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## BOARD OF DIRECTORS & MANAGEMENT

|   |  |
|---|--|
| <b>CHIEF JUSTICE ( R )</b><br><b>MIAN MAHBOOB AHMAD</b>                               | ... Chairman   |
| <b>NAVED YUNUS</b>  | ... Managing Director & Chief Executive Officer  |
| <b>JAVED YUNUS</b>  | ... Executive Director (Marketing)   |
| <b>PERVEZ YUNUS</b>   | ... Executive Director (Operations)  |
| <b>MAHEEN YUNUS</b>   | ... Director   |
| <b>UMEED ANSARI</b>   | ... Director   |
| <b>AHSAN MAHMOOD ALVI</b><br>FCA England & Wales                                      | ... Director   |
| <b>ENGR. KAZIM RAZA</b><br>B.SC. (Engineering, UET)                                   | ... Director   |
| <b>BRENDAN THOMAS D'LIMA</b>  | ... Deputy Executive Director  |
| <b>SHABBIR ALI KANCHWALA</b>  | ... Director Finance /<br>Company Secretary  |
| <b>DR. SYED ARIF HUSSAIN</b>  | ... Head of Takaful  |
| <b>SAJJAD ZAFAR</b>   | ... Regional Director  |
| <b>IFTIKHAR HUSSAIN</b>   | ... Regional Director  |
| <b>MUHAMMAD FAYYAZ KHOKHAR</b>  | ... Regional Director  |
| <b>JAN MOHAMMAD</b>   | ... Regional Director  |
| <b>AUDIT COMMITTEE</b>  |  |
| <b>AHSAN MAHMOOD ALVI</b><br>FCA England & Wales                                      | ... Chairman   |
| <b>JAVED YUNUS</b>  | ... Member   |
| <b>UMEED ANSARI</b>   | ... Member   |
| <b>ENGR. KAZIM RAZA</b>   | ... Member   |
| <b>JOHRY LAL, FCCA</b>  | ... Secretary  |
| <b>KHALID LAW ASSOCIATES</b>  | ... Legal Advisor  |
| <b>BDO EBRAHIM &amp; CO.</b><br>Chartered Accountants                                 | ... Auditors   |
| <b>AFNAN TAX CONSULTANTS</b>  | ... Tax Advisor  |
| <b>THK ASSOCIATES (PVT) LTD.</b><br>1st Floor, 40-C, Block-6,<br>P.E.C.H.S., Karachi. | ... Shares Registrar   |
| <b>IFS RATING</b>   | .... A+ (A Plus) Stable Outlook  |
| <b>WEBSITE</b>  | ... <a href="http://www.eastwestinsurance.com.pk">www.eastwestinsurance.com.pk</a>   |
| <b>BANKERS</b>  | ... Allied Bank Limited<br>Askari Bank Limited<br>Faysal Bank Limited<br>Habib Bank Limited<br>Habib Metropolitan Bank Limited<br>MCB Bank Limited<br>National Bank of Pakistan Limited<br>NIB Bank Limited<br>Summit Bank Limited<br>The Bank of Punjab Limited<br>United Bank Limited<br>The Karakoram Co. Operative Bank Ltd. |

## DIRECTORS' REVIEW REPORT TO THE MEMBERS'

Your Directors are pleased to present their report together with un-audited Half Yearly Financial Statements for the period ended June 30, 2018.

Your Directors are pleased to inform that the Company launched Window Takaful Operations to transact General Takaful products.

The statistic covers the annexed Financial Statements of conventional general insurance and Window Takaful operation comprising:

- o Condensed interim statement of financial position;
- o Condensed interim statement of comprehensive income;
- o Condensed interim statement of changes in equity;
- o Condensed interim statement of cash flows.

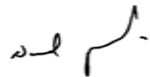
We are confident that this information would adequately apprise the valued shareholders about the performance of their Company.

The financial highlight of the company for the period ended June 30, 2018 is as follows:

|   | (Rupees in '000)<br>(Unaudited) |
|---|---------------------------------|
| Profit before tax from General Insurance Operations | 149,793                         |
| Loss before tax from Window Takaful Operations      | (776)                           |
| <b>Profit before tax</b>                            | <b>149,017</b>                  |
| Income tax expenses                                 | (38,225)                        |
| Profit after taxation                               | 110,792                         |
| Other comprehensive income                          | 14,464                          |
| <b>Total Comprehensive income</b>                   | <b>125,256</b>                  |
| Unappropriated profit at beginning of the year      | 240,500                         |
| Effect of change in accounting policy               | 8,118                           |
| Profit for the period                               | 110,792                         |
| <b>Unappropriated at the end of the period</b>      | <b>359,410</b>                  |

|   | June, 30 2018           | June, 30 2017 |
|---|-------------------------|---------------|
|   | ----- (Unaudited) ----- |               |
| Gross premium   | 1,414,288               | 1,258,423     |
| Net premium   | 645,271                 | 543,534       |
| Underwriting results                                    | 161,723                 | 130,746       |
| Investment income                                       | 40,018                  | 10,402        |
| Profit before tax (including Window Takaful Operations) | 149,017                 | 100,461       |
| Profit after tax (including Window Takaful Operations)  | 110,792                 | 80,351        |
| Earnings per share - basic and diluted (Rupees)         | 1.82                    | 1.32          |

On behalf of the Board of Directors



**Naved Yunus**  
Managing Director & Chief Executive  
Karachi : August 29, 2018

## حصص یافتگان کے لیے ڈائریکٹر جائزہ رپورٹ

آپ کے بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کی ششماہی رپورٹ ۳۰ جون، ۲۰۱۸ کو ختم ہونے والے سال کیلئے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنا میرے لیے باعث مسرت ہے

آپ کے بورڈ آف ڈائریکٹرز کی طرف سے اطلاع دی جاتی ہے کہ کمپنی نے جنرل نکافل آپریشن کے کاروبار کا آغاز کر دیا ہے

اعداد و شمار روایتی جنرل انشورنس اور ونڈو نکافل آپریشن کے ضمنی مالی بیانات پر مشتمل ہے۔

مالی پوزیشن کا منسلک عبوری بیان  
جامع آمدنی کا کمپینس عبوری بیان  
ایکونٹی میں تبدیلی کا عبوری بیان  
کیس فلو کا عبوری بیان

ہمیں یقین ہے مندرجہ بالا معلومات معزز حصص یافتگان کو مناسب طور پر ان کی کمپنی کی کارکردگی کے بارے میں آگاہ کریگی۔

۳۰ جون، ۲۰۱۸ کی مدت کے لئے کمپنی کی مالی خاص بات حسب ذیل ہیں

| (روپے میں '000)<br>(غیر آڈٹ شدہ) |  |
|----------------------------------|--|
| ۱۴۹,۷۹۳                          | جنرل انشورنس آپریشن ٹیکس کے پہلے منافع |
| (۷۷۶)                            | ونڈو نکافل آپریشن ٹیکس کے پہلے نقصان۔  |
| ۱۴۹,۰۱۷                          | منافع قبل از محصول                     |
| (۳۸,۲۲۵)                         | آمدنی پر ٹیکس کا خرچہ                  |
| ۱۱۰,۷۹۲                          | ٹیکس کے بعد منافع                      |
| ۱۲,۴۶۴                           | دیگر جامع آمدنی                        |
| ۱۲۵,۲۵۶                          | مجموعی جامع آمدنی                      |
|                                  | فائدہ اور نقصان حصول اکاؤنٹ            |
| ۲۴۰,۵۰۰                          | سال کے شروع میں توازن قائم             |
| ۸,۱۱۸                            | اکاؤنٹنگ پالیسی میں تبدیلی کا اثر      |
| ۱۱۰,۷۹۲                          | اس مدت کے لئے منافع                    |
| ۳۵۹,۴۱۰                          | مدت کے اختتام پر unappropriated متوازن |

| ۳۰ جون، ۲۰۱۷              | ۳۰ جون، ۲۰۱۸ |                      |
|---------------------------|--------------|----------------------|
| ----- (غیر آڈٹ شدہ) ----- |              |                      |
| ۱,۲۵۸,۴۲۳                 | ۱,۴۱۴,۲۸۸    | مجموعی پریمیم        |
| ۵۴۳,۵۳۴                   | ۶۴۵,۲۷۱      | نیٹ پریمیم           |
| ۱۳۰,۷۴۶                   | ۱۶۱,۷۲۳      | انڈر رائٹنگ نتیجہ    |
| ۱۰,۴۰۲                    | ۴۰,۰۱۸       | سرمایہ کاری کی آمدنی |
| ۱۰۰,۴۶۱                   | ۱۴۹,۰۱۷      | ٹیکس سے قبل منافع    |
| ۸۰,۳۵۱                    | ۱۱۰,۷۹۲      | اس مدت کے لئے منافع  |
| ۱.۳۲                      | ۱.۸۲         | فی شیئر آمدنی (روپے) |



**نوید یونس**  
مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر

کراچی : ۲۹ اگست ۲۰۱۸

## Introduction

We have reviewed the accompanying

- condensed interim statement of financial position;
- condensed interim statement of comprehensive income;
- condensed interim statement of changes in equity;
- condensed interim statement of cash flows;

together with the explanatory notes of EAST WEST INSURANCE COMPANY LIMITED ("the Company") as at and for the six months period ended June 30, 2018 (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this 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 this interim financial information based on our review.

## Scope of review

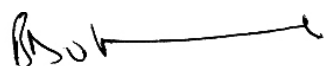
We conducted our review in accordance with the International Standards on Review Engagements 2410, "Review of Interim financial information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for 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 the International Standard 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 condensed interim financial reporting.

## Other matters

The figures for the quarters ended June 30, 2018 and June 30, 2017 in the accompanying condensed interim financial information have not been reviewed and we do not express conclusion thereon, as we are required to review only the cumulative figures for the six months period ended June 30, 2018.








**BDO Ebrahim & Co.**  
Chartered Accountants  
Engagement partner: Zulfikar Ali Causer

Karachi : August 29, 2018

AS AT JUNE 30, 2018

|  |      | (Rupees in '000)                |   |
|--|------|---------------------------------|---|
|  | Note | June 30,<br>2018<br>(Unaudited) | December 31,<br>2017<br>(Restated)<br>(Audited) |
| <b>ASSETS</b>  |      |                                 |   |
| Property and equipment   | 6    | 135,451                         | 115,775   |
| Intangible assets  | 7    | 1,558                           | 1,709   |
| Investment properties  | 8    | 51,770                          | 53,097  |
| Investments  |      |                                 |   |
| Equity securities  | 9    | 916,257                         | 927,918   |
| Debt securities  | 10   | 175,530                         | 179,816   |
| Term deposits  | 11   | 11,000                          | 75,830  |
|  |      | 1,102,787                       | 1,183,564                                       |
| Loans and other receivables  | 12   | 99,465                          | 40,555  |
| Insurance / Reinsurance receivables                                  | 13   | 264,857                         | 165,228   |
| Reinsurance recoveries against outstanding claims                    |      | 505,815                         | 540,027   |
| Deferred commission expense  |      | 156,600                         | 146,600   |
| Prepayments  | 14   | 586,191                         | 427,927   |
| Cash and bank  | 15   | 31,272                          | 14,892  |
|  |      | 2,935,766                       | 2,689,374                                       |
| Total assets of General Takaful<br>Operations - Operator's Fund      |      | 50,538                          | -   |
| <b>TOTAL ASSETS</b>  |      | 2,986,304                       | 2,689,374                                       |
| <b>EQUITY AND LIABILITIES</b>  |      |                                 |   |
| <b>Capital and reserves attributable to Company's equity holders</b> |      |                                 |   |
| Ordinary share capital   |      | 609,782                         | 609,782   |
| Reserves   | 16   | 203,316                         | 188,852   |
| Unappropriated profit  |      | 359,410                         | 248,618   |
| <b>TOTAL EQUITY</b>  |      | 1,172,508                       | 1,047,252                                       |
| <b>LIABILITIES</b>   |      |                                 |   |
| Underwriting provisions  |      |                                 |   |
| Outstanding claims including IBNR                                    |      | 660,067                         | 660,415   |
| Unearned premium reserves  |      | 892,361                         | 754,295   |
| Unearned reinsurance commission                                      |      | 66,100                          | 77,864  |
|  |      | 1,618,528                       | 1,492,574                                       |
| Retirement benefit obligations                                       |      | 1,484                           | 914   |
| Deferred taxation  |      | 17,268                          | 17,112  |
| Premium received in advance  |      | 9,317                           | 4,160   |
| Insurance / reinsurance payables                                     |      | 18,678                          | 15,185  |
| Other creditors and accruals   | 17   | 76,251                          | 69,190  |
| Taxation - provision less payment                                    |      | 72,216                          | 42,987  |
| <b>TOTAL LIABILITIES</b>   |      | 1,813,742                       | 1,642,122                                       |
| Total liabilities of General Takaful<br>Operations - Operator's Fund |      | 54                              | -   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                  |      | 2,986,304                       | 2,689,374                                       |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                 | 18   |                                 |   |

The annexed notes from 1 to 28 form an integral part of these condensed interim financial information.

 CHAIRMAN     
  MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER     
  DIRECTOR     
  DIRECTOR     
  CHIEF FINANCIAL OFFICER

Karachi : August 29, 2018

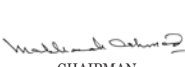




## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018 - UNAUDITED

(Rupees in '000)

| Note  | Six months period ended |                | Three months period ended |                 |               |
|---|-------------------------|----------------|---------------------------|-----------------|---------------|
|   | June 30, 2018           | June 30, 2017  | June 30, 2018             | June 30, 2017   |               |
| Net insurance premium   | 19                      | 645,271        | 543,534                   | 352,162         | 296,949       |
| Net insurance claims  | 20                      | (266,388)      | (229,117)                 | (150,186)       | (132,067)     |
| Net commission  | 21                      | (123,522)      | (98,941)                  | (74,832)        | (58,059)      |
| Insurance claims and acquisition expenses                                     |                         | (389,910)      | (328,058)                 | (225,018)       | (190,126)     |
| Management expenses   |                         | (93,638)       | (84,730)                  | (53,762)        | (52,242)      |
| Underwriting results  |                         | 161,723        | 130,746                   | 73,382          | 54,581        |
| Investment income / (loss)  | 22                      | 40,018         | 10,402                    | (12,268)        | (8,281)       |
| Rental income   |                         | 3,076          | 4,294                     | 1,509           | 2,146         |
| Other income  |                         | 1,591          | 2,122                     | 5               | 1,559         |
| Other expenses  |                         | (56,615)       | (47,103)                  | (30,944)        | (23,333)      |
| <b>Profit before tax from General Insurance Operations</b>                    |                         | <b>149,793</b> | <b>100,461</b>            | <b>31,684</b>   | <b>26,672</b> |
| Loss before tax from Window Takaful Operations                                |                         | (776)          | -                         | (776)           | -             |
| <b>Profit before tax</b>  |                         | <b>149,017</b> | <b>100,461</b>            | <b>30,908</b>   | <b>26,672</b> |
| Income tax expense  |                         | (38,225)       | (20,110)                  | (30,568)        | (9,110)       |
| <b>Profit after taxation</b>  |                         | <b>110,792</b> | <b>80,351</b>             | <b>340</b>      | <b>17,562</b> |
| <b>Other comprehensive income</b>   |                         |                |                           |                 |               |
| <b>Items that may be reclassified subsequently to profit and loss account</b> |                         |                |                           |                 |               |
| Unrealized gain on available for sale investments                             |                         | 14,464         | 6,988                     | (28,954)        | 35,508        |
| <b>Total comprehensive income for the period</b>                              |                         | <b>125,256</b> | <b>87,339</b>             | <b>(28,614)</b> | <b>53,070</b> |
| <b>Earnings per share basic and diluted</b>                                   |                         |                |                           |                 |               |
|   | 23                      | 1.82           | 1.32                      | 0.01            | 0.29          |

The annexed notes from 1 to 28 form an integral part of these condensed interim financial information.

 CHAIRMAN  
 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER  
 DIRECTOR  
 DIRECTOR  
 CHIEF FINANCIAL OFFICER

Karachi : August 29, 2018

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018 - UNAUDITED

(Rupees in '000)

|  | Share capital<br>Issued<br>subscribed<br>and paid-up | Reserves           |  | Total<br>Reserves | Unappropriated<br>profit | Total     |
|--|--|--------------------|--|-------------------|--------------------------|-----------|
|  |  | General<br>Reserve | Unrealized gain<br>on available for<br>sale investment |                   |                          |           |
| <b>Balance as at January 01, 2017 (as reported)</b>                  | 508,151  | 200,000            | -  | 200,000           | 273,554                  | 981,705   |
| Effect of changes in accounting policy (note 5.2.1)                  | -  | -                  | (3,206)  | (3,206)           | 6,756                    | 3,550     |
| <b>Balance as at January 01, 2017 (restated)</b>                     | 508,151  | 200,000            | (3,206)  | 196,794           | 280,310                  | 985,255   |
| <b>Total comprehensive income for the period</b>                     |  |                    |  |                   |                          |           |
| Profit for the period  |  |                    |  |                   |                          |           |
| Unrealized gain on available for sale investments                    | -  | -                  | -  | -                 | 80,351                   | 80,351    |
| <b>Total comprehensive income for the period ended June 30, 2017</b> | -  | -                  | 6,988  | 6,988             | -                        | 6,988     |
| <b>Balance as at June 30, 2017 (Restated)</b>                        | 508,151  | 200,000            | 3,782  | 203,782           | 360,661                  | 1,072,594 |
| <b>Balance as at January 01, 2018 (as reported)</b>                  | 609,782  | 200,000            | -  | 200,000           | 240,500                  | 1,050,282 |
| Effect of changes in accounting policy (note 5.2.1)                  | -  | -                  | (11,148)   | (11,148)          | 8,118                    | (3,030)   |
| <b>Balance as at January 01, 2018 (restated)</b>                     | 609,782  | 200,000            | (11,148)   | 188,852           | 248,618                  | 1,047,252 |
| <b>Total comprehensive income for the period</b>                     |  |                    |  |                   |                          |           |
| Profit for the period  | -  | -                  | -  | -                 | 110,792                  | 110,792   |
| Unrealized gain on available for sale investments                    | -  | -                  | 14,464   | 14,464            | -                        | 14,464    |
| <b>Total comprehensive income for the period ended June 30, 2018</b> | -  | -                  | 14,464   | 14,464            | 110,792                  | 125,256   |
| <b>Balance as at June 30, 2018</b>                                   | 609,782  | 200,000            | 3,316  | 203,316           | 359,410                  | 1,172,508 |

The annexed notes from 1 to 28 form an integral part of these condensed interim financial information.

 CHAIRMAN  
 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER  
 DIRECTOR  
 DIRECTOR  
 CHIEF FINANCIAL OFFICER






Karachi : August 29, 2018

## CONDENSED INTERIM STATEMENT OF CASH FLOWS FORM GC

**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018 - UNAUDITED**

|   | (Rupees in '000) |                  |
|---|------------------|------------------|
|   | June 30,<br>2018 | June 30,<br>2017 |
| <b>OPERATING ACTIVITIES</b>                           |                  |                  |
| <b>(a) Underwriting activities</b>                    |                  |                  |
| Insurance premium received                            | 1,346,088        | 1,289,579        |
| Reinsurance premium paid                              | (812,085)        | (775,197)        |
| Claims paid   | (321,650)        | (359,756)        |
| Reinsurance and other recoveries received             | 89,127           | 134,969          |
| Commission paid                                       | (280,462)        | (209,979)        |
| Commission received                                   | 135,176          | 119,284          |
| Underwriting payments                                 | (127,426)        | (141,319)        |
| <b>Net cash inflows from underwriting activities</b>  | <b>28,768</b>    | <b>57,580</b>    |
| <b>(b) Other operating activities</b>                 |                  |                  |
| Income tax paid                                       | (8,841)          | (9,580)          |
| Other operating payments                              | (110,235)        | (37,751)         |
| <b>Net cash used in other operating activities</b>    | <b>(119,076)</b> | <b>(47,331)</b>  |
| <b>Total cash flow from all operating activities</b>  | <b>(90,308)</b>  | <b>10,249</b>    |
| <b>INVESTING ACTIVITIES</b>                           |                  |                  |
| Profit / return received                              | 9,857            | 8,345            |
| Dividend received                                     | 17,417           | 22,952           |
| Payment for investments                               | (71,358)         | (1,154,828)      |
| Proceeds from investments                             | 112,613          | 1,112,394        |
| Fixed capital expenditure                             | (28,957)         | (6,443)          |
| Proceeds from sale of property and equipments         | 2,700            | 2,610            |
| <b>Total cash flow from investing activities</b>      | <b>42,271</b>    | <b>(14,970)</b>  |
| <b>FINANCING ACTIVITIES</b>                           |                  |                  |
| Loan received from director                           | 3,893            | 393              |
| Loan repaid to director                               | (4,306)          | (571)            |
| <b>Total cash flow from financing activities</b>      | <b>(413)</b>     | <b>(178)</b>     |
| <b>Net cash from all activities</b>                   | <b>(48,450)</b>  | <b>(4,899)</b>   |
| Cash and cash equivalents at beginning of the period  | 90,722           | 69,663           |
| <b>Cash and cash equivalents at end of the period</b> | <b>42,272</b>    | <b>64,764</b>    |

The annexed notes from 1 to 28 form an integral part of these condensed interim financial information.

|   |   |   |   |  |
|---|---|---|---|--|
| <br>CHAIRMAN | <br>MANAGING DIRECTOR &<br>CHIEF EXECUTIVE OFFICER | <br>DIRECTOR | <br>DIRECTOR | <br>CHIEF FINANCIAL OFFICER |
|---|---|---|---|--|

Karachi : August 29, 2018

|  | (Rupees in '000) |                  |
|--|------------------|------------------|
|  | June 30,<br>2018 | June 30,<br>2017 |
| <b>Reconciliation to profit and loss account</b>   |                  |                  |
| Operating cash flows                               | (90,308)         | 10,249           |
| Depreciation expense                               | (9,645)          | (8,178)          |
| Profit on disposal of fixed assets                 | 1,587            | 1,904            |
| Investment income                                  | 6,777            | 8,345            |
| Gain / (Loss) on disposal of investment securities | 15,893           | (16,287)         |
| Dividend income                                    | 17,417           | 22,952           |
| Other income                                       | 3,081            | -                |
| Increase in assets other than cash                 | 341,118          | 324,937          |
| Decrease in operating liabilities                  | (175,128)        | (263,571)        |
| <b>Profit for the period</b>                       | <b>110,792</b>   | <b>80,351</b>    |

### Definition of cash

Cash comprises cash in hand, policy stamps, bank balances and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

Cash for the purpose of statement of cash flows consist of:

|                                    | June 30,<br>2018 | June 30,<br>2017 |
|------------------------------------|------------------|------------------|
| Cash and other equivalents         | 101              | 44               |
| Current and other accounts         | 31,171           | 23,720           |
| Deposits maturing within 12 months | 11,000           | 41,000           |
|                                    | <b>42,272</b>    | <b>64,764</b>    |

The annexed notes from 1 to 28 form an integral part of these condensed interim financial information.

|   |   |   |   |  |
|---|---|---|---|--|
| <br>CHAIRMAN | <br>MANAGING DIRECTOR &<br>CHIEF EXECUTIVE OFFICER | <br>DIRECTOR | <br>DIRECTOR | <br>CHIEF FINANCIAL OFFICER |
|---|---|---|---|--|

Karachi : August 29, 2018



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

### FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018 - UNAUDITED

#### 1. LEGAL 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, the shares of the Company are quoted on the Pakistan Stock Exchange Limited. The Company is engaged in the general insurance business and operates through 3 (2017: 3) principal offices and 24 (2017:24) branches in Pakistan.

The Company has obtained license for takaful operations on May 08, 2018. The Company has opened two bank accounts in the name of Window Takaful Operations in Summit Bank Limited Karachi and appointed Shariah Advisor for Window Takaful Operation as per resolution passed through circulation by the Board of Directors of the Company.

#### 2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 27, Regal Plaza, Jinnah Road, Quetta. The principal place of business is situated at Sarwar Shaheed Road, Lakson Square Building No. 03, 4th, Floor Karachi.

#### 3. BASIS OF PREPARATION

##### 3.1 Statement of compliance

This condensed interim financial information is unaudited but subject to the limited scope review by the auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2017 which have been prepared in accordance with approved accounting standards as applicable to insurance companies in Pakistan.

This condensed interim financial information of the Company for the six month period ended June 30, 2018 has been prepared in accordance with the requirements of the International Accounting Standard 34 – (IAS 34): Interim Financial Reporting, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012.

In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 have been followed.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2017, whereas the comparative condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the half year ended June 30, 2017.

In terms of the requirement of the Takaful Rules 2012, read with SECP circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator's fund of the General Takaful Operations of the Company have been presented as single line item in the condensed interim statement of financial position and statement of profit and loss account of the Company respectively.

#### 3.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain financial assets which are stated at fair value.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

#### 3.3 Functional and presentation currency

This condensed interim financial information has been prepared and presented in Pakistan Rupees, which is the Company's functional and presentation currency.

#### 4. USE OF ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information in conformity with the requirements of approved accounting standards as applicable in Pakistan requires management to make judgments / estimates and associated assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The judgments / estimates and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimate about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the financial statements of the Company for the year ended December 31, 2017.

#### 5. SIGNIFICANT ACCOUNTING POLICIES

5.1 The accounting policies and the methods of computation adopted by the Company in the preparation of this condensed interim financial information are same as those applied in the preparation of the preceding annual audited financials statements for the year ended December 31, 2017. During the period, the Company has changed its accounting policy with respect to subsequent measurement of available for sale securities as explained in note 5.2.1. Further, the Company has also changed its accounting policy with respect to presentation of financial statements and these financial statements have been presented in accordance with the revised format of financial statements as prescribed under the Insurance Rules, 2017 (as explained in note 5.2.2).

Amendments to certain existing standards and new standards and interpretations on approved accounting standards became effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company. During the period, the Company has changed format for preparation of its condensed interim financial information to comply with the requirements of the 'Insurance Rules, 2017' issued by SECP vide its S.R.O. 89(1)/2017 dated February 09, 2017.

## 5.2 Change in accounting policies

**5.2.1** On January 01, 2018 the Company changed its accounting policy for the valuation of the available-for-sale investments, as required by the accounting and reporting standards as applicable in Pakistan under the 'Insurance Rules, 2017' issued by Securities and Exchange Commission of Pakistan vide its S.R.O. 89(1)/2017 dated February 09, 2017. Previously, the Company's accounting policy to value available-for-sale investments at lower of cost or market value (market value being taken as lower if the reduction is other than temporary) was in accordance with of the SEC (Insurance) Rules, 2002 vide SRO 938(1) dated December 12, 2002.

The Insurance Rules, 2017 has not retained the above mentioned specific accounting requirements for the valuation of the available-for-sale investments. Consequently, this impacted the Company's accounting policy for valuation of available-for-sale investments, and now the related accounting requirements set out as per International Accounting Standard 39 dealing with the recognition and measurements of financial instruments are being followed by the Company. As per the revised accounting policy, the quoted available-for-sale investments are to be valued at market value and any unrealised gains or losses arising on subsequent to initial recognition of available-for-sale investments are taken to Other Comprehensive Income and transferred to revaluation reserves. On derecognition or impairment of available-for-sale investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to Profit and Loss Account for the period.

This change in accounting policy has been applied retrospectively in accordance with the requirement of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error' and comparatives have been restated to conform to the changed policies. The impact to each condensed interim financial information area is quantified as follows:

|   | (Rupees in '000)                               |  |  |   |
|---|--|--|--|---|
|   | Cumulative<br>effect up to<br>June 30,<br>2018 | Cumulative<br>effect up to<br>December 31,<br>2017 | Cumulative<br>effect for the<br>period ended<br>June 30,<br>2017 | Cumulative<br>effect up to<br>January 01,<br>2017 |
| <b>Effects on statement<br/>of financial position</b>                               |  |  |  |   |
| Increase / (Decrease) in<br>revaluation reserve on<br>available for sale investment | 3,316  | (11,149)   | 3,783  | (3,206)   |
| (Decrease) / Increase in<br>investment-Government securities                        | (3,971)  | 490  | 2,520  | 1,718   |
| Increase in investment-Fixed<br>Income securities                                   | -  | -  | 74   | 402   |
| Increase / (Decrease) in<br>investment-Ordinary shares                              | 7,287  | (11,639)   | 1,189  | (5,325)   |

**5.2.2** Certain changes have been made to the presentation of the condensed interim financial information which includes the following:

- Changes in the sequence of assets / liabilities in the statement of financial position;
- Discontinuation of separate statement of premiums, claims, commission and investment income, which are now presented (on aggregate basis) into the notes to the financial information (notes 19, 20, 21, 22 );
- Underwriting results in relation to various classes of business which were previously presented on the face of profit and loss account are now presented in a separate note (note 26);

**5.2.3** IAS 34 has a year-to-date approach to interim reporting and does not replicate the requirements of IAS 1 in terms of comparative information. As a consequence, it is not necessary to provide an additional balance sheet (statement of financial position) as at the beginning of the earliest comparative period presented where an entity has made a retrospective change in accounting policies and/or a retrospective reclassification.

|   | (Rupees in '000) |                            |                                   |
|---|------------------|----------------------------|-----------------------------------|
|   | Note             | June 30,<br>2018<br>Rupees | December 31,<br>2017<br>(Audited) |
| <b>6. PROPERTY AND EQUIPMENT</b>                                  |                  |                            |                                   |
| Opening balance as at   |                  | 115,775                    | 123,939                           |
| Additions during the period / year                                |                  |                            |                                   |
| Office premises   |                  | -                          | 400                               |
| Furniture and fixtures  |                  | 155                        | 2,016                             |
| Electrical fittings and equipments                                |                  | 1,064                      | 576                               |
| Computers   |                  | 286                        | 380                               |
| Office equipments   |                  | 172                        | 137                               |
| Vehicles  |                  | 27,280                     | 5,838                             |
|   |                  | <u>28,957</u>              | <u>9,347</u>                      |
| Less:   |                  |                            |                                   |
| Written down value of assets disposed<br>during the period / year |                  | (1,114)                    | (3,677)                           |
| Deprecation charge for the period / year                          |                  | (8,167)                    | (13,834)                          |
|   |                  | <u>135,451</u>             | <u>115,775</u>                    |
| <b>7. INTANGIBLE ASSETS</b>                                       |                  |                            |                                   |
| Intangible assets   | 7.1              |                            |                                   |
| Capital work in progress  |                  | 853                        | 1,004                             |
|   |                  | <u>705</u>                 | <u>705</u>                        |
| <b>7.1</b> Opening balance as at                                  |                  | <u>1,558</u>               | <u>1,709</u>                      |
| Less: Amortization charge for the period                          |                  | 1,004                      | 1,434                             |
|   |                  | <u>(151)</u>               | <u>(430)</u>                      |
|   |                  | <u>853</u>                 | <u>1,004</u>                      |



## 8. INVESTMENT PROPERTIES

Investment properties comprise of five properties having market value of Rs.204.29 million as at June 30, 2018 (December 31, 2017: Rs.204.29 million). Revaluation was carried out by the Company on March 31, 2018. The exercise was carried out by independent valuers M/s. Al-Shabaz Surveyors (Private) Limited and M/s. KHZ Associates (Private) Limited.

## 9. INVESTMENTS IN EQUITY SECURITIES

### 9.1 Investments - Held For Trading

(Rupees in '000)

|               | As at June 30, 2018             |                                  | As at Dec 31, 2017              |                                 |
|---------------|---------------------------------|----------------------------------|---------------------------------|---------------------------------|
|               | Market Value as at Dec 31, 2017 | Market Value as at June 30, 2018 | Market Value as at Dec 31, 2016 | Market Value as at Dec 31, 2017 |
| Listed shares | 48,342                          | 46,350                           | 8,659                           | 48,342                          |
| Mutual funds  | 720,559                         | 691,962                          | 119,739                         | 720,559                         |
|               | <u>768,901</u>                  | <u>738,312</u>                   | <u>128,398</u>                  | <u>768,901</u>                  |

### 9.2 Investments-Available For Sale

|                          | Carrying Value | Market Value   | Carrying Value | Market Value   |
|--------------------------|----------------|----------------|----------------|----------------|
| <b>Related Party</b>     |                |                |                |                |
| Listed shares (note 9.3) | 157,543        | 176,541        | 161,493        | 157,543        |
| <i>Others</i>            | -              | -              | -              | -              |
| Listed shares            | 1,474          | 1,404          | 3,837          | 1,474          |
|                          | <u>159,017</u> | <u>177,945</u> | <u>165,330</u> | <u>159,017</u> |
| Total equity securities  | <u>927,918</u> | <u>916,257</u> | <u>293,728</u> | <u>927,918</u> |

9.3 This represent investment in associated undertaking.

### 10. INVESTMENTS IN DEBT SECURITIES - Available for sale

|                       | Amortized Cost | Market Value   | Amortized Cost | Market Value   |
|-----------------------|----------------|----------------|----------------|----------------|
| Government Securities | 179,421        | 175,530        | 181,294        | 179,816        |
|                       | -              | -              | -              | -              |
| Total debt securities | <u>179,421</u> | <u>175,530</u> | <u>181,294</u> | <u>179,816</u> |

10.1 This represents Pakistan Investment Bonds (PIBs) and sharia compliant GOP Ijara Sukuk carrying interest ranging from 5.51% to 12% (December 31, 2017: 5.89% to 12%).

### 11. TERM DEPOSIT RECEIPT

|                                    |               |               |
|------------------------------------|---------------|---------------|
| Deposits maturing within 12 months | <u>11,000</u> | <u>75,830</u> |
|------------------------------------|---------------|---------------|

These represent Term Deposit Receipts (TDRs) in local currency carrying interest rates ranging from 3.50% to 6.00% per annum (2017: 3.50% to 6.00% per annum).

(Rupees in '000)

### 12. LOANS AND OTHER RECEIVABLES

(Unsecured - considered good)

|                           | Note | June 30, 2018 | December 31, 2017 |
|---------------------------|------|---------------|-------------------|
| Accrued investment income |      | 2,379         | 2,481             |
| Advances                  | 12.1 | 84,014        | 29,036            |
| Deposits                  |      | 6,153         | 6,037             |
| Other receivables         |      | 6,919         | 3,001             |
|                           |      | <u>99,465</u> | <u>40,555</u>     |

12.1 This represents advances in the normal course of business which do not carry any interest / mark-up.

### 13. INSURANCE / REINSURANCE RECEIVABLES

(Unsecured - considered good)

|   |                |                |
|---|----------------|----------------|
| Premium due but unpaid  | 168,488        | 95,516         |
| Less: Provision for impairment of receivables from insurance contract holders | (643)          | -              |
| Premium written off   | -              | (1,030)        |
|   | <u>167,845</u> | <u>94,486</u>  |
| Amount due from other insurers / reinsurers                                   | 97,012         | 70,742         |
|   | <u>264,857</u> | <u>165,228</u> |

### 14. PREPAYMENTS

|                                   |                |                |
|-----------------------------------|----------------|----------------|
| Prepaid reinsurance premium ceded | 584,987        | 426,632        |
| Prepaid rent                      | 950            | 1,041          |
| Others                            | 254            | 254            |
|                                   | <u>586,191</u> | <u>427,927</u> |

### CASH AND BANK

|                           |                    |               |
|---------------------------|--------------------|---------------|
| Cash and cash equivalents | 101                | 3             |
| Cash at bank              |                    |               |
| Current accounts          | 16,604             | 11,569        |
| Saving accounts           | 15.1 <u>14,567</u> | <u>3,320</u>  |
|                           | <u>31,272</u>      | <u>14,892</u> |

15.1 These include interest bearing accounts carrying interest rates ranging from 5% to 10% (December 31, 2017: 5% to 10% ) per annum.

|  |      | (Rupees in '000)        |                         |
|--|------|-------------------------|-------------------------|
| 16. RESERVES   | Note | June 30,<br>2018        | December 31,<br>2017    |
| General reserve  |      | 200,000                 | 200,000                 |
| Unrealized gain / (loss) on available<br>for sale investments                                |      | <u>3,316</u>            | <u>(11,148)</u>         |
|  |      | <u><b>203,316</b></u>   | <u><b>188,852</b></u>   |
| <b>17. OTHER CREDITORS AND ACCRUALS</b>  |      |                         |                         |
| Sundry creditors   |      | 23,874                  | 24,110                  |
| Commission payable   |      | 15,957                  | 12,168                  |
| Federal excise duty  |      | 2,741                   | 1,826                   |
| Federal insurance fee  |      | 2,315                   | 559                     |
| Workers' welfare fund  |      | 25,344                  | 22,302                  |
| Withholding tax  |      | 3,355                   | 2,417                   |
| Unclaimed dividend   |      | 31                      | 31                      |
| Due to director  | 17.1 | <u>2,634</u>            | <u>5,777</u>            |
|  |      | <u><b>76,251</b></u>    | <u><b>69,190</b></u>    |
| <b>17.1</b> The amount of loan is payable to directors which is unsecured and interest free. |      |                         |                         |
| <b>18. CONTINGENCIES AND COMMITMENTS</b>   |      |                         |                         |
| There is no contingency and commitment as at June 30, 2018 (December 31, 2017: Nil).         |      |                         |                         |
| <b>19. NET INSURANCE PREMIUM</b>   |      |                         |                         |
| Written gross premium  |      | 1,414,289               | 1,258,423               |
| Add: Unearned premium reserve - opening  |      | 754,295                 | 568,001                 |
| Less: Unearned premium reserve - closing   |      | <u>(892,361)</u>        | <u>(687,654)</u>        |
| Premium earned   |      | <u><b>1,276,223</b></u> | <u><b>1,138,770</b></u> |
| Less: Reinsurance premium ceded  |      | <u>789,301</u>          | <u>749,892</u>          |
| Add: Prepaid reinsurance<br>premium - opening  |      | <u>426,632</u>          | <u>323,669</u>          |
| Less: Prepaid reinsurance<br>premium - closing   |      | <u>(584,987)</u>        | <u>(478,325)</u>        |
| Reinsurance expense  |      | <u><b>630,952</b></u>   | <u><b>595,236</b></u>   |
|  |      | <u><b>645,271</b></u>   | <u><b>543,534</b></u>   |

|  |  | (Rupees in '000)      |                       |
|--|--|-----------------------|-----------------------|
| 20. NET INSURANCE CLAIMS EXPENSE   |  | June 30,<br>2018      | December 31,<br>2017  |
| Claims paid  |  | 321,650               | 359,756               |
| Add: Outstanding claims (including IBNR) - closing                                   |  | 660,068               | 693,452               |
| Less: Outstanding claims (including IBNR) - opening                                  |  | <u>(660,415)</u>      | <u>(544,125)</u>      |
| Claims expense   |  | <u><b>321,303</b></u> | <u><b>509,083</b></u> |
| Less: Reinsurance and other recoveries received                                      |  | <u>89,127</u>         | <u>134,969</u>        |
| Add: Reinsurance and other recoveries in respect<br>of outstanding claims - closing  |  | <u>505,815</u>        | <u>539,590</u>        |
| Less: Reinsurance and other recoveries in respect<br>of outstanding claims - opening |  | <u>(540,027)</u>      | <u>(394,593)</u>      |
| Reinsurance and other recoveries revenue   |  | <u><b>54,915</b></u>  | <u><b>279,966</b></u> |
|  |  | <u><b>266,388</b></u> | <u><b>229,117</b></u> |
| <b>21. NET COMMISSION</b>  |  |                       |                       |
| Commission paid or payable   |  | 280,462               | 209,979               |
| Add: Deferred commission expense - opening   |  | 146,599               | 129,644               |
| Less: Deferred commission expense - closing  |  | <u>(156,599)</u>      | <u>(122,296)</u>      |
| Net commission   |  | <u><b>270,462</b></u> | <u><b>217,327</b></u> |
| Less: Commission received or recoverable   |  | <u>135,176</u>        | <u>119,284</u>        |
| Add: Unearned reinsurance commission - opening                                       |  | <u>77,864</u>         | <u>86,314</u>         |
| Less: Unearned reinsurance commission - closing                                      |  | <u>(66,100)</u>       | <u>(87,212)</u>       |
| Commission from reinsurers   |  | <u><b>146,940</b></u> | <u><b>118,386</b></u> |
|  |  | <u><b>123,522</b></u> | <u><b>98,941</b></u>  |
| <b>22. INVESTMENT INCOME</b>   |  |                       |                       |
| <b>Held-for-trading</b>  |  |                       |                       |
| Gain on sale of investments  |  | 36                    | 19,940                |
| Unrealized gain / (loss) on revaluation of investments                               |  | 15,893                | (27,227)              |
| Dividend income  |  | <u>17,417</u>         | <u>22,952</u>         |
|  |  | <u><b>33,346</b></u>  | <u><b>6,665</b></u>   |
| <b>Available for sale</b>  |  |                       |                       |
| Return on government securities  |  | <u>6,103</u>          | <u>3,742</u>          |
| Return on other fixed income securities and deposits                                 |  | <u>655</u>            | <u>973</u>            |
| Amortisation of premium and discount - net   |  | <u>472</u>            | <u>(275)</u>          |
| Less: Investment related expenses  |  | <u>(558)</u>          | <u>(703)</u>          |
|  |  | <u><b>6,672</b></u>   | <u><b>3,737</b></u>   |
|  |  | <u><b>40,018</b></u>  | <u><b>10,402</b></u>  |

(Rupees in '000)

**23. EARNINGS PER SHARE - basic and diluted**

|   | Six months period ended             |                            | Three months period ended |                            |
|---|-------------------------------------|----------------------------|---------------------------|----------------------------|
|   | June 30, 2018                       | June 30, 2017              | June 30, 2018             | June 30, 2017              |
| Profit for the period                                     | <u>110,792</u>                      | <u>80,351</u>              | <u>340</u>                | <u>17,562</u>              |
|   | ----- <b>Number of shares</b> ----- |                            |                           |                            |
| Weighted average number of ordinary shares of Rs. 10 each | <u>60,978,196</u>                   | <u>Restated 60,978,196</u> | <u>60,978,196</u>         | <u>Restated 60,978,196</u> |
|   | ----- <b>Rupees</b> -----           |                            |                           |                            |
| Earnings per share  | <u>1.82</u>                         | <u>1.32</u>                | <u>0.01</u>               | <u>0.29</u>                |

**23.1** There is no dilutive effect on basic earning per share of the Company.

**24. SEGMENT REPORTING**

Following are the segment assets, liabilities, revenue and expenses of the Company:

| Segment Current Period                     | Fire and property damage  | Marine, aviation and transport | Motor   | Miscellaneous | Treaty | Total     |
|--|---------------------------|--------------------------------|---------|---------------|--------|-----------|
|  | ----- June 30, 2018 ----- |                                |         |               |        |           |
| Gross written premium                      | 459,961                   | 158,228                        | 205,213 | 590,886       | -      | 1,414,288 |
| Unearned-Opening                           | 273,841                   | 30,364                         | 94,264  | 355,826       | -      | 754,295   |
| Unearned-Closing                           | 265,869                   | 43,882                         | 109,097 | 473,513       | -      | 892,361   |
| Premium Earned                             | 467,933                   | 144,710                        | 190,380 | 473,199       | -      | 1,276,222 |
| Reinsurance-Ceded                          | 256,942                   | 62,900                         | 45,223  | 424,243       | -      | 789,308   |
| Prepaid Reinsurance-Opening                | 125,475                   | 17,361                         | 23,083  | 260,713       | -      | 426,632   |
| Prepaid Reinsurance-Closing                | 164,089                   | 14,287                         | 27,110  | 379,501       | -      | 584,987   |
| Reinsurance Expenses                       | 218,328                   | 65,974                         | 41,196  | 305,455       | -      | 630,953   |
| Net insurance premium                      | 249,606                   | 78,737                         | 149,184 | 167,744       | -      | 645,271   |
| Commission income                          | 57,470                    | 16,612                         | 7,104   | 65,753        | -      | 146,939   |
| Net underwriting income                    | 307,076                   | 95,349                         | 156,288 | 233,497       | -      | 792,210   |
| Insurance claims paid                      | 110,460                   | 33,219                         | 63,110  | 114,861       | -      | 321,650   |
| Outstanding-opening                        | 166,102                   | 30,559                         | 26,028  | 437,726       | -      | 660,415   |
| Outstanding-closing                        | 166,864                   | 29,220                         | 37,268  | 426,716       | -      | 660,068   |
| Insurance claims expenses                  | 111,222                   | 31,880                         | 74,350  | 103,851       | -      | 321,303   |
| Reinsurance Recoveries Received            | 46,142                    | 10,946                         | 6,902   | 25,137        | -      | 89,127    |
| Recovery-opening                           | 103,652                   | 15,180                         | 15,087  | 406,109       | -      | 540,028   |
| Recovery-closing                           | 87,003                    | 13,605                         | 14,294  | 390,913       | -      | 505,815   |
| Insurance claims recovered from reinsurers | 29,493                    | 9,371                          | 6,109   | 9,941         | -      | 54,914    |
| Net claims                                 | 81,728                    | 22,509                         | 68,241  | 93,910        | -      | 266,388   |
| Commission expense                         | 124,179                   | 31,917                         | 41,414  | 72,952        | -      | 270,462   |
| Management expense                         | 36,093                    | 11,718                         | 21,572  | 24,255        | -      | 93,638    |
| Premium deficiency expense                 | -                         | -                              | -       | -             | -      | -         |
| Net insurance claims and expenses          | 242,000                   | 66,144                         | 131,227 | 191,117       | -      | 630,488   |
| Underwriting results                       | 65,076                    | 29,205                         | 25,062  | 42,380        | -      | 161,723   |
| Net investment income                      | -                         | -                              | -       | -             | -      | 40,018    |
| Rental income                              | -                         | -                              | -       | -             | -      | 3,076     |
| General and Admin expenses                 | -                         | -                              | -       | -             | -      | (56,615)  |
| Other income                               | -                         | -                              | -       | -             | -      | 1,591     |
| Profit before tax                          | -                         | -                              | -       | -             | -      | 149,793   |
| Segment Assets                             | 505,601                   | 173,929                        | 225,576 | 649,519       | -      | 1,554,626 |
| Unallocated Assets                         | -                         | -                              | -       | -             | -      | 1,381,140 |
|  | -                         | -                              | -       | -             | -      | 2,935,766 |
| Segment Liabilities                        | 590,323                   | 203,073                        | 263,375 | 758,355       | -      | 1,815,126 |
| Unallocated Liabilities                    | -                         | -                              | -       | -             | -      | (1,388)   |
|  | -                         | -                              | -       | -             | -      | 1,813,743 |

(Rupees in '000)

| Segment Prior Period                       | Fire and property damage  | Marine, aviation and transport | Motor   | Miscellaneous | Treaty | Total     |
|--|---------------------------|--------------------------------|---------|---------------|--------|-----------|
|  | ----- June 30, 2017 ----- |                                |         |               |        |           |
| Gross written premium                      | 406,641                   | 135,732                        | 148,683 | 567,367       | -      | 1,258,423 |
| Unearned-Opening                           | 212,780                   | 33,742                         | 62,073  | 259,406       | -      | 568,001   |
| Unearned-Closing                           | 189,236                   | 30,792                         | 61,260  | 406,366       | -      | 687,654   |
| Premium Earned                             | 430,185                   | 138,682                        | 149,496 | 420,407       | -      | 1,138,770 |
| Reinsurance-Ceded                          | 207,649                   | 58,521                         | 43,836  | 439,886       | -      | 749,892   |
| Prepaid Reinsurance-Opening                | 139,035                   | 20,688                         | 12,012  | 151,934       | -      | 323,669   |
| Prepaid Reinsurance-Closing                | 120,134                   | 8,985                          | 25,701  | 323,505       | -      | 478,325   |
| Reinsurance Expenses                       | 226,550                   | 70,224                         | 30,147  | 268,315       | -      | 595,233   |
| Net insurance premium                      | 203,635                   | 68,458                         | 119,349 | 152,092       | -      | 543,534   |
| Commission income                          | 53,199                    | 19,101                         | 5,557   | 40,530        | -      | 118,387   |
| Net underwriting income                    | 256,834                   | 87,559                         | 124,905 | 192,622       | -      | 661,921   |
| Insurance claims paid                      | 145,287                   | 30,799                         | 66,801  | 116,869       | -      | 359,756   |
| Outstanding-opening                        | 345,907                   | 21,239                         | 28,846  | 148,133       | -      | 544,125   |
| Outstanding-closing                        | 286,662                   | 24,018                         | 31,671  | 351,101       | -      | 693,452   |
| Insurance claims expenses                  | 86,042                    | 33,578                         | 69,626  | 319,837       | -      | 509,083   |
| Reinsurance Recoveries Received            | 79,667                    | 9,588                          | 7,318   | 38,396        | -      | 134,969   |
| Recovery-opening                           | 293,360                   | 4,923                          | 4,044   | 92,266        | -      | 394,593   |
| Recovery-closing                           | 223,526                   | 7,140                          | 5,941   | 302,983       | -      | 539,591   |
| Insurance claims recovered from reinsurers | 9,833                     | 11,805                         | 9,215   | 249,113       | -      | 279,966   |
| Net claims                                 | 76,209                    | 21,773                         | 60,411  | 70,724        | -      | 229,117   |
| Commission expense                         | 94,757                    | 31,644                         | 25,047  | 65,880        | -      | 217,328   |
| Management expense                         | 31,660                    | 10,822                         | 18,630  | 23,618        | -      | 84,730    |
| Premium deficiency expense                 | -                         | -                              | -       | -             | -      | -         |
| Net insurance claims and expenses          | 202,626                   | 64,239                         | 104,088 | 160,222       | -      | 531,175   |
| Underwriting results                       | 54,208                    | 23,320                         | 20,818  | 32,400        | -      | 130,746   |
| Net investment income                      | -                         | -                              | -       | -             | -      | 10,402    |
| Rental income                              | -                         | -                              | -       | -             | -      | 4,294     |
| General and Admin expenses                 | -                         | -                              | -       | -             | -      | (47,103)  |
| Other income                               | -                         | -                              | -       | -             | -      | 2,122     |
| Profit before tax                          | -                         | -                              | -       | -             | -      | 100,461   |
| Segment Assets                             | 421,777                   | 140,784                        | 154,217 | 588,485       | -      | 1,305,263 |
| Unallocated Assets                         | -                         | -                              | -       | -             | -      | 1,374,267 |
|  | -                         | -                              | -       | -             | -      | 2,679,530 |
| Segment Liabilities                        | 526,665                   | 174,459                        | 191,106 | 729,249       | -      | 1,617,479 |
| Unallocated Liabilities                    | -                         | -                              | -       | -             | -      | -         |
|  | -                         | -                              | -       | -             | -      | 1,617,479 |

**24.1** Management has allocated indirect management expenses to underwriting business on the basis of net premium revenue under individual business as per the stated accounting policy of the Company.

**25. 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 except for compensation to key management personnel which is carried out on basis of employment terms and conditions. The transactions with related parties are as follows:



(Rupees in '000)

## 26.4 Valuation techniques

### Investments at fair value through profit or loss - held for trading

Subsequent to initial recognition, these investments are remeasured at fair value using stock exchange quotation rates in respect of investment in shares of listed companies and on the basis of closing NAV in respect of investment in units of mutual funds.

## 27. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison. Significant reclassifications for purposes of correct presentation, are as under:

| Reclassification from components              | Reclassification to components    |         |
|---|-----------------------------------|---------|
| Office premises                               | Property and equipment            | 52,965  |
| Furniture and fixtures                        | Property and equipment            | 13,570  |
| Electrical fittings and equipments            | Property and equipment            | 12,192  |
| Computers                                     | Property and equipment            | 1,354   |
| Office equipments                             | Property and equipment            | 2,459   |
| Vehicles                                      | Property and equipment            | 52,911  |
| Cash and Bank-Term Deposit                    | Investments                       | 11,000  |
| Accrued investment income                     | Loans and other receivables       | 2,379   |
| Other receivables                             | Loans and other receivables       | 6,919   |
| Amount due from other insurers and reinsurers | Insurance/Reinsurance receivables | 97,013  |
| Premium but unpaid                            | Insurance/Reinsurance receivables | 167,844 |
| General reserve                               | Reserves                          | 200,000 |
| Amount due to other insurers and reinsurers   | Insurance / reinsurance payables  | 18,678  |
| Sundry creditors                              | Other creditors and accruals      | 23,874  |
| Commission payable                            | Other creditors and accruals      | 15,957  |
| Federal excise duty                           | Other creditors and accruals      | 2,741   |
| Federal insurance fee                         | Other creditors and accruals      | 2,315   |
| Workers' welfare fund                         | Other creditors and accruals      | 25,343  |
| Withholding tax                               | Other creditors and accruals      | 3,355   |
| Unclaimed dividend                            | Other creditors and accruals      | 31      |
| Due to director                               | Other creditors and accruals      | 2,634   |

## 28 GENERAL

28.1 This condensed interim financial information was authorised for issue in the Board of Directors meeting of the company held on August 29, 2018.

28.2 The figures for the quarter and six month period ended June 30, 2018 have been rounded off to the nearest Rupee.

 CHAIRMAN  
 MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER  
 DIRECTOR  
 DIRECTOR  
 CHIEF FINANCIAL OFFICER

Karachi : August 29, 2018

# FINANCIALS OF WINDOW TAKAFUL OPERATIONS

## REVIEW REPORT TO THE MEMBERS ON WINDOW TAKAFUL OPERATIONS

### Introduction

We have reviewed the accompanying

- (i) condensed interim statement of financial position;
- (ii) condensed interim statement of comprehensive income;
- (iii) condensed interim statement of changes in fund; and
- (iv) condensed interim statement of cash flows;

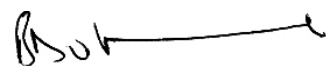
together with the explanatory notes of EAST WEST INSURANCE COMPANY LIMITED (WINDOW TAKAFUL OPERATIONS) (“the Operator”) for the period from May 08, 2018 to June 30, 2018 (here-in-after referred to as the “condensed interim financial information”). Management is responsible for the preparation and presentation of this 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 this condensed interim financial information based on our review.

### Scope of review

We conducted our review in accordance with the International Standards on Review Engagements 2410, “Review of Interim financial information performed by the Independent Auditor of the Entity”. A review condensed of 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 the International Standard 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 condensed interim financial reporting.



**BDO Ebrahim & Co.**  
Chartered Accountants  
Engagement partner: Zulfikar Ali Causer

Karachi : August 29, 2018

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - WINDOW TAKAFUL OPERATIONS

AS AT JUNE 30, 2018

| Note   | (Rupees in '000)<br>(Unaudited) |  |               |
|--|---------------------------------|--|---------------|
|  | Operators'<br>Fund              | June 30, 2018<br>Participants'<br>Takaful Fund | Aggregate     |
| <b>ASSETS</b>                                  |                                 |  |               |
|  | 41                              | 500  | 541           |
| Current and other accounts                     |                                 |  |               |
| Deposits maturing in 12 months                 | 50,000                          | -  | 50,000        |
|  | 50,041                          | 500  | 50,541        |
| Accrued investment income                      | 7                               |  | 7             |
| Taxation - payments less provision             | 3                               | -  | 3             |
| Sundry receivables                             | 487                             | 13   | 500           |
|  | 497                             | 13   | 510           |
| <b>TOTAL ASSETS</b>                            | <b>50,538</b>                   | <b>513</b>                                     | <b>51,051</b> |
| <b>FUND AND LIABILITIES</b>                    |                                 |  |               |
| <b>Operators' Fund</b>                         |                                 |  |               |
| Statuary Fund                                  | 50,000                          | -  | 50,000        |
| Accumulated loss                               | (776)                           | -  | (776)         |
|  | 49,224                          | -  | 49,224        |
| <b>Participants' Takaful Fund</b>              |                                 |  |               |
| Cede money                                     | -                               | 500  | 500           |
|  | -                               | 500  | 500           |
| <b>Creditors and accruals</b>                  |                                 |  |               |
| Contribution received in advance               | -                               | 13   | 13            |
| Accrued expenses                               | 54                              |  | 54            |
| Payable to East West Insurance Company Limited | 1,260                           | -  | 1,260         |
|  | 1,314                           | 13   | 1,327         |
| <b>TOTAL FUND AND LIABILITIES</b>              | <b>50,538</b>                   | <b>513</b>                                     | <b>51,051</b> |

CONTINGENCIES AND COMMITMENTS 4

The annexed notes from 1 to 6 form an integral part of this condensed interim financial information.

|   |   |   |   |  |
|---|---|---|---|--|
| <br>CHAIRMAN | <br>MANAGING DIRECTOR &<br>CHIEF EXECUTIVE OFFICER | <br>DIRECTOR | <br>DIRECTOR | <br>CHIEF FINANCIAL OFFICER |
|---|---|---|---|--|

Karachi : August 29, 2018



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME-WINDOW TAKAFUL OPERATIONS

FOR THE PERIOD FROM MAY 08, 2018 TO JUNE 30, 2018- UNAUDITED

(Rupees in '000)

For the period  
from  
May 08 2018 to  
June 30, 2018

|  |                     |
|--|---------------------|
| Revenue Account                                |                     |
| <b>Operators' Fund</b>                         |                     |
| Management expenses                            | (705)               |
| Investment income                              | 38                  |
| General and administrative expenses            | (109)               |
|  | <u>(71)</u>         |
| <b>Loss for the period</b>                     | <u>(776)</u>        |
| Other comprehensive income                     | -                   |
| <b>Total comprehensive loss for the period</b> | <u><u>(776)</u></u> |

The annexed notes from 1 to 6 form an integral part of this condensed interim financial information.

 CHAIRMAN  
 MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER  
 DIRECTOR  
 DIRECTOR  
 CHIEF FINANCIAL OFFICER

Karachi : August 29, 2018




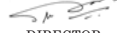

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY-WINDOW TAKAFUL OPERATIONS

FOR THE PERIOD FROM MAY 08, 2018 TO JUNE 30, 2018 - UNAUDITED

(Rupees in '000)

|                                    | Operators Fund        |                  |               |
|------------------------------------|-----------------------|------------------|---------------|
|                                    | Statutory Fund        | Accumulated Loss | Total         |
| Contribution made during the year  | 50,000                | -                | 50,000        |
| Loss for the period                | -                     | (776)            | (776)         |
| <b>Balance as at June 30, 2018</b> | <u>50,000</u>         | <u>(776)</u>     | <u>49,224</u> |
|                                    | Participants' Takaful |                  |               |
|                                    | Cede Money            | Accumulated Loss | Total         |
| Cede money                         | 500                   | -                | 500           |
| Loss for the period                | -                     | -                | -             |
| <b>Balance as at June 30, 2018</b> | <u>500</u>            | <u>-</u>         | <u>500</u>    |

The annexed notes from 1 to 6 form an integral part of this condensed interim financial information.

 CHAIRMAN  
 MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER  
 DIRECTOR  
 DIRECTOR  
 CHIEF FINANCIAL OFFICER

Karachi : August 29, 2018

## CONDENSED INTERIM STATEMENT OF CASH FLOWS-WINDOW TAKAFUL OPERATIONS

FOR THE PERIOD FROM MAY 08, 2018 TO JUNE 30, 2018 - UNAUDITED

(Rupees in '000)

|   | For the period from May 08, 2018 to June 30, 2018 |                            |               |
|---|---|----------------------------|---------------|
|   | Operators' Fund                                   | Participants' Takaful Fund | Aggregate     |
| <b>OPERATING ACTIVITIES</b>                           |   |                            |               |
| <b>Underwriting activities:-</b>                      |   |                            |               |
| Management Expenses                                   | (705)   | -                          | (705)         |
| Net cash used in underwriting activities              | (705)   | -                          | (705)         |
| Other operating activities                            |   |                            |               |
| General and administrative expenses                   | (55)  | -                          | (55)          |
| Other operating payments                              | (510)   | -                          | (510)         |
| Other operating receipts                              | 1,273   | -                          | 1,273         |
| Net cash inflows from other operating activities      | 708   | -                          | 708           |
| Total cash inflow from all operating activities       | 3   | -                          | 3             |
| <b>INVESTING ACTIVITIES</b>                           |   |                            |               |
| Profit received                                       | 38  | -                          | 38            |
| Total cash inflow from investing activities           | 38  | -                          | 38            |
| <b>FINANCING ACTIVITIES</b>                           |   |                            |               |
| Contribution to the Operator's Fund                   | 50,000  | -                          | 50,000        |
| Cede Money  | -   | 500                        | 500           |
| Total cash generated from financing activities        | 50,000  | 500                        | 50,000        |
| Net cash inflow from all activities                   | 50,041  | 500                        | 50,541        |
| Cash and cash equivalents at beginning of the period  | -   | -                          | -             |
| <b>Cash and cash equivalents at end of the period</b> | <b>50,041</b>                                     | <b>500</b>                 | <b>50,541</b> |
| <b>Reconciliation to profit and loss account</b>      |   |                            |               |
| Operating cash flows                                  | 3   | -                          | 3             |
| Profit on deposits                                    | 38  | -                          | 38            |
| Increase in assets other than cash                    | 510   | -                          | 510           |
| Increase / (decrease) in liabilities                  | (1,327)   | -                          | (1,327)       |
| <b>Loss for the period</b>                            | <b>(776)</b>                                      | <b>-</b>                   | <b>(776)</b>  |
| <b>Attributed to</b>                                  |   |                            |               |
| Operators' Fund                                       | (776)   | -                          | (776)         |
| Participants' Takaful Fund                            | -   | -                          | -             |
|   | (776)   | -                          | (776)         |
|   | (776)   | -                          | (776)         |

### Definition of cash

Cash comprises of cash in hand, bank balances and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

The annexed notes from 1 to 6 form an integral part of this condensed interim financial information.

 CHAIRMAN  
 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER  
 DIRECTOR  
 DIRECTOR  
 CHIEF FINANCIAL OFFICER

Karachi : August 29, 2018

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE PERIOD FROM MAY 08, 2018 TO JUNE 30, 2018 - UNAUDITED

### 1. STATUS AND NATURE OF BUSINESS

East West Insurance Company Limited (the Operator) has been allowed to undertake Window Takaful Operations (WTO) on May 08, 2018 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

For the purpose of carrying on the Takaful business, the Operator has formed a Participants' Takaful Fund (PTF) on April 06, 2018 under the Waqf deed. The Waqf deed governs the relationship of Operator and participants for management of takaful operations.

### 2. BASIS OF PREPARATION

#### 2.1 Basis of measurement

This condensed interim financial information have been prepared in line with the format issued by the SECP through Insurance Rules, 2017, and SECP circular no 25 of 2015 dated July 09, 2015.

This condensed interim financial information reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.

This condensed interim financial information has been prepared under the historical cost basis.

#### 2.2 Statement of compliance

This condensed interim financial information of the WTO for the period from May 08, 2018 to June 30, 2018 have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'International Financial Reporting', provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and SECP Takaful Rules, 2012. In case where requirements differ, the provisions or directives of the Companies Act, 2017, Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2017 and SECP Takaful Rules, 2012 have been followed.

#### 2.3 Functional and presentation currency

This condensed interim financial information has been prepared and presented in Pakistan Rupees, which is the Company's functional and presentation currency.

### 3. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below:

#### 3.1 Contribution

For all the takaful contracts, Contributions including administrative surcharge received / receivable under a takaful policy will be recognised as written at the time of issuance of policy. Where Contributions for a policy are payable in installments,

full Contribution for the duration of the policy will be recognised as written at the inception of the policy and related assets set up for Contributions receivable at a later date. Contributions are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on Contributions.

### 3.2 Claims

Claims will be charged to PTF income as incurred based on estimated liability for compensation owed under the takaful contracts. It will include claims handling costs that will directly be related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

### 3.3 Commission

#### 3.3.1 Commission expense

Commission expenses incurred in obtaining and recording policies will be deferred and recognised as an expense in accordance with pattern of recognition of contribution revenue by applying the 1/24th method.

### 3.4. Wakala fees

The Operator manages the general takaful operations for the participants and will charge 25% for Fire and Property, 35% for Marine, Aviation and Transport, 35% for Motor, 25% for Miscellaneous, of gross contribution will be written including administrative surcharge as wakala fee against the services.

Wakala fee will be recognised on the same basis as the related revenue will be recognised. Unexpired portion of wakala fee will be recognized as a liability of OPF and an asset of PTF.

### 3.5 Revenue recognition

#### 3.5.1 Participants' takaful fund

##### 3.5.1.1 Contribution

The revenue recognition policy for Contributions is given under note 3.1.

#### 3.5.2 Operators' fund

The revenue recognition policy for wakala fee is given under note 3.4

#### 3.5.3 Participants' takaful fund / Operators' fund

##### 3.5.3.1 Investment Income

Return on investments, profit on profit and loss sharing accounts and bank deposits are recognised on accrual basis.

### 3.6 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and or services received, whether or not billed to the Company.

Provisions will be recognised when the Company has a legal or constructive obligation as a result of a past event and it will be probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, during the current period there was no provision created.

### 3.7 Receivables and payables related to takaful contracts

Receivables and payables related to insurance contracts will be recognised when due at cost at fair value of the consideration to be given less provision for impairment, if any. However, we did not issue any Takaful contracts during the current period.

### 3.8 Expenses of management

Expenses of management have been allocated to various revenue accounts on equitable basis.

### 3.9 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include cash at bank in current and saving accounts, cash and stamps in hand and bank deposits.

## 4. CONTINGENCIES AND COMMITMENTS

There is no contingency and commitment as at June 30, 2018.

## 5. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on 29th August, 2018 by the Board of Directors of the Company.

## 6. GENERAL

Being the first financial statements of Window Takaful Operations there were no comparative figures to report.

All figures have been rounded off to the nearest rupee unless otherwise stated.

 CHAIRMAN  
 MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER  
 DIRECTOR  
 DIRECTOR  
 CHIEF FINANCIAL OFFICER

Karachi : August 29, 2018

## PATTERN OF SHAREHOLDINGS

### PATTERN OF SHAREHOLDINGS AS AT JUNE 30, 2018

| Number of Shareholders | From      | Shareholding To | Total Shares Held | Percentage      |
|------------------------|-----------|-----------------|-------------------|-----------------|
| 14                     | 1         | 100             | 1,096             | 0.0018          |
| 175                    | 101       | 200             | 24,869            | 0.0408          |
| 3                      | 201       | 800             | 1,220             | 0.0020          |
| 5                      | 1,001     | 3,000           | 9,721             | 0.0159          |
| 2                      | 3,001     | 9,000           | 12,319            | 0.0202          |
| 1                      | 10,001    | 11,000          | 10,800            | 0.0177          |
| 4                      | 11,001    | 12,000          | 46,563            | 0.0764          |
| 3                      | 12,001    | 13,000          | 36,612            | 0.0600          |
| 5                      | 13,001    | 14,000          | 67,856            | 0.1113          |
| 2                      | 14,001    | 15,000          | 28,700            | 0.0471          |
| 3                      | 15,001    | 17,000          | 48,780            | 0.0800          |
| 4                      | 17,001    | 18,000          | 70,058            | 0.1149          |
| 1                      | 18,001    | 19,000          | 18,528            | 0.0304          |
| 1                      | 20,001    | 21,000          | 20,310            | 0.0333          |
| 4                      | 21,001    | 25,000          | 98,559            | 0.1616          |
| 1                      | 25,001    | 26,000          | 25,116            | 0.0412          |
| 3                      | 26,001    | 28,000          | 82,513            | 0.1353          |
| 1                      | 28,001    | 29,000          | 28,893            | 0.0474          |
| 1                      | 29,001    | 30,000          | 29,690            | 0.0487          |
| 1                      | 31,001    | 32,000          | 31,058            | 0.0509          |
| 1                      | 32,001    | 34,000          | 33,784            | 0.0554          |
| 1                      | 34,001    | 35,000          | 34,416            | 0.0564          |
| 2                      | 35,001    | 36,000          | 71,426            | 0.1171          |
| 1                      | 73,001    | 74,000          | 73,973            | 0.1213          |
| 1                      | 99,001    | 100,000         | 990,464           | 1.6243          |
| 1                      | 1,100,001 | 1,190,000       | 1,188,459         | 1.9490          |
| 2                      | 2,000,001 | 2,500,000       | 4,464,439         | 7.3214          |
| 2                      | 2,600,001 | 2,800,000       | 5,415,464         | 8.8810          |
| 2                      | 2,900,001 | 3,000,000       | 5,844,602         | 9.5847          |
| 4                      | 3,000,001 | 4,000,000       | 13,594,338        | 22.2938         |
| 5                      | 4,000,001 | 5,000,000       | 23,447,335        | 38.4520         |
| 1                      | 5,000,001 | 5,200,000       | 5,126,237         | 8.4067          |
| <b>257</b>             |           |                 | <b>60,978,196</b> | <b>100.0000</b> |

| Categories of Shareholders   | Number     | Shares Held       | Percentage      |
|--|------------|-------------------|-----------------|
| CEO, Directors and their spouses and minor childrens                         | 14         | 39,306,237        | 64.4595         |
| Joint Stock Companies, Insurance Companies, Investment Companies & Modarabas | 1          | 3,673             | 0.0060          |
| Individual   | 242        | 21,668,286        | 35.5345         |
| Total  | <b>257</b> | <b>60,978,196</b> | <b>100.0000</b> |

#### Information as required under the Code of Corporate Governance

| Categories of Shareholders                               | No. of Shareholders | Shares Held       | Percentage      |
|--|---------------------|-------------------|-----------------|
| <b>Associated Company</b>                                |                     |                   |                 |
| M/s. East West Life Assurance Co., Ltd.                  | 1                   | 3,673             | 0.0060          |
| <b>CEO, Directors, their Spouses and Minor Childrens</b> |                     |                   |                 |
| Chief Justice (R) Mian Mahboob Ahmed                     | 1                   | 2,466             | 0.0040          |
| Javed Yunus  | 1                   | 4,711,711         | 7.7269          |
| Pervez Yunus   | 1                   | 4,657,260         | 7.6376          |
| Naved Yunus  | 1                   | 4,507,958         | 7.3927          |
| Maheen Yunus   | 1                   | 5,126,237         | 8.4067          |
| Umeed Ansari   | 1                   | 918               | 0.0015          |
| Ahsan Mahmood Alvi                                       | 1                   | 834               | 0.0014          |
| Mirza Kazim Raza   | 1                   | 758               | 0.0012          |
| Ambreen N. Yunus   | 1                   | 4,901,958         | 8.0389          |
| Rubina J. Yunus  | 1                   | 3,021,000         | 4.9542          |
| Samina P. Yunus  | 1                   | 3,044,949         | 4.9935          |
| Shamaila M. Yunus  | 1                   | 3,914,724         | 6.4199          |
| Samad M. Yunus   | 1                   | 2,667,218         | 4.3741          |
| Anum M. Yunus  | 1                   | 2,748,246         | 4.5069          |
| Individual   | 242                 | 21,668,286        | 35.5345         |
| Total  | <b>257</b>          | <b>60,978,196</b> | <b>100.0000</b> |



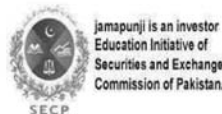
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