Director Development
MUHAMMAD FAYYAZ KHOKHAR	...	Director Development
SAJJAD ZAFAR	...	Regional Director
IFTIKHAR HUSSAIN	...	Regional Director
AUDIT COMMITTEE		
CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD	...	Chairman
MAHEEN YUNUS	...	Member
A.K.M. SAYEED	...	Member
ENGR. KAZIM RAZA	...	Member
JOHRY LAL, FCCA (UK)	...	Secretary
KHALID LAW ASSOCIATES	...	Legal Advisor
ANJUM ASIM SHAHID RAHMAN Chartered Accountants	...	Auditors
BDO EBRAHIM & CO. AFNAN TAX CONSULTANTS	...	Tax Advisor
BEMA ASSOCIATES (PVT) LTD. 515, EFU House, M.A.Jinnah Road, Karachi.	...	Shares Registrar
IFS RATING	A - (Single A Minus) - Stable Outlook
WEBSITE	...	www.eastwestinsurance.com.pk
BANKERS	...	Allied Bank Limited Askari Bank Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited National Bank of Pakistan NIB Bank Limited Summit Bank Limited The Bank of Punjab Limited United Bank Limited

Your Directors are pleased to present their report together with un-audited Quarterly Financial Statements for the period ended March 31, 2013.

The statistic covers the annexed Financial Statements comprising:

- (i) Balance Sheet;
- (ii) Profit and loss account;
- (iii) Statment of comprehensive income;
- (iv) Statement of changes in equity;
- (v) Statement of Cash flows;
- (vi) Statement of premiums;
- (vii) Statement of Claims;
- (viii) Statement of Expenses;
- (ix) Statement of Investment Income.

We are confident that this information would adequately apprise the valued shareholders about the performance of their Company.

The working results of the company for the period ended March 31, 2013 are as under: -

(Rupees in '000)

Profit before tax	20,485
Less: Taxation for the period	(3,592)
Profit for the period	<u>16,893</u>

Profit and loss appropriation account:

Balance at beginning of the year	34,280
Profit for the period	16,893
Balance unappropriated at the end of the period	<u>51,173</u>

FOR THE PERIOD ENDED MARCH 31, 2013 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	January to March		
	Premium written	Opening			Closing	Opening		Closing	2013 Net Premium revenue	2012 Net Premium revenue
Fire and property damage	90,732	30,437	28,743	92,427	46,074	31,289	26,581	50,782	41,645	52,396
Marine, aviation and transport	31,742	17,661	8,435	40,967	15,191	13,662	6,737	22,117	18,850	7,846
Motor	38,792	22,177	18,126	42,843	5,900	5,532	4,562	6,869	35,974	18,935
Miscellaneous	81,996	116,692	117,852	80,836	46,235	72,390	70,024	48,600	32,236	12,884
Sub-total	243,262	186,967	173,156	257,073	113,400	122,873	107,904	128,368	128,705	92,061
Treaty Proportional										
Grand-total	243,262	186,967	173,156	257,073	113,400	122,873	107,904	128,368	128,705	92,061

Note: The company does not underwrite business outside Pakistan.
The annexed notes form an integral part of these Financial Statements

 CHAIRMAN
  MANAGING DIRECTOR & CHIEF EXECUTIVE
  DIRECTOR
  DIRECTOR

Karachi: 26th April, 2013

(Rupees in '000)

	January to March 2013	January to March 2012
Reconciliation to the Profit and Loss Account		
Operating cash flows	9,547	18,472
Depreciation expense	(2,882)	(3,214)
Profit on disposal of fixed assets	-	1
Investment income	2,281	2,256
Gain on disposal of Investment Securities	3,932	2,661
Other income	243	949
Reversal in value of investment	-	5,873
(Decrease) / Increase in assets other than cash	(12,421)	20,583
Decrease / (Increase) in operating liabilities	16,193	(32,492)
Profit for the period	16,893	15,089

The annexed notes form an integral part of these Financial Statements


CHAIRMAN


MANAGING DIRECTOR
& CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi: 26th April, 2013

**CORPORATE AND FINANCIAL REPORTING FRAMEWORKS
(Code of Corporate Governance)**

In compliance with corporate and financial reporting framework of the code of corporate governance the directors confirm the following:

- i) The financial statements, prepared by the management of the company, present fairly its statement of affairs, the result of its operation, cash flows and changes in equity;
- ii) Proper books of accounts of the company have been maintained;
- iii) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates based on reasonable and prudent judgment;
- iv) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed;
- v) The system of internal control is sound in design and has been effectively implemented and monitored;
- vi) There are no doubts upon the company's ability to continue as a going concern;
- vii) There is no material departure from the best practices of corporate governance, as detailed in the listing regulations.

On behalf of the Board of Directors



Naved Yunus
Managing Director & Chief Executive

Karachi: 26th April, 2013

BALANCE SHEET

FORM GA

AS AT MARCH 31, 2013 - UNAUDITED

	(Rupees in '000)	
	March 31, 2013	December 31, 2012
SHARE CAPITAL AND RESERVES		
Authorised capital 50,000,000 (2012: 50,000,000) ordinary shares of Rs. 10 each	500,000	500,000
Issued, subscribed and paid-up-capital	331,820	331,820
Reserves and Retained earning		
Retained Earning	51,173	34,280
General reserves	100,000	100,000
TOTAL SHARE HOLDER'S EQUITY	482,993	466,100
LIABILITIES		
Underwriting provisions		
Provision for outstanding claims (including IBNR)	113,216	118,926
Provision for unearned premium	173,156	186,967
Commission income unearned	12,421	11,163
Total underwriting provision	298,793	317,056
Deferred Taxation	2,879	2,879
Creditors and Accruals		
Premium received in advance	3,264	1,922
Amount due to other insurers / reinsurers	926	3,085
Taxation-Provision less payments	22,315	19,078
Current portion of Obligation under finance lease	832	1,348
Others creditors and accruals	21,561	21,910
	48,898	47,343
Other liabilities		
Due to Directors - unsecured and interest free	2,131	1,974
TOTAL LIABILITIES	352,701	369,251
TOTAL EQUITY AND LIABILITIES	835,694	835,352
CONTINGENCIES AND COMMITMENTS		
	-	-
ASSETS		
Cash and Bank Deposits		
Cash and other equivalents	335	117
Current and other accounts	28,133	25,326
Deposits maturing in 12 months	22,887	36,761
Total cash and bank deposits	51,355	62,204
Investments	335,671	309,801
Investments Properties	44,058	44,616
Other Assets		
Premium due but unpaid	44,433	36,770
Amount due from other insurers / reinsurers	48,582	52,554
Accrued investment income	2,290	1,862
Reinsurance recoveries against outstanding claims	93,535	94,829
Deferred commission expense	30,442	34,112
Prepaid reinsurance premium ceded	107,904	122,873
Advances, deposits and receivables	20,341	16,961
Prepayments and other	585	571
	348,112	360,532
Fixed Assets - Tangible		
Office Premises	7,473	7,568
Furniture & Fixtures	7,465	7,657
Electric Fittings & Equipments	4,594	4,566
Computers	1,496	1,622
Office Equipment	2,553	2,558
Vehicles	30,875	32,079
Assets subject to Finance Lease	2,042	2,149
Total fixed assets	56,498	58,199
TOTAL ASSETS	835,694	835,352

The annexed notes form an integral part of these Financial Statements


CHAIRMAN


MANAGING DIRECTOR
& CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi: 26th April, 2013

STATEMENT OF CASH FLOWS

FORM GC

FOR THE PERIOD ENDED MARCH 31, 2013 - UNAUDITED

	(Rupees in '000)	
	January to March 2013	January to March 2012
Operating Cash Flows		
(a) Underwriting activities		
Premium received	236,941	194,328
Reinsurance premium paid	(111,587)	(96,163)
Claims paid	(91,655)	(59,202)
Reinsurance and other recoveries received	37,655	22,185
Commission paid	(26,860)	(17,772)
Commission received	10,300	2,831
Underwriting payments	(41,497)	(23,700)
Net cash from underwriting activities	13,297	22,507
(b) Other operating activities		
Income tax paid	(354)	(284)
Other operating (payments) / receipts	(3,395)	(3,752)
Net cash used in all other operating activities	(3,749)	(4,035)
Total cash from all operating activities	9,548	18,472
Investing activities		
Profit/return received	2,281	2,256
Other income received	243	949
Payment for Investment	(75,205)	(37,894)
Proceeds from disposal of investment	53,267	2,761
Fixed capital expenditure	(623)	(473)
Proceeds from disposal of fixed assets	-	1
Total cash (used in) investing activities	(20,037)	(32,400)
Financing activities		
Loan received from directors - unsecured and interest free	1,020	1,138
Loan repaid to directors - unsecured and interest free	(863)	(995)
Payment of finance lease	(517)	(285)
Total cash from (used in) financing activities	(360)	(141)
Net increase / (decrease) in cash and cash equivalent	(10,849)	(14,069)
Cash and cash equivalent at the beginning of the year	62,204	52,573
Cash and cash equivalent at the end of the period	51,355	38,504

STATEMENT OF INVESTMENT INCOME

FORM GG

FOR THE PERIOD ENDED MARCH 31, 2013 - UNAUDITED

(Rupees in '000)

	March 31, 2013	March 31, 2012
Income from Non-Trading Investment		
Available-for-Sale		
Dividend income	18	17
Return on government securities	1,582	1,508
Return on other fixed income securities and deposits	1,154	1,184
Amortisation of premium relative to par	114	83
	<u>2,868</u>	<u>2,792</u>
Gain on sale of non-trading investment		
Available- for- sale	3,932	2,661
Reversal in value of investment	-	5,873
Less: Investment related expenses	(160)	(130)
Net investment income	<u>6,640</u>	<u>11,196</u>

The annexed notes form an integral part of these Financial Statements


CHAIRMAN


MANAGING DIRECTOR
& CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi: 26th April, 2013

PROFIT AND LOSS ACCOUNT

FORM GB

FOR THE PERIOD ENDED MARCH 31, 2013 - UNAUDITED

(Rupees in '000)

	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	January to March 2013	January to March 2012
Revenue Account							
Net Premium Revenue	41,645	18,850	35,974	32,236	-	128,705	92,061
Net Claims	(7,803)	(9,027)	(22,669)	(10,086)	-	(49,585)	(36,142)
Management Expenses	(8,395)	(3,800)	(7,251)	(6,498)	-	(25,944)	(19,120)
Net Commission	(10,274)	(717)	(904)	(9,593)	-	(21,488)	(14,482)
Underwriting results	<u>15,173</u>	<u>5,306</u>	<u>5,150</u>	<u>6,059</u>	<u>-</u>	<u>31,688</u>	<u>22,317</u>
Net Investment income						6,640	11,196
Other income						243	950
General and administrative expenses						(18,086)	(17,124)
Profit before tax						20,485	17,339
Taxation						(3,592)	(2,250)
Profit for the period						<u>16,893</u>	<u>15,089</u>
Profit and Loss appropriation account							
Balance at beginning of the year						34,280	21,388
Profit for the period						16,893	15,089
Less: Transferred to General Reserve						-	(25,000)
Balance unappropriated at the end of the period						<u>51,173</u>	<u>11,477</u>
Earning per share - Basic						<u>0.51</u>	<u>0.45</u>

The annexed notes form an integral part of these Financial Statements


CHAIRMAN


MANAGING DIRECTOR
& CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi: 26th April, 2013

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED MARCH 31, 2013 - UNAUDITED

(Rupees in '000)

	January to March 31, 2013	January to March 31, 2012
Profit for the period	16,893	15,089
Other comprehensive income	-	-
Total comprehensive income for the period	<u>16,893</u>	<u>15,089</u>

The annexed notes form an integral part of these Financial Statements


CHAIRMAN


MANAGING DIRECTOR
& CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi: 26th April, 2013

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED MARCH 31, 2013 - UNAUDITED

(Rupees in '000)

	Issued, subscribed and paid up Capital	General Reserve	Retained Earning	Total shareholders equity
Balance as at January 01, 2012	301,655	75,000	21,388	398,043
Total comprehensive income for the period ended March 31, 2012	-	-	15,089	15,089
Transactions with owners				
Transfer to general reserve	-	25,000	(25,000)	-
Balance as at March 31, 2012	301,655	100,000	11,477	413,132
Total comprehensive income for the Nine months ended December 31, 2012	-	-	52,968	52,968
Transaction with owners				
Issue of bonus shares (10%)	30,165	-	(30,165)	-
Balance as at December 31, 2012	331,820	100,000	34,280	466,100
Total comprehensive income for the period ended March 31, 2013	-	-	16,893	16,893
Transaction with owners				
Balance as at March 31, 2013	<u>331,820</u>	<u>100,000</u>	<u>51,173</u>	<u>482,993</u>

The annexed notes form an integral part of these Financial Statements


CHAIRMAN


MANAGING DIRECTOR
& CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi: 26th April, 2013