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BOARD OF DIRECTORS & MANAGEMENT

CHIEF JUSTICE (R)	...	Chairman
MIAN MAHBOOB AHMAD	...	
NAVED YUNUS	...	Managing Director & Chief Executive
JAVED YUNUS	...	Executive Director (Marketing)
PERVEZ YUNUS	...	Executive Director (Operations)
MAHEEN YUNUS	...	Director
UMEED ANSARI	...	Director
AHSAN MAHMOOD ALVI	...	Director
TULU JAVED YUNUS	...	Director
M. JAMALUDDIN	...	Consultant / Advisor
SHABBIR ALI KANCHWALA	...	Director Finance / Company Secretary
ENGR. KAZIM RAZA	...	Director Operations
SAJJAD ZAFAR	...	Regional Director
IFTIKHAR HUSSAIN	...	Regional Director
MUHAMMAD FAYYAZ KHOKHAR	...	Regional Director
AUDIT COMMITTEE		
UMEED ANSARI	...	Chairman
MAHEEN YUNUS	...	Member
AHSAN MAHMOOD ALVI, FCA (PAK), FCA (UK)	...	Member
ENGR. KAZIM RAZA	...	Member
JOHRY LAL, FCCA	...	Secretary
KHALID LAW ASSOCIATES	...	Legal Advisor
ANJUM ASIM SHAHID RAHMAN	...	Auditors
Chartered Accountants		
BDO EBRAHIM & CO.	...	Tax Advisor
Chartered Accountants		
AFNAN TAX CONSULTANTS		
BEMA ASSOCIATES (PVT) LTD.	...	Shares Registrar
515, EFU House, M.A.Jinnah Road, Karachi.		
IFS RATING	A (Single A) 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

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present their report together with un-audited Financial Statements for the period ended September 30, 2014.

The statistic covers the annexed Financial Statements comprising:

- (i) Balance Sheet;
- (ii) Profit and loss account;
- (iii) Statement 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 September 30, 2014 are as under: -

	(Rupees in '000)	
Profit before tax		118,500
Less: Taxation for the period - Current		(33,680)
Profit for the period		<u><u>84,820</u></u>
Appropriation:		
Balance at beginning of the year		94,283
Profit for the period		84,820
1st Interim dividend 10%		(36,500)
Issuance of Interim bonus share 10%		(36,500)
Balance unappropriated Profit at the end of the period		<u><u>106,103</u></u>
	September 30,	September 30,
	2014	2013
Gross premium	1,002,218	765,516
Net premium	656,989	427,809
Underwriting results	95,538	84,595
Investment income	69,904	25,056
Profit before tax	118,500	60,103
Profit for the period	84,820	49,011
Earnings per share (Rupees)	2.11	1.22

On behalf of the Board of Directors



NAVED YUNUS
Managing Director & Chief Executive

Karachi : October 28, 2014

CONDENSED INTERIM BALANCE SHEET

FEEDBA

AS AT SEPTEMBER 30, 2014

	Note	September 30, 2014 (Unaudited)	December 31, 2013 (Audited)
(Rupees in '000)			
SHARE CAPITAL AND RESERVE			
Authorised share capital			
50,000,000 (2013:50,000,000) ordinary shares of Rs. 10 each		500,000	500,000
Issued, subscribed and paid-up capital		401,502	365,002
Retained earnings		106,103	94,283
General reserve		100,000	100,000
Total Shareholders' equity		607,605	559,285
LIABILITIES			
UNDERWRITING PROVISIONS			
Provision for outstanding claims(including IBNR)		209,773	200,935
Provision for unearned premium		236,541	211,060
Commission income unearned		57,188	31,969
Total underwriting provision		503,502	443,964
Deferred taxation		22,770	11,261
CREDITORS AND ACCRUALS			
Premium received in advance		6,168	2,099
Amount due to other insurers / reinsurers		1,781	1,319
Taxation-provision less payments		41,038	21,042
Others creditors and accruals		67,129	33,800
		116,116	58,260
OTHER LIABILITIES			
Due to directors - unsecured and interest free		4,032	3,217
TOTAL LIABILITIES		646,420	516,702
TOTAL EQUITY AND LIABILITIES		1,254,025	1,075,987
ASSETS			
CASH AND BANK DEPOSITS			
Cash and other equivalents		88	116
Current and other accounts		26,166	6,579
Deposits maturing within 12 months		31,000	29,125
Total cash and bank deposits		57,254	35,820
Investments	5	603,228	503,063
Investment properties		50,808	48,356
OTHER ASSETS			
Premium due but unpaid		57,332	30,048
Amount due from other insurers / reinsurers		62,297	56,520
Accrued Investment income		2,534	2,261
Reinsurance recoveries against outstanding claims		127,010	149,427
Deferred commission expense		28,688	21,799
Prepaid reinsurance premium ceded		180,366	146,607
Sundry receivables		29,300	25,355
Prepayments		401	424
		487,928	432,442
FIXED ASSETS - tangible & intangible			
Office Premises		6,920	7,189
Furniture & Fixtures		7,078	7,530
Electric fittings & equipments		7,913	8,381
Computers equipments & software		1,251	1,433
Office equipment		2,866	2,619
Vehicles		28,779	29,154
Total fixed assets		54,807	56,306
TOTAL ASSETS		1,254,025	1,075,987

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

 CHAIRMAN
 MANAGING DIRECTOR & CHIEF EXECUTIVE
 DIRECTOR
 DIRECTOR

Karachi : October 28, 2014

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FEEDSB

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 - UNAUDITED

	Fire and Property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	(Rupees in '000)	
						Nine Months Ended September 30,	
						2014	2013
Revenue Account							
Net Premium Revenue	207,706	74,250	101,194	182,839	-	565,989	427,809
Net Claims	(47,223)	(29,840)	(60,711)	(97,654)	-	(235,427)	(169,194)
Management Expenses	(41,887)	(14,974)	(20,407)	(36,872)	-	(114,140)	(95,796)
Net Commission	(73,101)	(11,473)	(6,339)	(29,971)	-	(120,884)	(78,224)
Underwriting results	45,496	17,963	13,737	18,342	-	95,538	84,595
Net Investment income							
Net Investment income						69,604	25,056
Other income						7,975	1,660
Gain on sale of fixed assets						3,191	125
General and administrative expenses						(55,709)	(50,445)
Workers Welfare fund						(2,099)	(888)
						22,962	(24,493)
Profit before tax						118,500	60,103
Taxation							
Current - for the period						(22,170)	(11,000)
Deferred						(11,510)	-
Prior						-	(92)
Profit for the period						84,820	49,011
Profit and loss appropriation account							
Balance at beginning of the year						94,283	34,280
Profit for the period						84,820	49,011
Interim dividend 10% (2013: 10%)						(36,500)	(33,182)
Issuance of interim bonus shares: 10% (2013: Nil)						(36,500)	-
Balance unappropriated profit at the end of the period						106,103	50,109
Earning per share - basic and diluted (Refer note:11)						2.11	1.22

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

 CHAIRMAN
 MANAGING DIRECTOR & CHIEF EXECUTIVE
 DIRECTOR
 DIRECTOR

Karachi : October 28, 2014

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FEBS

FOR THE QUARTER ENDED JULY - SEPTEMBER 30, 2014 - UNAUDITED

	(Rupees in '000)						
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Quarterly Ended September 30,	
						2014	2013
Revenue Account							
Net Premium Revenue	79,354	22,581	28,412	84,652	-	214,999	149,266
Net Claims	(20,068)	(5,292)	(14,917)	(49,429)	-	(89,706)	(58,812)
Management Expenses	(18,854)	(5,702)	(7,346)	(19,252)	-	(51,154)	(34,002)
Net Commission	(28,255)	(4,653)	(2,587)	(11,396)	-	(46,891)	(27,112)
Underwriting results	<u>12,177</u>	<u>6,934</u>	<u>3,562</u>	<u>4,575</u>	<u>-</u>	<u>27,248</u>	<u>29,340</u>
Net Investment income						6,094	2,957
Other income						2,378	90
Gain on sale of fixed assets						722	125
General and administrative expenses						(20,799)	(15,938)
						<u>(11,606)</u>	<u>(12,766)</u>
Profit before tax						<u>15,643</u>	<u>16,574</u>
Taxation							
Current - for the period						(7,000)	(3,500)
Profit for the period						<u>8,643</u>	<u>13,074</u>
Earning per share - basic and diluted (Refer note:11)						<u>0.22</u>	<u>0.33</u>

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


CHAIRMAN


MANAGING DIRECTOR &
CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi : October 28, 2014

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED SEPTEMBER 30, 2014 - UNAUDITED

	(Rupees in '000)			
	Nine months period ended		Quarter ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Profit after Tax	84,820	49,010	8,643	13,074
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>84,820</u>	<u>49,010</u>	<u>8,643</u>	<u>13,074</u>

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


CHAIRMAN


MANAGING DIRECTOR &
CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi : October 28, 2014

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2014 - UNAUDITED

	(Rupees in '000)			
	Issued, subscribed and paid up Capital	General Reserve	Retained Earnings	Total Shareholders Equity
Balance as at January 01, 2013	331,820	100,000	34,280	466,100
Total comprehensive income for the period ended September 30, 2013	-	-	49,011	49,011
Transaction with owners				
Interim dividend 10%	-	-	(33,182)	(33,182)
Balance as at September 30, 2013	331,820	100,000	50,109	481,928
Total comprehensive income for the period ended September 30, 2013 from October, 2013 to December 31, 2013	-	-	77,357	77,357
Transactions with owners				
Issue of bonus shares (10%)	33,182	-	(33,182)	-
Balance as at December 31, 2013	365,002	100,000	94,283	559,285
Total comprehensive income for the period ended September 30, 2014	-	-	84,820	84,820
Transactions with owners				
1st interim dividend 10%	-	-	(36,500)	(36,500)
Issuance of interim bonus shares 10%	36,500	-	(36,500)	-
Balance as at September 30, 2014	401,502	100,000	106,103	607,605

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


CHAIRMAN


MANAGING DIRECTOR &
CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi : October 28, 2014

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 - UNAUDITED

(Rupees in '000)

	Nine Months Ended September 30,		Quarter Ended July - September 30,	
	2014	2013	2014	2013
Income from Non-Trading Investment				
Available for sale				
Dividend income	1,568	134	1,435	1
Return on Government securities	5,141	4,730	1,996	1,586
Return on other fixed income securities and deposits	2,054	3,496	(390)	1,052
Amortisation of discount - (net of premium)	637	314	852	99
	9,401	8,674	3,893	2,738
Gain on sale of non-trading investments Available-for-sale	62,610	14,515	48,473	379
(Provision/Reversal for impairment in value of investment	(720)	2,347	(720)	-
Less: Investment related expenses	(427)	(480)	(143)	(160)
Net Investment Income	69,604	25,056	6,094	2,957

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


CHAIRMAN


MANAGING DIRECTOR &
CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi : October 28, 2014

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 - UNAUDITED

(Rupees in '000)

	September 30, 2014	September 30, 2013
OPERATING CASH FLOWS		
<i>Underwriting activities</i>		
Premium received	979,003	791,234
Reinsurance premium paid	(449,822)	(332,108)
Claims paid	(360,339)	(287,828)
Reinsurance and other recoveries received	156,168	110,210
Commission paid	(188,913)	(112,782)
Commission received	86,359	40,085
Underwriting payments	(129,442)	(125,243)
Net cash from underwriting activities	93,014	83,568
<i>Other operating activities</i>		
Income tax paid	(2,174)	(2,330)
Other operating (Payments) / receipts	(3,922)	(17,815)
Net cash used in other operating activities	(6,096)	(20,145)
Total cash from all operating activities	86,918	63,423
INVESTING ACTIVITIES		
Profit/return received	8,728	8,143
Other income received	7,975	1,660
Payment for investment	(1,484,005)	(456,710)
Proceeds from disposal of investment	1,445,256	417,525
Fixed capital expenditure	(10,758)	(10,874)
Proceeds from disposal of fixed assets	3,444	403
Total cash flows used in investing activities	(29,359)	(39,853)
FINANCING ACTIVITIES		
1st interim dividend 10%	(36,500)	(33,182)
Loan received from directors - unsecured and interest free	385	5,075
Loan repaid to directors - unsecured and interest free	(9)	(4,639)
Payment of finance lease	-	(1,348)
Total cash used in financing activities	(36,124)	(34,094)
Net increase / (decrease) in cash and cash equivalent	21,434	(10,524)
Cash and cash equivalent at the beginning of the year	35,820	62,204
Cash and cash equivalent at the end of the period	57,254	51,680

(Rupees in '000)

	September 30, 2014	September 30, 2013
Reconciliation to the Profit and Loss Account		
Operating cash flows	86,918	63,423
Depreciation expense	(8,736)	(8,813)
Profit on disposal of fixed assets	3,191	125
Investment income	8,728	8,143
Gain on disposal of investment securities	61,322	14,515
Reversal of impairment in value of available for sale investment	(720)	2,347
Other income	7,975	1,660
Increase in assets other than cash	55,487	(12)
Increase in operating liabilities	(129,344)	(32,377)
Profit for the Period	84,820	49,011

The annexed notes form an integral part of these financial statements.

CHAIRMAN

MANAGING DIRECTOR &
CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

Karachi: October 28, 2014

EAST WEST INSURANCE CO., LTD. - QUARTERLY REPORT SEPTEMBER 2014

CONDENSED INTERIM STATEMENT OF PREMIUMS FCRMD

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Nine Months Ended Sept. 30	
		Opening	Closing			Opening	Closing		2014 Net Premium revenue	2013 Net Premium revenue
Fire and property damage	367,593	42,646	59,235	351,004	164,011	18,907	39,620	143,298	207,706	178,375
Marine, aviation and transport	130,708	23,404	20,134	133,978	62,121	5,204	7,597	59,728	74,250	48,015
Motor	141,785	23,353	29,432	135,706	42,167	8,810	16,465	34,512	101,194	87,223
Miscellaneous	362,132	121,657	127,740	356,049	176,208	113,686	116,684	173,210	182,839	114,196
Sub-total	1,002,218	211,060	236,541	976,737	444,507	146,607	180,366	410,748	565,989	427,809
Treaty Proportional										
Grand-total	1,002,218	211,060	236,541	976,737	444,507	146,607	180,366	410,748	565,989	427,809

Note: The Company does not underwrite business outside Pakistan.
The annexed notes form an integral part of this condensed interim financial information.


CHAIRMAN


MANAGING DIRECTOR &
CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi : October 28, 2014

CONDENSED INTERIM STATEMENT OF PREMIUMS FCRMD

FOR THE QUARTER ENDED JULY - SEPTEMBER 30, 2014 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Quarter Ended Sept. 30,	
		Opening	Closing			Opening	Closing		2014 Net Premium revenue	2013 Net Premium revenue
Fire and property damage	142,522	57,712	59,235	140,999	62,395	38,870	39,620	61,645	79,354	61,010
Marine, aviation and transport	49,254	20,428	20,134	49,548	27,528	7,036	7,597	26,967	22,581	21,593
Motor	45,986	28,419	29,432	44,973	17,121	15,905	16,465	16,561	28,412	15,663
Miscellaneous	148,132	126,387	127,740	144,779	60,779	116,032	116,684	60,127	84,652	51,000
Sub-total	383,894	232,946	236,541	380,299	167,823	177,843	180,366	165,300	214,999	149,266
Treaty Proportional										
Grand-total	383,894	232,946	236,541	380,299	167,823	177,843	180,366	165,300	214,999	149,266

Note: The Company does not underwrite business outside Pakistan.
The annexed notes form an integral part of this condensed interim financial information.


CHAIRMAN


MANAGING DIRECTOR &
CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi : October 28, 2014

CONDENSED INTERIM STATEMENT OF CLAIMS

FCIB

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class	Claims written	Outstanding Claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Nine Months Ended Sept. 30	
		Opening	Closing			Opening	Closing		2014 Net Claims expense	2013 Net Claims expense
Direct and Facultative										
Fire and property damage	113,103	51,307	42,810	104,606	69,333	37,818	25,869	57,384	47,222	59,616
Marine, aviation and transport	49,331	6,658	8,626	51,298	21,947	5,090	4,601	21,458	29,840	23,245
Motor	69,431	8,141	10,588	71,879	10,568	-	600	11,168	60,711	48,655
Miscellaneous	128,473	134,828	147,749	141,394	54,320	106,519	95,939	43,740	97,654	37,478
Sub-total	360,338	200,934	209,773	369,177	156,168	149,427	127,009	133,750	235,427	169,194
Treaty Proportional										
Grand-total	360,338	200,934	209,773	369,177	156,168	149,427	127,009	133,750	235,427	169,194

Note: The Company does not underwrite business outside Pakistan
The annexed notes form an integral part of this condensed interim financial information.


CHAIRMAN


MANAGING DIRECTOR &
CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi : October 28, 2014

CONDENSED INTERIM STATEMENT OF CLAIMS

FCIB

FOR THE QUARTER ENDED JULY - SEPTEMBER 30, 2014 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class	Claims written	Outstanding Claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Quarter Ended Sept. 30	
		Opening	Closing			Opening	Closing		2014 Net Claims expense	2013 Net Claims expense
Direct and Facultative										
Fire and property damage	46,964	42,298	42,810	47,476	26,056	24,517	25,869	27,408	20,068	26,877
Marine, aviation and transport	12,474	8,882	8,626	12,218	7,052	4,727	4,601	6,926	5,292	9,846
Motor	18,574	10,222	10,588	18,940	4,023	600	600	4,023	14,917	2,919
Miscellaneous	44,197	136,505	147,749	55,441	10,535	100,463	95,939	6,012	49,429	19,170
Sub-total	122,209	197,907	209,773	134,075	47,667	130,307	127,009	44,369	89,706	58,812
Treaty Proportional										
Grand-total	122,209	197,907	209,773	134,075	47,667	130,307	127,009	44,369	89,706	58,812

Note: The Company does not underwrite business outside Pakistan
The annexed notes form an integral part of this condensed interim financial information.


CHAIRMAN


MANAGING DIRECTOR &
CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi : October 28, 2014

CONDENSED INTERIM STATEMENT OF EXPENSES FEBSI

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 - 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	Nine Months Ended Sept. 30	
		Opening	Closing					2014 Net underwriting expense	2013 Net underwriting expense
Direct and Facultative									
Fire and property damage	106,515	8,306	10,487	104,334	41,887	146,221	31,233	114,988	77,151
Marine, aviation and transport	21,166	1,582	3,897	18,851	14,974	33,825	7,378	26,447	11,424
Motor	12,166	1,954	2,715	11,405	20,407	31,812	5,066	26,746	26,463
Miscellaneous	49,065	9,957	11,589	47,433	36,872	84,305	17,462	66,843	58,982
Sub-total	188,912	21,799	28,688	182,023	114,140	296,163	61,139	235,024	174,020
Treaty Proportional	-	-	-	-	-	-	-	-	-
Grand-total	188,912	21,799	28,688	182,023	114,140	296,163	61,139	235,024	174,020

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 this condensed interim financial information.


CHAIRMAN


MANAGING DIRECTOR &
CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi : October 28, 2014

CONDENSED INTERIM STATEMENT OF EXPENSES FEBSI

FOR THE QUARTER ENDED JULY - SEPTEMBER 30, 2014 - 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	Quarter Ended Sept. 30	
		Opening	Closing					2014 Net underwriting expense	2013 Net underwriting expense
Direct and Facultative									
Fire and property damage	43,952	8,126	10,487	41,591	18,854	60,445	13,336	47,109	22,286
Marine, aviation and transport	9,597	1,456	3,897	7,156	5,702	12,858	2,503	10,355	6,146
Motor	5,620	2,185	2,715	5,090	7,346	12,436	2,503	9,933	7,321
Miscellaneous	19,863	11,126	11,589	19,400	19,252	38,652	8,004	30,648	25,360
Sub-total	79,032	22,893	28,688	73,237	51,154	124,391	26,346	98,045	61,113
Treaty Proportional	-	-	-	-	-	-	-	-	-
Grand-total	79,032	22,893	28,688	73,237	51,154	124,391	26,346	98,045	61,113

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 this condensed interim financial information.


CHAIRMAN


MANAGING DIRECTOR &
CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

Karachi : October 28, 2014

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 - UNAUDITED

1. STATUS AND NATURE OF BUSINESS

East West Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on January 08, 1983 under the Companies Act, 1913 (now Companies Ordinance, 1984) and its shares are quoted on the Karachi Stock Exchange. The Company is engaged in general insurance business. The head office of the Company is situated at EFU House, M.A. Jinnah Road, Karachi.

2. BASIS OF PRESENTATION

These interim financial statements are presented in condensed form in accordance with the requirements of approved accounting standards as applicable in Pakistan for interim financial reporting.

The disclosures made in these condensed interim financial statements have been limited based on the formats prescribed by the Insurance Rules 2002 and approved accounting standards as applicable in Pakistan for interim financial reporting.

These condensed interim financial statements do not include all of the information required for complete financial statements and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2013.

These financial statements are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and the listing regulation of Karachi Stock Exchange where the Company is listed.

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation followed in the preparation of these financial statements are same as those applied in the preparation of audited annual financial statements for the year ended December 31, 2013.

5. INVESTMENT	September 30, December 31,	
	2014	2013
 (Rupees in '000).....	
Marketable Securities	510,815	414,994
Government Securities	78,517	73,862
Term Finance Certificates (TFC's)	13,896	14,207
	<u>603,228</u>	<u>503,063</u>

The fair value of investments as at 30 September 2014 was Rs. 583,016 Million (31 December 2013 Rs. 506,049 million)

6. CLAIMS

The cost of claims include all the claims lodged and paid and liability for outstanding claims is recognized in respect of claims incurred upto the balance sheet date and measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR), and expected claims settlement costs. Reinsurance recoveries against outstanding claims and salvage recoveries are recognized as an asset and measured at the expected amount to be received.

7. AMOUNT DUE TO / FROM OTHER INSURERS / REINSURERS

Amount due to / from other insurers / reinsurers are carried at cost less provision. Cost represents the fair of the consideration to be paid / received in future for the services rendered.

8. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, entities under common control, entities with common Directors, major shareholders and key management personnel of the Company. Transactions with related parties are carried out at arm's length prices determined under "Comparable uncontrolled price method". Transactions with related parties including remuneration to key management personnel are as follows:

	Nine Months Ended Sept. 30,	
	2014	2013
 Rupees in '000.....	
Loan received from directors	385	5,075
Loan repaid to directors	9	4,638
Remuneration to key management personnel	3,095	3,280
1st interim dividend 10%	13,264	12,968
Issuance of bonus shares 10%	13,264	-

9. OPERATING FIXED ASSETS AND DEPRECIATION

These are stated at cost less accumulated depreciation. Depreciation is charged to income using the reducing balance method.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains or losses on disposals are included in current income.

10. STAFF RETIREMENT BENEFITS

The company operates an approved provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the company and its employees, to the fund at the rate 10% of basic salary of the employees.

11. EARNING PER SHARE - BASIC AND DILUTED

	Nine months ended September 30, (Rupees in '000).....		Quarter ended July - September 30, (Rupees).....	
	2014	2013	2014	2013
Profit for the period	<u>84,820</u>	<u>49,011</u>	<u>8,643</u>	<u>13,074</u>
	Number of shares			
Weighted average number of shares during the period	40,150,254	40,150,254	40,150,254	40,150,254
	Restated		Restated	
Earnings per share	<u>2.11</u>	<u>1.22</u>	<u>0.22</u>	<u>0.33</u>

12. GENERAL

- 12.1 This condensed interim financial report was authorized for issue in the board of directors meeting held on 28th October 2014.
- 12.2 Figures for the quarter and nine months period ended September 30, 2014 have been rounded off to the nearest thousand of rupee.


CHAIRMAN


MANAGING DIRECTOR &
CHIEF EXECUTIVE


DIRECTOR


DIRECTOR