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BOARD OF DIRECTORS & MANAGEMENT

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

DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present their report together with un-audited Nine months Financial Statements for the period ended September 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 and 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 September 30, 2018 is as follows:

	(Rupees in '000) (Unaudited)
Profit before tax from General Insurance Operations	196,339
Loss before tax from Window Takaful Operations	(1,262)
Profit before tax	195,077
Income tax expenses	(55,225)
Profit after taxation	139,852
Other comprehensive income	99,822
Total Comprehensive income	239,674
Unappropriated profit at beginning of the year	240,500
Effect of change in accounting policy	8,118
Profit for the period	139,852
Unappropriated at the end of the period	388,470

	Sept., 30 2018	Sept., 30 2017
	----- (Unaudited) -----	
Gross premium Net	2,255,909	1,876,716
Net premium	1,048,703	819,599
Underwriting results	226,419	154,756
Investment income	47,765	16,099
Profit before tax (including Window Takaful Operations)	195,077	106,675
Profit after tax (including Window Takaful Operations)	139,852	74,415
Earnings per share - basic and diluted (Rupees)	2.29	1.22

On behalf of the Board of Directors



Naved Yunus
Managing Director & Chief Executive
Karachi: October 30, 2018

حصص یافتگان کے لیے ڈائریکٹر جائزہ رپورٹ

آپ کے بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کی ششماہی رپورٹ ۳۰ ستمبر، ۲۰۱۸ کو ختم ہونے والے سال کے لیے 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 تکافول آپریشن کے کاروبار کا آغاز کر دیا ہے

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

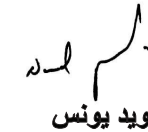
مالی پوزیشن کا منسلک عبوری بیان
جامع آمدنی کا کمپینس عبوری بیان
مساوات میں متحد بیانات کا مساوات
نقد کی بہاؤ کے کنسرسی عبوری بیان

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

۳۰ ستمبر، ۲۰۱۸ کی مدت کے لیے کمپنی کی مالی خاص بات حسب ذیل ہیں (روپے میں '000)

(غیر آڈٹ شدہ)	
۱۹۶,۳۳۹	جنرل انشورنس آپریشن ٹیکس کے پہلے منافع
(۱,۲۶۲)	ونڈو تکافول آپریشن ٹیکس سے پہلے نقصان۔
۱۹۵,۰۷۷	منافع قبل از محصول
(۵۵,۲۲۵)	آمدنی پر ٹیکس کا خرچہ
۱۳۹,۸۵۲	ٹیکس کے بعد منافع
۹۹,۸۲۲	دیگر جامع آمدنی
۲۳۹,۶۷۴	مجموعی جامع آمدنی
	فائدہ اور نقصان حصول اکاؤنٹ
۲۴۰,۵۰۰	سال کے شروع میں توازن قائم
۸,۱۱۸	اکاؤنٹنگ پالیسی میں تبدیلی کا اثر
۱۳۹,۸۵۲	اس مدت کے لیے منافع
۳۸۸,۴۷۰	مدت کے اختتام پر unappropriated متوازن

(روپے میں '000)		
۲۰۱۷ ستمبر،	۲۰۱۸ ستمبر،	
(غیر آڈٹ شدہ)		
۱,۸۷۶,۷۱۶	۲,۲۵۵,۹۰۹	مجموعی پریمیم
۸۱۹,۵۹۹	۱,۰۴۸,۷۰۳	نیٹ پریمیم
۱۵۲,۷۵۶	۲۲۶,۴۱۹	انٹرایٹنگ نتیجہ
۱۶,۰۹۹	۴۷,۷۶۵	سرمایہ کاری کی آمدنی
۱۰۶,۶۷۵	۱۹۵,۰۷۷	ٹیکس سے قبل منافع
۷۴,۴۱۵	۱۳۹,۸۵۲	اس مدت کے لیے منافع
۱.۲۲	۲.۲۹	فی شیئر آمدنی (روپے)



نویڈ یونیس
مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر



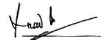


کراچی: ۳۰ اکتوبر ۲۰۱۸

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

Note	(Rupees in '000)		
	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)	
ASSETS			
Property and equipment	6	131,798	115,775
Intangible assets	7	1,483	1,709
Investment properties	8	51,106	53,097
Investments			
Equity securities	9	1,003,416	927,918
Debt securities	10	172,119	179,816
Term deposits	11	40,000	75,830
		1,215,535	1,183,564
Loans and other receivables	12	188,093	40,555
Insurance / Reinsurance receivables	13	239,397	165,228
Reinsurance recoveries against outstanding claims		507,503	540,027
Deferred commission expense		192,444	146,600
Prepayments	14	598,149	427,927
Cash and bank	15	11,326	14,892
		3,136,834	2,689,374
Total assets of General Takaful Operations - Operator's Fund		54,709	-
TOTAL ASSETS		3,191,543	2,689,374
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		609,782	609,782
Reserves	16	288,674	188,852
Unappropriated profit		388,470	248,618
TOTAL EQUITY		1,286,926	1,047,252
LIABILITIES			
Underwriting provisions			
Outstanding claims including IBNR		649,169	660,415
Unearned premium reserves		959,875	754,295
Unearned reinsurance commission		100,821	77,864
		1,709,865	1,492,574
Retirement benefit obligations		1,764	914
Deferred taxation		19,768	17,112
Premium received in advance		6,714	4,160
Insurance / reinsurance payables		31,262	15,185
Other creditors and accruals	17	59,311	69,190
Taxation - provision less payment		75,879	42,987
TOTAL LIABILITIES		1,904,563	1,642,122
Total liabilities of General Takaful Operations - Operator's Fund		54	-
TOTAL EQUITY AND LIABILITIES		3,191,543	2,689,374
CONTINGENCIES AND COMMITMENTS			
	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



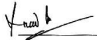


Karachi: October 30, 2018

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018 - UNAUDITED

Note	(Rupees in '000)				
	Nine months period ended		Three months period ended		
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	
Net insurance premium	19	1,048,703	819,599	403,433	276,064
Net insurance claims	20	(445,555)	(365,346)	(179,167)	(136,228)
Net commission	21	(204,090)	(162,966)	(80,568)	(64,025)
Insurance claims and acquisition expenses		(649,645)	(528,312)	(259,735)	(200,253)
Management expenses		(172,639)	(136,531)	(79,001)	(51,800)
Underwriting results		226,419	154,756	64,697	24,011
Investment income	22	47,765	16,099	7,747	5,696
Rental income		3,887	6,157	811	1,863
Other income		1,691	2,121	100	-
Other expenses		(83,423)	(72,458)	(26,808)	(25,355)
Profit before tax from General Insurance Operations		196,339	106,675	46,547	6,215
Loss before tax from Window Takaful Operations		(1,262)	-	(487)	-
Profit before tax		195,077	106,675	46,060	6,215
Income tax expense		(55,225)	(32,260)	(17,000)	(12,149)
Profit after taxation		139,852	74,415	29,060	(5,934)
Other comprehensive income					
Items that may be reclassified subsequently to profit and loss account					
Unrealized gain on available for sale investments		99,822	277	85,358	(6,711)
Total comprehensive income for the period		239,674	74,692	114,418	(12,645)
Earnings per share					
- basic and diluted	23	2.29	1.22	0.48	(0.10)

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: October 30, 2018

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018 - UNAUDITED

	(Rupees in '000)					
	Share capital Issued subscribed and paid-up	Reserves		Total Reserve	Unappropriated profit	Total
	General Reserve	Unrealized gain on available for sale investment				
Balance as at January 01, 2017 (as reported)	508,151	200,000	-	200,000	273,549	981,700
Effect of changes in accounting policy (note 5.2.1)	-	-	(3,206)	(3,206)	6,756	3,550
Balance as at January 01, 2017 (restated)	508,151	200,000	(3,206)	196,794	280,305	985,250
Total comprehensive income for the period						
Profit for the period	-	-	-	-	74,415	74,415
Unrealized gain on available for sale investments	-	-	277	277	-	277
Total comprehensive income for the period ended September 30, 2017	-	-	277	277	74,415	74,692
Balance as at September 30, 2017 (Restated)	508,151	200,000	(2,929)	197,071	354,720	1,059,942
Balance as at January 01, 2018 (as reported)	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)
Balance as at January 01, 2018 (restated)	609,782	200,000	(11,148)	188,852	248,618	1,047,252
Total comprehensive income for the period						
Profit for the period	-	-	-	-	139,852	139,852
Unrealized gain on available for sale investments	-	-	99,822	99,822	-	99,822
Total comprehensive income for the period ended September 30, 2018	-	-	99,822	99,822	139,852	239,674
Balance as at September 30, 2018	609,782	200,000	88,674	288,674	388,470	1,286,926

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

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Karachi: October 30, 2018

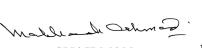

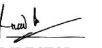
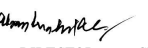

CONDENSED INTERIM STATEMENT OF CASH FLOWS FORM GC

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018 - UNAUDITED

(Rupees in '000)

	September 30, 2018	September 30, 2017
OPERATING CASH FLOWS		
(a) Underwriting activities		
Insurance premium received	2,224,031	1,905,475
Reinsurance premium paid	(1,195,633)	(1,179,007)
Claims paid	(582,432)	(621,959)
Reinsurance and other recoveries received	158,156	258,185
Commission paid	(435,639)	(317,583)
Commission received	208,661	191,491
Underwriting payments	(245,731)	(215,913)
Net cash inflows from underwriting activities	131,413	20,689
(b) Other operating activities		
Income tax paid	(19,677)	(12,686)
Other operating payments	(200,840)	2,283
Net cash used in other operating activities	(220,517)	(10,403)
Total cash flow from all operating activities	(89,104)	10,286
INVESTMENT ACTIVITIES		
Profit / return received	12,985	10,821
Dividend received	21,816	23,723
Payment for investments	(103,809)	(1,199,859)
Proceeds from investment	147,935	1,115,737
Fixed capital expenditure	(29,779)	(8,490)
Purchase of investment property	-	(4,000)
Proceeds from sale of property and equipment	2,800	2,610
Total cash flow from investing activities	51,948	(59,458)
FINANCING ACTIVITIES		
Loan received from director	8,271	7,988
Loan repaid to director	(10,511)	(571)
Total cash flow from financing activities	(2,240)	7,417
Net cash used in all activities	(39,396)	(41,755)
Cash and cash equivalents at beginning of the period	90,722	69,661
Cash and cash equivalents at end of the period	51,326	27,906

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: October 30, 2018

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018 - UNAUDITED

(Rupees in '000)

	September 30, 2018	September 30, 2017
Reconciliation to profit and loss account		
Operating cash flows	(89,104)	10,286
Depreciation expense	(14,860)	(12,503)
Profit on disposal of fixed assets	1,686	1,904
Investment income	12,985	10,821
Gain / (Loss) on disposal of investment securities	15,716	(13,075)
Dividend income	21,816	23,723
Increase in assets other than cash	451,027	341,229
Decrease in operating liabilities	(259,414)	(287,970)
Profit for the period	<u>139,852</u>	<u>74,415</u>

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:

	September 30, 2018	September 30, 2017
Cash and other equivalents	243	18
Current and other accounts	11,083	18,888
Deposits maturing within 12 months	40,000	9,000
	<u>51,326</u>	<u>27,906</u>

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

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 separate bank accounts for Window Takaful Operations in Summit Bank Limited Karachi, Dubai Islamic Bank Karachi and Bank Islami 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 nine months period ended September 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 nine months period ended September 30, 2018.

 CHAIRMAN
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Karachi: October 30, 2018

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).

(Rupees in '000)

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:

	Cumulative effect up to September 30, 2018	Cumulative effect up to December 31, 2017	Cumulative effect for the period ended September 30, 2018	Cumulative effect up to January 01, 2017
Effects on statement of financial position				
Increase / (Decrease) in revaluation reserve on available for sale investment	<u>88,674</u>	<u>(11,149)</u>	<u>85,388</u>	<u>(3,206)</u>
(Decrease) / Increase in investment-Government securities	<u>(7,829)</u>	<u>490</u>	<u>1,493</u>	<u>1,718</u>
Increase in investment-Fixed Income securities	<u>-</u>	<u>-</u>	<u>88,405</u>	<u>402</u>
Increase / (Decrease) in investment-Ordinary Shares	<u>96,502</u>	<u>(11,639)</u>	<u>(4,509)</u>	<u>(5,325)</u>

(Rupees in '000)

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.

6. PROPERTY AND EQUIPMENT	Note	September 30, 2018	December 31, 2017 (Audited)
Opening balance as at		115,776	123,939
Additions during the period / year			
Office premises		-	400
Furniture and fixtures		262	2,016
Electrical fittings and equipments		1,366	576
Computers		418	380
Office equipments		196	137
Vehicles		27,537	5,838
		29,779	9,347
Less:			
Written down value of assets disposed during the period / year		(1,114)	(3,677)
Deprecation charge for the period / year		(12,643)	(13,834)
		<u>131,798</u>	<u>115,775</u>

7. INTANGIBLE ASSETS

Intangible assets	7.1	778	1,004
Capital work in progress		705	705
		<u>1,483</u>	<u>1,709</u>
7.1 Opening balance as at		1,004	1,434
Less: Amortization charge for the period		(226)	(430)
		<u>778</u>	<u>1,004</u>

(Rupees in '000)

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

	As at Sept. 30, 2018		As at Dec 31, 2017	
	Market Value as at Dec 31, 2017	Market Value as at Sept. 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	689,905	119,739	720,559
	<u>768,901</u>	<u>736,255</u>	<u>128,398</u>	<u>768,901</u>

9.2 Investments-Available For Sale

<i>Related Party</i>	157,543	265,043	161,493	157,543
Listed shares (note 9.3)	-	-	-	-
<i>Others</i>	1,474	2,118	3,837	1,474
Listed shares	<u>159,017</u>	<u>267,161</u>	<u>165,330</u>	<u>159,017</u>
	<u>927,918</u>	<u>1,003,416</u>	<u>293,728</u>	<u>927,918</u>

Total equity securities

9.3 This represent investment in associated undertaking.

10. INVESTMENTS IN DEBT SECURITIES - Available for sale

Government Securities	<u>180,438</u>	<u>172,119</u>	<u>181,294</u>	<u>179,816</u>
	-	-	-	-
Total debt securities	<u>180,438</u>	<u>172,119</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

	September 30, 2018	December 31, 2017
Deposits maturing within 12 months	<u>40,000</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	Note	September 30, 2018	December 31, 2017
	(Unsecured - considered good)			
	Accrued investment income		3,764	2,481
	Advances	12.1	84,247	29,036
	Deposits		6,764	6,037
	Other receivables		93,318	3,001
			<u>188,093</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		129,561	95,516
	Less: Provision for impairment of receivables from insurance contract holders		(643)	-
	Premium written off		-	(1,030)
			<u>128,918</u>	<u>94,486</u>
	Amount due from other insurers / reinsurers		110,479	70,742
			<u>239,397</u>	<u>165,228</u>
14.	PREPAYMENTS			
	Prepaid reinsurance premium ceded		596,978	426,632
	Prepaid rent		917	1,041
	Others		254	254
			<u>598,149</u>	<u>427,927</u>
15.	CASH AND BANK			
	Cash and cash equivalents		243	3
	Cash at bank			
	Current accounts		6,363	11,569
	Saving accounts	15.1	4,720	3,320
			<u>11,326</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	September 30, 2018	December 31, 2017
	General reserve		200,000	200,000
	Unrealized gain / (loss) on available for sale investments		88,674	(11,148)
			<u>288,674</u>	<u>188,852</u>
17.	OTHER CREDITORS AND ACCRUALS			
	Sundry creditors		19,656	24,110
	Commission payable		-	12,168
	Federal excise duty		3,697	1,826
	Federal insurance fee		2,666	559
	Workers' welfare fund		25,343	22,302
	Withholding tax		4,400	2,417
	Unclaimed dividend		31	31
	Due to director	17.1	3,518	5,777
			<u>59,311</u>	<u>69,190</u>
17.1	The amount of loan is payable to directors which is unsecured and interest free.			
18.	CONTINGENCIES AND COMMITMENTS			
	There is no contingency and commitment as at June 30, 2018 (December 31, 2017: Nil).			
19.	NET INSURANCE PREMIUM		September 30, 2018	September 30, 2017
	Written gross premium		2,255,909	1,876,716
	Add: Unearned premium reserve - opening		754,295	568,001
	Less: Unearned premium reserve - closing		(959,875)	(730,756)
	Premium earned		<u>2,050,329</u>	<u>1,713,961</u>
	Less: Reinsurance premium ceded		1,171,972	1,161,909
	Add: Prepaid reinsurance premium - opening		426,632	323,670
	Less: Prepaid reinsurance premium - closing		(596,978)	(591,217)
	Reinsurance expense		<u>1,001,626</u>	<u>894,362</u>
			<u>1,048,703</u>	<u>819,599</u>

(Rupees in '000)

20. NET INSURANCE CLAIMS EXPENSE	September 30, 2018	September 30, 2017
Claims paid	582,432	621,959
Add: Outstanding claims (including IBNR) - closing	649,169	626,130
Less: Outstanding claims (including IBNR) - opening	(660,415)	(544,124)
Claims expense	571,186	703,965
Less: Reinsurance and other recoveries received	158,155	258,185
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	507,503	475,027
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	(540,027)	(394,593)
Reinsurance and other recoveries revenue	125,631	338,619
	<u>445,555</u>	<u>365,346</u>

21. NET COMMISSION

Commission paid or payable	435,639	317,584
Add: Deferred commission expense - opening	146,599	129,644
Less: Deferred commission expense - closing	(192,444)	(130,419)
Net commission	389,794	316,809
Less: Commission received or recoverable	208,661	191,491
Add: Unearned reinsurance commission - opening	77,864	86,315
Less: Unearned reinsurance commission - closing	(100,821)	(123,963)
Commission from reinsurers	185,704	153,843
	<u>204,090</u>	<u>162,966</u>

22. INVESTMENT INCOME

Held-for-trading		
Gain on sale of investments	(143)	10,940
Unrealized gain / (loss) on revaluation of investments	15,716	(24,015)
Dividend income	21,816	23,723
	<u>37,389</u>	<u>10,648</u>
Available for sale		
Return on government securities	9,306	5,789
Return on other fixed income securities and deposits	1,214	1,252
Amortisation of premium and discount - net	674	(377)
Less: Investment related expenses	(818)	(1,213)
	<u>10,376</u>	<u>5,451</u>
	<u>47,765</u>	<u>16,099</u>

23. EARNINGS PER SHARE - basic and diluted

(Rupees in '000)

	Nine months period ended		Three months period ended	
	Sept. 30, 2018	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Profit for the period	139,852	74,415	29,060	(5,934)
----- Rupees in ('000) -----				
----- Number of shares -----				
Weighted average number of shares of Rs. 10 each	60,978,196	60,978,196	60,978,196	60,978,196
----- Rupees -----				
Earnings per share	2.29	1.22	0.48	(0.10)

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
	September 30, 2018 ----- Rupees -----					
Gross written premium	704,527	282,475	364,638	904,269	-	2,255,909
Unearned-Opening	273,841	30,364	94,264	355,826	-	754,295
Unearned-Closing	256,455	49,139	160,223	494,058	-	959,875
Premium Earned	721,913	263,700	298,679	766,037	-	2,050,329
Reinsurance-Ceded	407,467	104,157	90,579	569,769	-	1,171,972
Prepaid Reinsurance-Opening	125,475	17,361	23,083	260,713	-	426,632
Prepaid Reinsurance-Closing	164,631	17,052	30,601	384,694	-	596,978
Reinsurance Expenses	368,311	104,466	83,061	445,788	-	1,001,626
Net insurance premium	353,602	159,234	215,618	320,249	-	1,048,703
Commission income	82,970	22,877	9,104	70,753	-	185,704
Net underwriting income	436,572	182,111	224,722	391,002	-	1,234,407
Insurance claims paid	179,935	73,744	93,366	235,387	-	582,432
Outstanding-opening	166,102	30,559	26,028	437,726	-	660,415
Outstanding-closing	160,915	34,050	24,468	429,736	-	649,169
Insurance claims expenses	174,748	77,235	91,806	227,397	-	571,186
Reinsurance Recoveries Received	71,667	21,158	10,048	55,282	-	158,155
Recovery-opening	103,651	15,180	15,087	406,109	-	540,027
Recovery-closing	87,527	13,860	14,750	391,366	-	507,503
Insurance claims recovered from reinsurers	55,543	19,838	9,711	40,539	-	125,631
Net claims	119,206	57,397	82,095	186,857	-	445,555
Commission expense	173,329	52,129	69,135	95,201	-	389,794
Management expense	58,210	26,214	35,495	52,720	-	172,639
Premium deficiency expense	-	-	-	-	-	-
Net insurance claims and expenses	350,745	135,710	186,725	334,778	-	1,007,988
Underwriting results	85,827	46,371	37,997	56,224	-	226,419
Net investment income	-	-	-	-	-	47,765
rental income	-	-	-	-	-	3,887
General and Admin expenses	-	-	-	-	-	(83,423)
Other income	-	-	-	-	-	1,691
Profit before tax	-	-	-	-	-	196,339
Segment Assets	538,507	215,911	278,712	691,182	-	1,724,312
Unallocated Assets	-	-	-	-	-	1,467,231
						<u>3,191,543</u>
Segment Liabilities	545,308	218,637	282,232	699,910	-	1,746,087
Unallocated Liabilities	-	-	-	-	-	158,476
						<u>1,904,563</u>

(Rupees in '000)

Segment Prior Period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Rupees						
Gross written premium	656,382	226,011	243,881	750,442	-	1,876,716
Unearned-Opening	212,780	33,742	62,072	259,407	-	568,000
Unearned-Closing	214,361	33,403	66,501	416,491	-	730,756
Premium Earned	654,801	226,350	239,452	593,357	-	1,713,960
Reinsurance-Ceded	360,822	130,350	103,318	567,419	-	1,161,909
Prepaid Reinsurance-Opening	139,035	20,688	12,012	151,934	-	323,670
Prepaid Reinsurance-Closing	128,829	12,570	58,779	391,038	-	591,216
Reinsurance Expenses	371,027	138,468	56,552	328,315	-	894,362
Net insurance premium	283,773	87,882	182,900	265,043	-	819,598
Commission income	68,204	31,104	6,496	48,039	-	153,843
Net underwriting income	351,977	118,986	189,396	313,082	-	973,441
Insurance claims paid	260,016	53,878	104,011	204,054	-	621,959
Outstanding-opening	345,907	21,239	28,846	148,133	-	544,124
Outstanding-closing	217,017	19,359	40,528	349,226	-	626,130
Insurance claims expenses	131,126	51,999	115,693	405,147	-	703,965
Reinsurance Recoveries Received	180,511	17,845	11,168	48,661	-	258,185
Recovery-opening	293,360	4,923	4,044	92,266	-	394,593
Recovery-closing	153,652	5,180	10,087	306,109	-	475,027
Insurance claims recovered from reinsurers	40,802	18,102	17,211	262,504	-	338,619
Net claims	90,324	33,896	98,483	142,643	-	365,346
Commission expense	150,660	42,525	34,024	89,600	-	316,809
Management expense	47,272	14,640	30,468	44,151	-	136,531
Premium deficiency expense	-	-	-	-	-	-
Net insurance claims and expenses	288,256	91,061	162,975	276,394	-	818,686
Underwriting results	63,722	27,925	26,421	36,687	-	154,756
Net investment income	-	-	-	-	-	16,099
rental income	-	-	-	-	-	6,157
General and Admin expenses	-	-	-	-	-	(72,458)
Other income	-	-	-	-	-	2,121
Profit before tax	-	-	-	-	-	106,675
Segment Assets	475,832	163,843	176,797	544,018	-	1,360,490
Unallocated Assets	-	-	-	-	-	1,345,092
						2,705,582
Segment Liabilities	523,912	180,398	194,662	598,988	-	1,497,960
Unallocated Liabilities	-	-	-	-	-	151,507
						1,649,467

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:

Nature of relationship	Nature of transaction	(Rupees in '000)	
		2018	2017
Common directorship	Investment in associated company	-	158,280
Directors and Key Management Personnel	Loan received from directors	8,271	7,988
	Loan repaid to directors	10,511	571
	Remuneration paid	9,265	9,956

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements are appropriate to their fair values except for non-trading investments. Fair value is determined on the basis of the objective evidence at each required date.

26.1 Carrying amount versus fair value

The following table compares the carrying amounts and fair values of the Company's financial assets and financial liabilities as at September 30, 2018.

The Company considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair values except for available for sale investments:

	As at September 30, 2018		(Restated) As at December 31, 2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial Assets	51,106	204,285	53,097	204,285
Investment property				
Investments				
Equity securities				
Held for trading				
Ordinary shares -listed	46,350	46,350	48,341	48,341
Mutual fund units	689,905	689,905	720,559	720,559
Available for sale				
Ordinary shares - listed	159,017	267,161	165,330	159,017
Debt securities				
Government securities	180,438	172,119	181,294	179,816
	As at September 30, 2018		(Restated) As at December 31, 2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Term deposits				
Loans and other receivables	188,093	188,093	40,555	40,555
Insurance / Reinsurance receivables	239,397	239,397	165,228	165,228
Reinsurance recoveries against outstanding claims	507,503	507,503	540,027	540,027
Deferred Commission Expense	192,444	192,444	146,600	146,600
Cash and Bank	11,326	11,326	14,892	14,892
Financial Liabilities				
Outstanding claims including IBNR	649,169	649,169	660,415	660,415
Unearned premium reserves	959,875	959,875	754,295	754,295
Unearned Reinsurance Commission	100,821	100,821	77,864	77,864
Retirement benefit obligations	1,764	1,764	914	914
Insurance / Reinsurance payables	31,262	31,262	15,185	15,185
Other Creditors and Accounts	59,311	59,311	69,190	69,190

(Rupees in '000)

26.2 Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	As at Sept. 30, 2018	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investments at fair value through profit or loss - held for trading				
Ordinary shares - Listed	46,350	46,350	-	-
Mutual funds	689,905	-	689,905	-
	As at Sept. 30, 2018	Level 1	Level 2	Level 3
Investments-Available For Sale				
Ordinary shares - Listed	267,161	267,161	-	-
Government Securities	172,119	-	172,119	-

26.3 Transfers during the period

During the period ended September 30, 2018:

- There were no transfers between Level 1 and Level 2 fair value measurements
- There were no transfers into or out of Level 3 fair value measurements

(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	in Rupees
Office premises	Property and equipment	52,286
Furniture and fixtures	Property and equipment	13,318
Electrical fittings and equipments	Property and equipment	12,170
Computers	Property and equipment	1,347
Office equipments	Property and equipment	2,418
Vehicles	Property and equipment	50,260
Cash and Bank-Term Deposit	Investments	40,000
Accrued investment income	Loans and other receivables	3,764
Other receivables	Loans and other receivables	93,318
Amount due from other insurers and reinsurers	Insurance / Reinsurance receivables	110,479
Premium but unpaid	Insurance / Reinsurance receivables	128,918
General reserve	Reserves	288,674
Amount due to other insurers and reinsurers	Insurance / reinsurance payables	31,262
Sundry creditors	Other creditors and accruals	19,656
Federal excise duty	Other creditors and accruals	3,697
Federal insurance fee	Other creditors and accruals	2,666
Workers' welfare fund	Other creditors and accruals	25,343
Withholding tax	Other creditors and accruals	4,400
Unclaimed dividend	Other creditors and accruals	31,303
Due to director	Other creditors and accruals	3,518

28 GENERAL

28.1 This condensed interim financial information was authorised for issue in the Board of Directors meeting of the Company held on October 30, 2018.

28.2 The figures for the quarter and nine months period ended September 30, 2018 have been rounded off to the nearest Rupee.

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

Karachi: October 30, 2018

FINANCIALS OF WINDOW TAKAFUL OPERATIONS

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION-WINDOW TAKAFUL OPERATIONS

AS AT SEPTEMBER 30, 2018

(Rupees in '000)

Note	September 30, 2018 (Unaudited)		
	Operator's Fund	Participants' Takaful Fund	Aggregate
ASSETS			
	52,081	499	52,580
	-	-	-
	52,081	499	52,580
	-	78	78
	-	256	256
	38	-	38
	1,108	-	1,108
7	486	-	486
5	-	4,039	4,039
6	-	970	970
	996	-	996
	2,628	5,343	7,971
TOTAL ASSETS	54,709	5,842	60,551
FUND AND LIABILITIES			
Operators' Fund			
	50,000	-	50,000
	(1,262)	138	(1,124)
	48,738	138	48,876
Participants' Takaful Fund			
	-	500	500
	-	500	500
Underwriting provisions			
	-	-	-
5	-	3,469	3,469
Creditors and accruals			
	-	-	-
6	970	-	970
	217	-	217
	9	-	9
	-	1,108	1,108
	-	627	627
	4,775	-	4,775
	5,971	1,735	7,706
TOTAL FUND AND LIABILITIES	54,709	5,842	60,551
CONTINGENCIES AND COMMITMENTS			
	-	-	-

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.

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

Karachi: October 30, 2018

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME-WINDOW TAKAFUL OPERATIONS

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

(Rupees in '000)

	Note	For the Period from May 08 to September 30		For the quarter ended	
		2018	2017	2018	2017
PTF Revenue Account					
Net contribution revenue	5	276	-	276	-
Wakala expense	6	(138)	-	(138)	-
Net claims		-	-	-	-
Direct expenses		-	-	-	-
Retakaful rebate		-	-	-	-
Takaful claims and acquisition costs		-	-	-	-
Underwriting Results		138	-	138	-
 (Deficit) / Surplus for the period		138	-	138	-
Other comprehensive income		-	-	-	-
 Total comprehensive income		138	-	138	-
OPF Revenue Account					
Wakala fee		138	-	138	-
Commission expense	7	(75)	-	(75)	-
Management expenses		(1,433)	-	(1,433)	-
		(1,370)	-	(1,370)	-
Investment income		380	-	380	-
General and Admin Expenses		(272)	-	(272)	-
		108	-	108	-
Profit for the period		(1,262)	-	(1,262)	-
Other comprehensive income		-	-	-	-
 Total comprehensive income for the period		(1,262)	-	(1,262)	-

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.

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

Karachi: October 30, 2018

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY-WINDOW TAKAFUL OPERATIONS

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

(Rupees in '000)

	Operator's Fund		
	Statutory Fund	Accumulated Loss	Total
Contribution made during the period	50,000	-	50,000
 Total comprehensive income for the period May 08, 2018 to September 30, 2018			
Loss for the period	-	(1,262)	(1,262)
Other Comprehensive income	-	-	-
	-	(1,262)	(1,262)
Balance as at 30 September 2018	50,000	(1,262)	48,738
	Participants' Takaful		
	Cede Money	Accumulated Loss	Total
Cede Money	500	-	500
 Total comprehensive income for the period May 08, 2018 to September 30, 2018			
Profit for the period	-	138	138
Other Comprehensive income	-	-	-
	-	138	138
Balance as at 30 September 2018	500	138	638

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.

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

Karachi: October 30, 2018




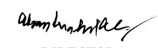

CONDENSED INTERIM STATEMENT OF CASH FLOWS-WINDOW TAKAFUL OPERATIONS

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

	(Rupees in '000)		
	June 30, 2018		
	Operators' Fund	Participants' Takaful Fund	Aggregate
Operating Cash Flows			
a) Takaful activities			
Contribution received	-	3,868	3,868
Re-takaful Contribution paid	-	(610)	(610)
Commission paid	(560)	-	(561)
Management expenses	(1,079)	-	(1,079)
Net cash generated from underwriting activities	(1,640)	3,258	1,618
b) Other operating activities:			
Other operating receipts	3,379	-	3,379
Other operating payments	-	(3,259)	-
Income tax paid	(38)	-	(38)
Net cash flow generated from / (used in) other operating activities	3,341	(3,259)	82
Total cash flow from all operating activities	1,701	(1)	1,700
Investment activities:			
Profit / return received	380	-	380
Total cash flow generated from investing activities	380	-	380
Financing activities:			
Contribution to the operators fund	50,000	-	50,000
Cede Money	-	500	500
Total cash generated from financing activities	50,000	500	50,500
Cash and cash equivalents at end of the period	52,081	499	52,480
Reconciliation to profit and loss account			
Operating cash flows	1,700	(1)	1,699
Profit on deposits	380	-	380
Increase in assets other than cash	2,628	5,343	7,971
(Increase) in liabilities	(5,971)	(5,204)	(11,175)
Income tax paid	-	-	-
Profit / (Loss) for the period	(1,262)	138	(1,124)
Attributed to			
Operators' Fund	(1,262)	-	(1,262)
Participants' Takaful Fund	-	138	138
	(1,262)	138	(1,124)
	(1,262)	138	(1,124)
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 9 form an integral part of this condensed interim financial information.

 CHAIRMAN	 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER	 DIRECTOR	 DIRECTOR	 CHIEF FINANCIAL OFFICER
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Karachi: October 30, 2018

NOTES TO THE CONDENSED INTERIM FINANCIAL REPORTS

FOR THE PERIOD FROM MAY 08, 2018 TO SEPTEMBER 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 September 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.

(Rupees in '000)

3.5.2 Operator's 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 September 30, 2018.

PATTERN OF SHAREHOLDINGS

PATTERN OF SHAREHOLDINGS AS AT SEPTEMBER 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
5	201	1,000	2,972	0.0049
3	1,001	3,000	7,969	0.0131
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	28,891	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	1,000,000	990,464	1.6243
1	750,001	1,200,000	1,188,459	1.9490
1	1,000,001	2,100,000	2,054,943	3.3700
1	2,400,001	2,500,000	2,409,496	3.9514
2	2,500,001	2,750,000	5,415,464	8.8810
3	4,000,001	3,100,000	8,976,043	14.7201
1	3,100,001	3,200,000	3,134,508	5.1404
1	3,600,001	3,700,000	3,613,665	5.9262
1	3,900,001	4,000,000	3,914,724	6.4199
1	4,000,001	4,307,958	4,307,958	7.0648
3	4,400,001	4,750,000	14,037,419	23.0204
1	4,750,001	5,000,000	4,901,958	8.0389
1	5,000,001	6,000,000	5,126,237	8.4067
257			60,978,196	100.0000

Categories of Shareholders	Number	Shares Held	Percentage
CEO, Directors and their spouses and minor childrens	14	39,106,237	64.1315
Joint Stock Companies, Insurance Companies, Investment Companies & Modarabas	1	3,673	0.0060
Individual	242	21,868,286	35.8625
Total	257	60,978,196	100.0000

Information as required under the Code of Corporate Governance

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Associated Company			
M/s. Askari Life Assurance Co., Ltd.	1	3,673	0.0060
CEO, Directors, their Spouses and Minor Children			
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	4,307,958	7.0648
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	21,868,286	35.8625
Total	257	60,978,196	100.0000

(Rupees in '000)

	For the Period from May 08 to September 30		For the quarter ended	
	2018	2017	2018	2017
5. Net Takaful Contribution				
Written Gross Contribution	3,947	-	3,947	-
Add: Unearned contribution reserve opening	-	-	-	-
Less: Unearned contribution reserve closing	(3,469)	-	(3,469)	-
Premium earned	478	-	478	-
Less: Retakaful Contribution ceded	4,241	-	4,241	-
Add: Prepaid retakaful contribution opening	-	-	-	-
Less: Prepaid retakaful contribution closing	(4,039)	-	(4,039)	-
Retakaful expense	202	-	202	-
Net takaful contribution	276	-	276	-
6. Net Wakala Fee Expense				
Gross wakala fee	1,108	-	1,108	-
Add: Deferred wakala fee opening	-	-	-	-
Less: Deferred wakala fee closing	(970)	-	(970)	-
Net wakala fee expense	138	-	138	-
7. Commission expense/Acquisition cost				
Commission paid or payable	561	-	561	-
Add: Deferred commission expense opening	-	-	-	-
Less Deferred commission expense closing	(486)	-	(486)	-
Commission expense	75	-	75	-


8. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on October 30, 2018 by the Board of Directors of the Company.

9. GENERAL

9.1 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: October 30, 2018



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