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BOARD OF DIRECTORS & MANAGEMENT

CHIEF JUSTICE (R)	Chairman
ISAN MAHBOOB AHMAD	Managing Director & Chief Executive Officer
NAVED YUNUS	Executive Director (Marketing)
JAVED YUNUS	Executive Director (Operations)
PERVEZ YUNUS	Director
MAHEEN YUNUS	Director
UMEED ANSARI	Director
AHSAN MAHMOOD ALVI	Director
FCA England & Wales	Director
ENGR. KAZIM RAZA	Director
B SC. (Engineering, UET)	
BRENDAN THOMAS O'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	Chairman
FCA England & Wales	
JAVED YUNUS	Member
UMEED ANSARI	Member
ENGR. KAZIM RAZA	Member
JOHRY LAL, FCCA	Secretary
KHALID LAW ASSOCIATES	Legal Advisor
BDO EBRAHIM & CO.	Auditors
Chartered Accountants	
AFNAN TAX CONSULTANTS	Tax Advisor
THK ASSOCIATES (PVT) LTD.	Shares Registrar
1st Floor, 40-C, Block-6,	
P.E.C.H.S., Karachi	
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 Karakuram Co. Operative Bank Ltd.

DIRECTORS' REVIEW REPORT TO THE MEMBERS

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:

- Condnsed Interm statement of financial postion;
- Condensed interim statement of comprehensive income;
- Condensed interim statement of changes in equity;
- 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

	September, 30 2018	September, 30 2017
	(Unaudited)	
Gross premium	2,255,910	1,876,716
Net premium	1,048,703	619,599
Underwriting results	228,419	154,756
Investment income	47,765	18,059
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

آپ کے بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کی ششماہی رپورٹ ۳۰ستمبر، 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 تکافل آپریشن کے کاروبار کا آغاز کردیا ہے

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

مالی پوزیشن کا منسلک عبوری بیان
جامع آمدنی کا کمڈینس عبوری بیان
مساوات میں متعدد بیانات کا مساوات
نقد کی بہاؤ کے کنسرمس 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۔
۳۰ستمبر، ۲۰۱۸ کی مدت کے لئے کمپنی کی مالی خاص بات حسب ذیل ہیں

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(روپے میں 000')

	۳۰ستمبر، ۲۰۱۸	۳۰ستمبر، ۲۰۱۷
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نوید یونس
مینیجنگ ڈائریکٹر اور چیف ایگزیکٹیو آفیسر
کراچی : ۳۰اکتوبر ۲۰۱۸

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

	Note	September 30, 2018	December 31, 2017 (Restated)
		('Rupees in '000)	
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

(Rupees in '000)

	Note	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 / (loss)	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

	Share capital	Reserves				
	Issued subscribed and paid-up	General reserve	Unrealized gain on available for sale investment	Total reserves	Unappropriated profit	Total
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						
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.

CHAIRMAN

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Director

Director

CHIEF FINANCIAL OFFICER

Karachi: October 30, 2018

CONDENSED INTERIM STATEMENT OF CASH FLOWS

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

	September 30, 2018	September 30, 2017
	(' Rupees in '000)	
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	(103,809,12)	(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

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

	September 30, 2018	September 30, 2017
	('Rupees in '000)	
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	(259,413)	(287,970)
Profit for the period	139,852	74,415

Definition of cash

Cash comprises of cash in hand, policy stamps 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.

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

Cash and other equivalents	243	18
Current and other accounts	11,083	18,888
Deposits maturing within 12 months	40,000	9,000
	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

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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 bank accounts for Window Takaful Operations in Summit Bank Limited Karachi, Dubai Islamic Bank Ltd. 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 month 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 ended September 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.

1 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:

	Cumulative effect up to September 30, 2018	Cumulative effect up to December 31, 2017	Cumulative effect for the period ended September 30, 2017	Cumulative effect up to January 01, 2017
	Rupees in thousand			
Effect on statement of financial position				
Increase / (Decrease) in revaluation reserve on available for sale investment	88,674	(11,149)	85,388	(3,206)
(Decrease) / Increase in investment -Government securities	(7,829)	490	1492,619	1,718
Increase in investment -Fixed Income securities	-	-	88,405	402
Increase / (Decrease) in investment - Ordinary Shares	96,502	(11,639)	(4,509)	(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 24);

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.

		September 30, 2018	December 31, 2017 (Audited)
		(' Rupees in '000)	
6 PROPERTY AND EQUIPMENT			
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)
		131,798	115,775
INTANGIBLE ASSETS			
Intangible assets	7.1	778	1,004
Capital work in progress		705	705
		1,483	1,709

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7.1	Opening balance as at	1,004	1,434
	Less: Amortization charge for the period	(226)	(430)
		778	1,004

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

	September 30, 2018		December 31, 2017	
	Market value as at December 31, 2017	Market value as at September 30, 2018	Market value as at December 31, 2016	Market value as at December 31, 2017
	Rupees in thousand			
Listed shares	48,341	46,350	8,659	48,341
Mutual funds	720,559	689,905	119,739	720,559
	768,901	736,255	128,398	768,901

9.2 Investments-Available For Sale

	September 30, 2018		December 31, 2017 (Restated)	
	Carrying value	Market value	Carrying value	Market value
	Rupees in thousand			
Related Party				
Listed shares (note 9.3)	157,543	265,043	161,493	157,543
Others	-	-	-	-
Listed shares	1,474	2,118	3,837	1,474
	159,017	267,161	165,330	159,017
Total equity securities	927,918	1,003,416	293,728	927,918

9.3 This represent investment in associated undertaking.

10 INVESTMENTS IN DEBT SECURITIES - Available for sale

	September 30, 2018		December 31, 2017 (Restated)	
	Amortized cost	Market value	Amortized cost	Market value
	Rupees in thousand			
Government Securities	180,438	172,119	181,294	179,816
	-	-	-	-
Total debt securities	180,438	172,119	181,294	179,816

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

	Note	September 30, 2018	December 31, 2017 (Audited)
		(Rupees in '000)	
Deposits maturing within 12 months		40,000	75,830

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).

12 LOANS AND OTHER RECEIVABLES

	Note	September 30, 2018	December 31, 2017 (Audited)
(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
		188,093	40,555

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

13 INSURANCE / REINSURANCE RECEIVABLES

	September 30, 2018	December 31, 2017 (Audited)
(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)
	128,918	94,486
Amount due from other insurers / reinsurers	110,479	70,742
	239,397	165,228

14 PREPAYMENTS

	September 30, 2018	December 31, 2017 (Audited)
Prepaid reinsurance premium ceded	596,978	426,632
Prepaid rent	917	1,041
Others	254	254
	598,149	427,927

15 CASH AND BANK

	Note	September 30, 2018	December 31, 2017 (Audited)
Cash and cash equivalents		243	3
Cash at bank			
Current accounts		6,363	11,569
Saving accounts	15.1	4,720	3,320
		11,326	14,892

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

16 RESERVES

	Note	September 30, 2018	September 30, 2017
		(Rupees in '000)	
General reserve		200,000	200,000
Unrealized gain / (loss) on available for sale investments		88,674	(11,148)
		288,674	188,852

17 OTHER CREDITORS AND ACCRUALS

	Note	September 30, 2018	September 30, 2017
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
		59,311	69,190

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 September 30, 2018 (December 31, 2017: Nil).

19 NET INSURANCE PREMIUM

	September 30, 2018	September 30, 2017
Written gross premium	2,255,910	1,876,716
Add: Unearned premium reserve - opening	754,295	568,001
Less: Unearned premium reserve - closing	(959,875)	(730,756)
Premium earned	2,050,329	1,713,961
Less: Reinsurance premium ceded	1,171,972	1,161,909
Add: Prepaid reinsurance premium - openin	426,632	323,670
Less: Prepaid reinsurance premium - closing	(596,978)	(591,217)
Reinsurance expense	1,001,626	894,362
	1,048,703	819,599

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	158,156	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	125,632	338,619
	445,555	365,346

		September 30, 2018	September 30, 2017
21	**NET COMMISSION**	('Rupees in '000)	
	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
		204,090	162,966

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
		37,389	-	10,648
	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)
		10,376		5,451
		47,765	-	16,099

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

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

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

21. SEGMENT REPORTING

(' Rupees in '000)

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					
Gross written premium	704,527	282,475	364,638	904,270	-	2,255,910
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	263,701	298,679	766,037	-	2,050,330
Reinsurance-Ceded	407,467	104,157	90,580	569,769	-	1,171,973
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	104,465	83,062	445,788	-	1,001,627
Net Insurance premium	353,601	159,235	215,617	320,249	-	1,048,703
Commission income	82,970	22,876	9,104	70,753	-	185,704
Net underwriting income	436,572	182,111	224,721	391,001	-	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	160,916	34,050	24,468	429,736	-	649,169
Insurance claims expenses	174,748	77,235	91,806	227,397	-	571,186
Reinsurance Recoveries Received	71,668	21,158	10,048	55,283	-	158,156
Recovery-opening	103,652	15,180	15,087	406,109	-	540,027
Recovery-closing	87,527	13,860	14,750	391,366	-	507,503
Insurance claims recovered from reinsuers	55,543	19,838	9,711	40,539	-	125,632
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	135,739	186,725	334,778	-	1,007,988
Underwriting results	83,827	46,373	37,996	56,223	-	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
						3,191,543
Segment Liabilities	545,308	218,637	282,232	699,910		1,746,087
Unallocated Liabilities						158,476
						1,904,563

Segment Prior Period	September 30, 2017					
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	TOTAL
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 reinsuers	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:

		Nine months period ended September 30	
	Nature of transaction	2018	2017
Nature of relationship			
	Investment in associated company	-	158,280
Common directorship			
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				
Investment property	51,9[illegible]5	[illegible]4,255	53,667	204,255
Investments				
Equity securities				
Held for trading				
Ordinary shares - listed	46,350	46,350	48,341	48,341
Mutual fund units	653,905	653,905	720,859	720,859
Available for sale				
Ordinary shares - listed	159,217	237,141	163,350	159,817
Debt securities				
Government securities	169,435	172,116	181,254	179,816

26.3

	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	158,093	158,093	40,555	40,555
Insurance/Reinsurance receivables	259,397	259,397	165,228	165,228
Reinsurance recoveries against outstanding claims	507,505	507,505	540,027	540,027
Deferred Commission Expense	152,444	152,444	145,600	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	100,521	100,521	77,864	77,864
Retirement benefit obligations	1,764	1,764	914	914
Insurance / Reinsurance Payables	31,262	31,262	15,355	15,355
Other Creditors and Accruals	59,311	59,311	69,390	69,390

26.4

27

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 September 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	-

28
28.1

	As at September 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	-

28.2

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

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 reinsurer.	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 six month 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

	Note	September 30, 2018 Operators' Fund	Participants' Takaful Fund	Aggregate
			Rupees'000	
ASSETS				
Current and other accounts		52,081	499	52,580
Deposits maturing in 12 months		-	-	-
		52,081	499	52,580
Contribution due but unpaid		-	78	78
Amount due from other takaful / retakaful operator			256	256
Taxation deducted at source		38	-	38
Wakala Fee Receivable		1,108		1,108
Deferred Commission Expense	7	486		486
Prepayments	5		4,039	4,039
Deferred Wakala Fees	6		970	970
Sundry receivables		996	-	996
		2,628	5,343	7,971
TOTAL ASSETS		54,709	5,842	60,551
FUND AND LIABILITIES				-
Operators' Fund				-
Statutory Fund		50,000	-	50,000
Accumulated loss		(1,262)	138	(1,124)
		48,738	138	48,876
Participants' Takaful Fund				-
Ceded money		-	500	500
		-	500	500
Underwriting provisions				-
Provision for unearned contribution	5	-	3,469	3,469
				-
				-
				-
Creditors and accruals				-
Contribution received in advance		-		-
Unearned Wakala fee	6	970		970
Accrued expenses		217		217
Agent blances		9		9
Wakala Fee payable			1,108	1,108
Other Creditors & Accruals			627	627
Payable to East West Insurance Company Limited		4,774	-	4,774
		5,970	1,735	7,705
TOTAL FUND AND LIABILITIES		54,709	5,842	60,551
CONTINGENCIES AND COMMITMENTS	0			

CHAIRMAN | MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER | Director | Director | CHIEF FINANACIAL OFFICER

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

	Note	For the period from May 08 to 2018	2017	For the quarter ended 2018	2017
		Rupees'000			
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)		(728)	
		(1,370)	-	(665)	-
Investment income		380		342	
General and Admin Expenses		(272)		(164)	
		108		178	-
Profit for the period		(1,262)	-	(487)	-
Other comprehensive income		-			
Total comprehensive Income for the period		(1,262)		(487)	

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 29, 2018

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

	Operator's Fund Statutory Fund	Accumulated Loss	Total
		Rupees'000	
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' Fund Cede Money	Accumulated Surplus	Total
		Rupees'000	
Cede Money		-	-
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 1 to 9 form an integral part of this condensed interim financial information.

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

CHIEF EXECUTIVE OFFICER

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

	Operator's Fund	Participants' Takaful Fund	2018 Aggregate
Operating Cash Flows			
a) Takaful activities			
Contribution received	-	3,868	3,868
Re-takaful Contribution paid	-	(610)	(610)
Commission paid	(561)	-	(561)
Management expenses	(1,079)	-	(1,079)
Net cash genereted from underwriting activities	[illegible]	3,258	[illegible]
b) Other operating activities:			
Other operating receipts	3,378	-	3,378
Other operating payments	-	(3,259)	-
Income tax paid	(38)		(38)
Net cash flow genereted from / (used in) other operating activities	3,340	(3,259)	81
Total cash flow from all operating activities	1,700	(1)	[illegible]
Investment activities:			
Profit / return received	380	-	380
Total cash flow genereted 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	[illegible]	500	[illegible]
Cash and cash equivalents at end of the period	[illegible]	499	[illegible]
Reconciliation to profit and loss account	1,700	(1)	1,699
Operating cash flows	380	-	380
Profit on deposits	2,628	5,343	7,971
Increase in assets other than cash	(5,970)	(5,204)	(11,174)
(Increase) in liabilities	-	-	-
Income tax paid	(1,262)	138	(1,124)
Profit / (Loss) for the period			
Attributed to			
Operators' Fund	(1,262)	-	(1,262)
Participants' Takaful Fund	-	138	138
	(1,262)	138	(1,124)
Definition of cash	(1,262)	138	(1,124)

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 1 to 9 form an integral part of this condensed interim financial information.

CHAIRMAN | MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER | Director | Director | CHIEF FINANACIAL OFFICER

Karachi : October 29, 2018

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

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.

3.5 **Revenue recognition**

3.5.1 **Participants' takaful fund**

3.5.1.1 **Contribution**

The revenue recognition policy for Contributions is given

3.5.2 **Operators' fund**

The revenue recognition policy for wakala fee is given under

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.

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.

		For the		For the	
5	Net Takaful	2018	2017	2018	2017
	Written Gross	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	[illegible]	-	4,241	-
	Add: Prepaid retakaful contribution opening	-	-	-	-
	Less: Prepaid retakaful contribution closing	[illegible]	-	4,039	-
	Retakaful expense	202	-	202	-
	Net takaful contribution	276	-	276	-
6	Net Wakala Fee				
	Gross wakala fee	[illegible]	-	[illegible]	-
	Add: Deferred wakala fee opening	-	-		-
	Less: Deferred wakala fee closing	970	-	970	-
	Net wakala fee expense	138	-	138	
7	Commission expense/Acquisition				
	Commission paid or payable		-	[illegible]	-
	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

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

PATTERN OF SHAREHOLDINGS AS AT SEPTEMBER 30, 2018

Number of Shareholders	Shareholdings From	Shareholdings To	Total Share Held	Percentage
14	1	100	1,096	0.0018
175	101	200	24,669	0.0405
5	201	1,000	2,972	0.0049
3	1,001	5,000	7,969	0.0131
2	5,001	9,000	12,319	0.0202
1	10,001	11,000	10,800	0.0177
4	11,001	12,000	46,568	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	18,526	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	1,200,000	1,186,459	1.9470
1	750,001	1,000,000	990,464	1.6243
1	1,000,001	2,100,000	2,054,942	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	5,100,000	8,976,043	14.7203
1	3,100,001	3,200,000	3,134,508	5.1406
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	4,307,000	4,307,058	7.0648
3	4,400,001	4,750,000	14,017,419	23.0204
1	4,750,001	5,000,000	4,901,958	8.0389
1	5,000,001	6,000,000	5,126,337	8.4067
257			60,978,196	100.0000

Categories Of Shareholders	Number	Share Held	Percentage
CEO, Directors and their spouses and minor children	14	39,106,237	64.1337
Joint Stock Companies, Insurance Companies, Investment Companies & Modaraba	1	3,673	0.0060
Individual	242	21,868,286	35.8603
Total	257	60,978,196	100.0000

Information as required under the Code of Corporate Governance

Categories of Shareholders	Shareholders	Share 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	2,460	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	5,126,337	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	35.8603
Total	257	60,978,196	100.0000