

CONTENTS

|                                                                                          |         |
|------------------------------------------------------------------------------------------|---------|
| Board of Directors & Management .....                                                    | 2       |
| Directors' Review Report to the Shareholders (English & Urdu) .....                      | 3 - 4   |
| Condensed Interim Statement of Financial Position .....                                  | 5       |
| Condensed Interim Statement of Comprehensive Income .....                                | 6       |
| Condensed Interim Statement of Changes in Equity .....                                   | 7       |
| Condensed Interim Statement of Cash Flow .....                                           | 8 - 9   |
| Notes to the Condensed Interim Financial Information .....                               | 10 - 21 |
| Condensed Interim Statement of Financial Position .....                                  | 22      |
| Condensed Interim Statement of Comprehensive Income -<br>Window Takaful Operations ..... | 24      |
| Condensed Interim Statement of Changes in Equity -<br>Window Takaful Operations .....    | 25      |
| Condensed Interim Statement of Cash Flow -<br>Window Takaful Operations .....            | 26      |
| Notes to the Condensed Interim Financial Information .....                               | 28-30   |
| Pattern of Shareholdings .....                                                           | 31      |

# **LIST OF DIRECTORS & MANAGEMENT**

|                                               |                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CHIEF JUSTICE (R)                             | Chairman                                                                                                                                                                                                                                                                                                                    |
| ISAN MANSOOB AHMAD                            | Managing Director & Chief Executive Officer                                                                                                                                                                                                                                                                                 |
| NAVEED YUNUS                                  | Executive Director (Marketing)                                                                                                                                                                                                                                                                                              |
| JAVED YUNUS                                   | Executive Director (Operations)                                                                                                                                                                                                                                                                                             |
| PERVEZ YUNUS                                  | Director                                                                                                                                                                                                                                                                                                                    |
| MAHEEN YUNUS                                  | Director                                                                                                                                                                                                                                                                                                                    |
| UMMED ANSARI                                  | Director                                                                                                                                                                                                                                                                                                                    |
| AHSAN MAHMOOD ALVI                            | Director                                                                                                                                                                                                                                                                                                                    |
| FCA England & Wales                           | Director                                                                                                                                                                                                                                                                                                                    |
| ENGR. KAZIM RAZA                              | Director                                                                                                                                                                                                                                                                                                                    |
| B.Sc. (Engineering, VET)                      |                                                                                                                                                                                                                                                                                                                             |
| BRENDAN THOMAS OLMIA                          | Deputy Executive Director                                                                                                                                                                                                                                                                                                   |
| SHABIR ALI KANCHWALA                          | Director Finance & Company Secretary                                                                                                                                                                                                                                                                                        |
| DR. SYED ARIF HUSSAIN                         | Head of Tahafat                                                                                                                                                                                                                                                                                                             |
| 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                                                                                                                                                                                                                                                                                                                      |
| UMMED ANSARI                                  | Member                                                                                                                                                                                                                                                                                                                      |
| ENGR. KAZIM RAZA                              | Member                                                                                                                                                                                                                                                                                                                      |
| JOHAY LAL, FCCA                               | Secretary                                                                                                                                                                                                                                                                                                                   |
| KHALID LAW ASSOCIATES                         | Legal Advisor                                                                                                                                                                                                                                                                                                               |
| EDD EBRARIM & CO                              | Auditors                                                                                                                                                                                                                                                                                                                    |
| Chartered Accountants                         |                                                                                                                                                                                                                                                                                                                             |
| AFNAN TAX CONSULTANTS                         | Tax Advisor                                                                                                                                                                                                                                                                                                                 |
| THOR ASSOCIATES (PVT) LTD.                    | Share 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<br>Askari Bank Limited<br>Faysal Bank Limited<br>Habib Bank Limited<br>Habib Metropolitan Bank Limited<br>MCB Bank Limited<br>National Bank of Pakistan Limited<br>NIB Bank Limited<br>Summit Bank Limited<br>The Bank of Punjab Limited<br>United Bank Limited<br>The Karimkum Co. Operative Bank Ltd. |

# INTERIM FINANCIAL STATEMENTS

Your Directors are pleased to present their report together with unaudited 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:

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

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     | 166,319            |                    |
| Loss before tax from Window Takaful Operations          | (1,263)            |                    |
| Profit before tax                                       | 165,077            |                    |
| Income tax expenses                                     | (55,215)           |                    |
| Profit after taxation                                   | 139,852            |                    |
| Other comprehensive Income                              | 99,822             |                    |
| Total Comprehensive Income                              | 239,674            |                    |
| Unappropriated profit at beginning of the year          | 240,850            |                    |
| Effect of change in accounting policy                   | 8,118              |                    |
| Profit for the period                                   | 139,852            |                    |
| Unappropriated at the end of the period                 | 318,470            |                    |
|                                                         | September, 30 2018 | September, 30 2017 |
|                                                         | (Unaudited)        |                    |
| Gross premium                                           | 2,255,910          | 1,816,716          |
| Net premium                                             | 1,048,703          | 619,559            |
| Underwriting results                                    | 226,419            | 154,755            |
| Investment Income                                       | 47,265             | 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 10 October 30, 2018

**معلومات اضافی**

اپ کے بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کی ششماہی رپورٹ ۲۰۱۸ ستمبر ۲۰ کی ختم ہونے والے سال کے لیے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنا  
 ہونے والے باعث مسرت ہے  
 اپ کے بورڈ آف ڈائریکٹرز کی طرف سے اطلاع دی جاتی ہے کہ کمپنی نے جنرل ٹیکسٹول آپریشن  
 کے کاروبار کا اختار کر دیا ہے

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

مالی پوزیشن کا منسلک عبوری بیان  
 جامع آمدنی کا کلائنٹس عبوری بیان  
 مساوات میں متعدد بیانات کا مساوات  
 نڈ کی پہلی کے کنٹریبیو عبوری بیان

یہیں یقین ہے ملانچہ بالا معلومات منزل حصص یافتگان کو مناسب طور پر ان کی کمپنی کی کارکردگی کے بارے میں آگاہ کریگی  
 ۲۰۱۸ ستمبر ۲۰ کی مدت کے لئے کمپنی کی مالی خاص بات حسب ذیل ہیں

|          |                                        |
|----------|----------------------------------------|
| ۱۱۶,۳۳۱  | جنرل انشورنس آپریشن ٹیکس کے پہلے منافع |
| (۱,۲۲۲)  | ولڈ ٹیکسٹول آپریشن ٹیکس سے پہلے نقصان  |
| ۱۱۵,۱۰۷  | منافع قبل از محصول                     |
| (۵۵,۲۲۵) | آمدنی پر ٹیکس کا خرچ                   |
| ۱۲۹,۸۵۲  | ٹیکس کے بعد منافع                      |
| ۱۹,۸۲۲   | دیگر جامع آمدنی                        |
| ۲۴۹,۶۷۴  | مجموعی جامع آمدنی                      |
|          | لگاتار اور نقصان حصول اکائیٹ           |
| ۲۴۰,۵۰۰  | سال کے شروع میں توازن رقم              |
| ۸,۱۱۸    | اکائیٹنگ پالیسی میں تبدیلی کا اثر      |
| ۱۲۹,۸۵۲  | اس مدت کے لئے منافع                    |
| ۳۸۸,۴۷۰  | مدت کے اختتام پر unappropriated متوازن |

| (روپے میں '000) |               |                       |
|-----------------|---------------|-----------------------|
| ۲۰۱۷ ستمبر ۲۰   | ۲۰۱۸ ستمبر ۲۰ |                       |
| ۱,۸۷۶,۷۱۶       | ۲,۲۵۵,۱۱۰     | مجموعی پریمیم         |
| ۸۱۹,۵۱۹         | ۱,۰۲۸,۷۰۲     | ٹوٹ پریمیم            |
| ۱۵۴,۷۵۶         | ۲۲۴,۳۱۹       | انٹرویوٹنگ نتیجہ      |
| ۱۶,۰۱۹          | ۲۷,۷۶۵        | سہ ماہ کاروں کی آمدنی |
| ۱۰۶,۶۷۵         | ۱۱۵,۰۷۷       | ٹیکس سے قبل منافع     |
| ۷۲,۴۱۵          | ۱۲۹,۸۵۲       | اس مدت کے لئے منافع   |
| ۱,۲۲            | ۲,۲۹          | لی شینر آمدنی (روپے)  |

محمد  
 ٹویڈ پوٹنس  
 مینیجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر  
 کراچی : ۲۰ اکتوبر ۲۰۱۸

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

September 30,  
2018December 31,  
2017  
(Restated)

|                                                               | Note | (` Rupees in '000) |                  |
|---------------------------------------------------------------|------|--------------------|------------------|
| <b>ASSETS</b>                                                 |      |                    |                  |
| 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        |
| Leases 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             | -                |
| <b>TOTAL ASSETS</b>                                           |      | <b>3,191,543</b>   | <b>2,689,374</b> |
| <b>EQUITY AND LIABILITIES</b>                                 |      |                    |                  |
| 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          |
| <b>TOTAL EQUITY</b>                                           |      | <b>1,286,926</b>   | <b>1,047,252</b> |
| <b>LIABILITIES</b>                                            |      |                    |                  |
| Underwriting provisions                                       |      |                    |                  |
| Outstanding claims including IBNR                             |      | 649,169            | 660,413          |
| 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           |
| <b>TOTAL LIABILITIES</b>                                      |      | <b>1,904,563</b>   | <b>1,642,122</b> |
| Total liabilities of General Takaful                          |      |                    |                  |
| Operations - Operator's Fund                                  |      | 54                 | -                |
| <b>TOTAL EQUITY AND LIABILITIES</b>                           |      | <b>3,191,543</b>   | <b>2,689,374</b> |
| <b>CONTINGENCIES AND COMMITMENTS</b>                          | 18   |                    |                  |

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

CHAIRMAN

MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

Karachi 1 October 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,<br>2018    | September 30,<br>2017 | September 30,<br>2018     | September 30,<br>2017 |
| Net Insurance premium                                                  | 19   | 1,018,703                | 819,599               | 403,433                   | 276,064               |
| Net Insurance claims                                                   | 20   | (445,555)                | (365,346)             | (179,167)                 | (135,228)             |
| Net commission                                                         | 21   | (201,090)                | (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                   | 16,059                | 7,747                     | 5,695                 |
| 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                    |      | 195,339                  | 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 expenses                                                    |      | (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.

*[Signatures]*

ELMANAN

MANAGING DIRECTOR &

Chairman

Director

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

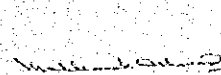
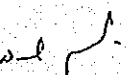
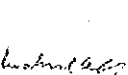
Karachi 1 October 30, 2018

EAST WEST INSURANCE CO., LTD. - QUARTERLY REPORT SEPTEMBER 2018

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

|                                                                    | Share capital                 | Reserves        |                                                  | Total reserves | Unappropriated profit | Total     |
|--------------------------------------------------------------------|-------------------------------|-----------------|--------------------------------------------------|----------------|-----------------------|-----------|
|                                                                    | Issued subscribed and paid-up | 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)        | 6,766                 | 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 |                               |                 |                                                  |                |                       |           |
|                                                                    | 508,151                       | 200,000         | (2,929)                                          | 197,071        | 354,720               | 1,059,942 |
| 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   |
|                                                                    | 609,782                       | 200,000         | 88,674                                           | 288,674        | 388,470               | 1,286,926 |
| 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

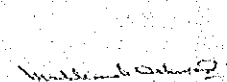
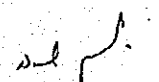
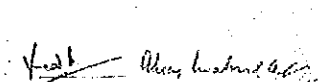
DIRECTOR

CHIEF FINANCIAL OFFICER

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

|                                                      | (` Rupees in '000)    |                       |
|------------------------------------------------------|-----------------------|-----------------------|
|                                                      | September 30,<br>2018 | September 30,<br>2017 |
| <b>OPERATING CASH FLOWS</b>                          |                       |                       |
| (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)             | (621,559)             |
| Reinsurance and other recoveries received            | 158,156               | 258,185               |
| Commission paid                                      | (435,639)             | (317,583)             |
| Commission received                                  | 208,651               | 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                             | (200,810)             | 2,283                 |
| Net cash used in other operating activities          | (220,517)             | (10,403)              |
| Total cash flow from all operating activities        | (89,104)              | 10,286                |
| <b>INVESTMENT ACTIVITIES</b>                         |                       |                       |
| 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)              |
| <b>FINANCING ACTIVITIES</b>                          |                       |                       |
| 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

Kanpur 1 October 30, 2018

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

("Rupees in '000)

|                                                  | September 30,<br>2018 | September 30,<br>2017 |
|--------------------------------------------------|-----------------------|-----------------------|
| Reconciliation to profit and loss account        |                       |                       |
| Operating cash flows                             | (89,104)              | 10,285                |
| Depreciation expense                             | (14,850)              | (12,503)              |
| Profit on disposal of fixed assets               | 1,685                 | 1,504                 |
| 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                            | <u>139,852</u>        | <u>74,415</u>         |

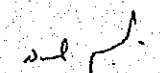
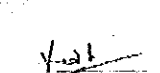
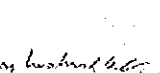
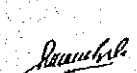
Definition of cash

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 | <u>40,000</u> | <u>9,000</u>  |
|                                    | <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.

Chairman  
 Managing Director  
 Director  
 Director  
 Chief Financial Officer

Period: 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 financial 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<br>up to September<br>30,<br>2018 | Cumulative<br>effect up to<br>December 31,<br>2017 | Cumulative<br>effect<br>for the<br>period ended<br>September 30,<br>2017 | Cumulative effect<br>up to<br>January 01,<br>2017 |
|--------------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------|
| Rupees in thousand                                                             |                                                     |                                                    |                                                                          |                                                   |
| Effect on statement of financial position                                      |                                                     |                                                    |                                                                          |                                                   |
| Increase/(Decrease) in revaluation reserve on<br>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)                                                                  | (5,323)                                           |

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,<br>2018 | December 31,<br>2017<br>(Audited) |
|----------------------------------------------------------------|-----------------------|-----------------------------------|
|                                                                | (' Rupees In '000)    |                                   |
| <b>6 PROPERTY AND EQUIPMENT</b>                                |                       |                                   |
| Opening balance as at                                          | 115,776               | 123,939                           |
| Additions during the period / year                             |                       |                                   |
| Office premises                                                | 262                   | 400                               |
| Furniture and fixtures                                         | 1,366                 | 2,016                             |
| Electrical fittings and equipments                             | 418                   | 576                               |
| Computers                                                      | 196                   | 380                               |
| Office equipments                                              | 27,537                | 137                               |
| Vehicles                                                       | 29,779                | 5,838                             |
|                                                                |                       | 9,347                             |
| Less:                                                          |                       |                                   |
| Written down value of assets disposed during the period / year | (1,114)               | (3,677)                           |
| Depreciation charge for the period / year                      | (12,643)              | (13,834)                          |
|                                                                | <u>131,798</u>        | <u>115,775</u>                    |
| <b>INTANGIBLE ASSETS</b>                                       |                       |                                   |
| 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) |
|     |                                          | 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 |              |                              |              |
| <i>Related Party</i>     |                    |              |                              |              |
| Listed shares (note 9.3) | 157,543            | 265,043      | 161,493                      | 157,543      |
| <i>Others</i>            |                    |              |                              |              |
| 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 represents 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%).

|      |                                                                                                                                                                 | September 30,<br>2018 | December 31,<br>2017 (Audited) |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------|
|      |                                                                                                                                                                 | (* Rupees in '000)    |                                |
| 11   | <b>TERM DEPOSIT RECEIPT</b>                                                                                                                                     |                       |                                |
|      | 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   | <b>LOANS AND OTHER RECEIVABLES</b>                                                                                                                              |                       |                                |
|      | (Unsecured - considered good)                                                                                                                                   |                       |                                |
|      | Accrued investment income                                                                                                                                       | 3,764                 | 2,481                          |
|      | Advances                                                                                                                                                        | 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   | <b>INSURANCE / REINSURANCE RECEIVABLES</b>                                                                                                                      |                       |                                |
|      | (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   | <b>PREPAYMENTS</b>                                                                                                                                              |                       |                                |
|      | Prepaid reinsurance premium ceded                                                                                                                               | 596,978               | 426,632                        |
|      | Prepaid rent                                                                                                                                                    | 917                   | 1,041                          |
|      | Others                                                                                                                                                          | 254                   | 254                            |
|      |                                                                                                                                                                 | 598,149               | 427,927                        |
| 15   | <b>CASH AND BANK</b>                                                                                                                                            |                       |                                |
|      | Cash and cash equivalents                                                                                                                                       | 243                   | 3                              |
|      | Cash at bank                                                                                                                                                    |                       |                                |
|      | Current accounts                                                                                                                                                | 6,363                 | 11,569                         |
|      | Saving accounts                                                                                                                                                 | 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.                               |                       |                                |

|                                                                                   | Note                                                                                      | September 30,<br>2018 | September 30,<br>2017 |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| 16                                                                                |                                                                                           |                       |                       |
| <b>RESERVES</b>                                                                   |                                                                                           |                       |                       |
| 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                                                                                |                                                                                           |                       |                       |
| <b>OTHER CREDITORS AND ACCRUALS</b>                                               |                                                                                           |                       |                       |
| 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                                                                                |                                                                                           |                       |                       |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                              |                                                                                           |                       |                       |
|                                                                                   | There is no contingency and commitment as at September 30, 2018 (December 31, 2017: Nil). |                       |                       |
| 19                                                                                |                                                                                           |                       |                       |
| <b>NET INSURANCE PREMIUM</b>                                                      |                                                                                           |                       |                       |
| 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                                                                    |                                                                                           | <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>        |
| 20                                                                                |                                                                                           |                       |                       |
| <b>NET INSURANCE CLAIMS EXPENSE</b>                                               |                                                                                           |                       |                       |
| 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                                                                    |                                                                                           | <u>571,186</u>        | <u>703,965</u>        |
| 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                                          |                                                                                           | <u>125,632</u>        | <u>338,619</u>        |
|                                                                                   |                                                                                           | <u>445,555</u>        | <u>365,146</u>        |

|      |                                                                        | September 30,<br>2018 | September 30,<br>2017 |
|------|------------------------------------------------------------------------|-----------------------|-----------------------|
|      |                                                                        | ('Rupees in '000)     |                       |
| 21   | <b>NET COMMISSION</b>                                                  |                       |                       |
|      | 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   | <b>INVESTMENT INCOME</b>                                               |                       |                       |
|      | <b>Held-for-trading</b>                                                |                       |                       |
|      | 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                |
|      | <b>Available for sale</b>                                              |                       |                       |
|      | 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   | <b>EARNINGS PER SHARE - basic and diluted</b>                          |                       |                       |
|      | Nine months period ended                                               | September 30,<br>2018 | September 30,<br>2017 |
|      | Profit for the period                                                  | 139,852               | 74,415                |
|      | Weighted average number of ordinary shares of Rs. 10 each              | 60,978,196            | 60,978,196            |
|      | Earnings per share - rupees                                            | 2.29                  | 1.22                  |
|      | Three months period ended                                              | September 30,<br>2018 | September 30,<br>2017 |
|      | Profit for the period                                                  | 29,060                | (5,934)               |
|      | Weighted average number of ordinary shares of Rs. 10 each              | 60,978,196            | 60,978,196            |
|      | Earnings per share - rupees                                            | 0.48                  | (0.10)                |
| 23.1 | There is no dilutive effect on basic earning per share of the Company. |                       |                       |

## 24. SEGMENT REPORTING

(' Rupees in '000)

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

September 30, 2018

| Segment Current Period                     | Fire and<br>property damage | Marine, aviation<br>and transport | Motor   | Miscellaneous | Treaty | TOTAL     |
|--------------------------------------------|-----------------------------|-----------------------------------|---------|---------------|--------|-----------|
| Gross written premium                      | 704,527                     | 282,475                           | 354,638 | 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                            | 10,018  | 55,283        | -      | 158,126   |
| 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 reinsurers | 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       | -      | 1,007,288 |
| 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 |

September 30, 2017

| Segment Prior Period                       | 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 reinsurers | 40,802                   | 18,102                         | 17,211  | 262,504       | -      | 338,619   |
| Net claims                                 | 50,324                   | 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                  | 91,051                         | 162,975 | 276,394       | -      | 818,686   |
| Underwriting results                       | 63,722                   | 27,935                         | 26,421  | 36,687        | -      | 154,755   |
| Net Investment Income                      | -                        | -                              | -       | -             | -      | 16,099    |
| Rental Income                              | -                        | -                              | -       | -             | -      | 6,157     |
| General and Admin expenses                 | -                        | -                              | -       | -             | -      | (72,458)  |
| Other income                               | -                        | -                              | -       | -             | -      | 2,121     |
| Profit before tax                          | -                        | -                              | -       | -             | -      | 105,675   |
| Segment Assets                             | 475,832                  | 161,843                        | 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.

**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            | Nine months period ended September 30 |         |
|----------------------------------------|----------------------------------|---------------------------------------|---------|
|                                        |                                  | 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 |            | (Revised) As at December 31, 2017 |            |
|--------------------------|--------------------------|------------|-----------------------------------|------------|
|                          | Carrying amount          | Fair value | Carrying amount                   | Fair value |
| Financial Assets         |                          |            |                                   |            |
| Investments in company   | 51,175                   | 54,215     | 33,657                            | 34,258     |
| Investments              |                          |            |                                   |            |
| Equity securities        |                          |            |                                   |            |
| Held for trading         |                          |            |                                   |            |
| Ordinary shares - listed | 46,329                   | 46,329     | 45,341                            | 45,341     |
| Non-listed units         | 43,869                   | 43,869     | 72,419                            | 72,419     |
| Available for sale       |                          |            |                                   |            |
| Ordinary shares - listed | 139,617                  | 147,161    | 169,335                           | 179,617    |
| Debt securities          |                          |            |                                   |            |
| Government securities    | 160,438                  | 172,116    | 161,254                           | 179,616    |

|                                                   | As at September 30, 2018 |            | (Restated)<br>As at December 31, 2017 |            |
|---------------------------------------------------|--------------------------|------------|---------------------------------------|------------|
|                                                   | Carrying amount          | Fair value | Carrying amount                       | Fair value |
| Trade deposits                                    |                          |            |                                       |            |
| Loans and receivables                             | 155,030                  | 155,030    | 42,355                                | 42,355     |
| Insurance / Reinsurance receivables               | 259,357                  | 259,357    | 165,228                               | 165,228    |
| Fair value adjustments against outstanding claims | 27,528                   | 27,528     | 540,027                               | 540,027    |
| Deferred Commission Expense                       | 122,444                  | 122,444    | 146,600                               | 146,600    |
| Cash and Bank                                     | 11,326                   | 11,326     | 14,892                                | 14,892     |
| Financial Liabilities                             |                          |            |                                       |            |
| Outstanding claims including IBNR                 | 652,169                  | 652,169    | 660,415                               | 660,415    |
| Contract premium reserves                         | 959,819                  | 959,819    | 754,265                               | 754,265    |
| Contract Reinsurance Commission                   | 100,821                  | 100,821    | 73,864                                | 73,864     |
| Reinsurance / Underwriting Expenses               | 1,764                    | 1,764      | 924                                   | 924        |
| Insurance / Reinsurance Payables                  | 11,262                   | 11,262     | 15,185                                | 15,185     |
| Other Creditors and Accounts                      | 59,311                   | 59,311     | 69,390                                | 69,390     |

26.3

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 | -       |
|                                                                     | 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

28.1

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

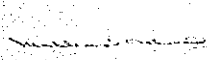
Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison. Significant reclassifications for purposes of correct presentation, are as under:

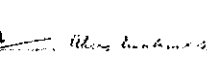
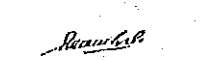
| Reclassification from components              | Reclassification to components      | In "Rupees" |
|-----------------------------------------------|-------------------------------------|-------------|
| Office premises                               | Property and equipment              | 52,286      |
| 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 reinsurers | Insurance / Reinsurance receivables | 110,479     |
| Premiums not unpaid                           | Insurance / Reinsurance receivables | 128,918     |
| General reserve                               | Reserves                            | 288,674     |
| Amount due to other insurers and reinsurers   | Insurance / reinsurance payables    | 31,762      |
| 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      Director      Director      CHIEF FINANCIAL OFFICER

Dated: 1 October 2018      1 October 2018      1 October 2018      1 October 2018      1 October 2018

EAST WEST INSURANCE CO., LTD. - QUARTERLY REPORT SEPTEMBER 2018

AS AT SEPTEMBER 30, 2018

# FINANCIALS OF WINDOW TAKAFUL OPERATIONS

|                                                     | Note | Operator's Fund | Participant's Takaful Fund Report 2018 | Aggregate     |
|-----------------------------------------------------|------|-----------------|----------------------------------------|---------------|
| ASSETS                                              |      |                 |                                        |               |
| Current and other accounts                          |      | 51,081          | 499                                    | 51,580        |
| Deposits maturing in 12 months                      |      | 51,081          | 499                                    | 51,580        |
| Contribution due but unpaid                         |      | 78              | 78                                     | 156           |
| Amount due from other Takaful / re-insured operator |      | 256             | 256                                    | 512           |
| Taxation deducted at source                         |      | 38              | 38                                     | 76            |
| Wakala Fee Receivable                               |      | 1,108           | 1,108                                  | 2,216         |
| Deferred Commission Expense                         | 7    | 485             | 485                                    | 970           |
| Prepayments                                         | 5    | -               | 4,039                                  | 4,039         |
| Deferred Wakala Fees                                | 6    | 996             | 970                                    | 1,966         |
| Sundry receivables                                  |      | 2,628           | 5,343                                  | 7,971         |
| <b>TOTAL ASSETS</b>                                 |      | <b>54,179</b>   | <b>5,842</b>                           | <b>60,551</b> |
| FUND AND LIABILITIES                                |      |                 |                                        |               |
| Operator's Fund                                     |      | 50,000          | -                                      | 50,000        |
| Stakung Fund                                        |      | (1,263)         | 138                                    | (1,125)       |
| Accumulated loss                                    |      | 48,738          | 138                                    | 48,876        |
| Participant's Takaful Fund                          |      | -               | -                                      | -             |
| Ceded money                                         |      | -               | 500                                    | 500           |
| Underwriting provisions                             | 5    | -               | 3,469                                  | 3,469         |
| Provision for unearned contribution                 |      | -               | -                                      | -             |
| Creditors and accounts                              |      | 970             | 217                                    | 1,187         |
| Contribution received in advance                    | 6    | 217             | 9                                      | 226           |
| Unearned Wakala fee                                 |      | 9               | -                                      | 9             |
| Accrued expenses                                    |      | -               | 1,108                                  | 1,108         |
| Agent balances                                      |      | -               | 627                                    | 627           |
| Wakala Fee payable                                  |      | 4,774           | -                                      | 4,774         |
| Other Creditors & Accounts                          |      | 5,970           | 1,735                                  | 7,705         |
| Payable to East West Insurance Company Limited      |      | 54,709          | 5,842                                  | 60,551        |
| <b>TOTAL FUND AND LIABILITIES</b>                   |      | <b>54,709</b>   | <b>5,842</b>                           | <b>60,551</b> |
| CONTINGENCIES AND COMMITMENTS                       | 0    | -               | -                                      | -             |

CHAIRMAN  
MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER

Director

Director

CHIEF FINANCIAL OFFICER

FOR THE PERIOD FROM MAY 08, 2016 TO SEPTEMBER 30, 2016 - UNAUDITED

|                                           |      | For the period<br>from May 08 to<br>2016 | For the quarter ended<br>2016 | 2017 |
|-------------------------------------------|------|------------------------------------------|-------------------------------|------|
| FTP Revenue Account                       | Note | 276                                      | 276                           |      |
| Net contribution revenue                  | 5    | 138                                      | 138                           |      |
| Waikiki expense                           | 6    | -                                        | -                             |      |
| Net claims                                |      | -                                        | -                             |      |
| Direct expenses                           |      | -                                        | -                             |      |
| Rebate/claims and acquisition costs       |      | -                                        | -                             |      |
| Underwriting Results                      |      | 138                                      | 138                           |      |
| Other (Loss) / Surplus for the period     |      | 138                                      | 138                           |      |
| Other comprehensive income                |      | -                                        | -                             |      |
| Total comprehensive income                |      | 138                                      | 138                           |      |
| FTP Revenue Account                       |      | 138                                      | 138                           |      |
| Waikiki fee                               |      | (75)                                     | (75)                          |      |
| Commission expense                        | 7    | (1,433)                                  | (728)                         |      |
| Management expenses                       |      | (1,370)                                  | (665)                         |      |
| Investment income                         |      | 380                                      | 342                           |      |
| General and Admin Expenses                |      | (272)                                    | (164)                         |      |
| Profit for the period                     |      | 108                                      | 178                           |      |
| Other comprehensive income                |      | (1,262)                                  | (487)                         |      |
| 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: *[Signature]* Managing Director & Chief Executive Officer: *[Signature]* Director: *[Signature]* Chief Financial Officer: *[Signature]*

Kanaki: October 29, 2016

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

|                                                                              | 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 | -              | (1,262)          | (1,262) |
| 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  |

|                                                                              | Code Money | Accumulated Surplus | Total |
|------------------------------------------------------------------------------|------------|---------------------|-------|
| Total comprehensive income for the period May 08, 2018 to September 30, 2018 | -          | 138                 | 138   |
| 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: *[Signature]* Managing Director & Chief Executive Officer: *[Signature]* Director: *[Signature]* Chief Financial Officer: *[Signature]*

Chief Executive Officer

EAST WEST INSURANCE CO. LTD. - QUARTERLY REPORT SEPTEMBER 2018

FOR THE PERIOD FROM MAY 03, 2013 TO SEPTEMBER 30, 2018- UNAUDITED

Operator's Fund Participants' Fund Aggregate

Operating Cash Flows

- a) Takaful activities
- |                                |         |         |
|--------------------------------|---------|---------|
| Contribution received          | 3,868   | 3,868   |
| Re-allocated Contribution paid | (610)   | (610)   |
| Commission paid                | (561)   | (561)   |
| Management expenses            | (1,079) | (1,079) |

- b) Other operating activities:
- |                                                 |        |       |
|-------------------------------------------------|--------|-------|
| Net cash generated from underwriting activities | 11,406 | 3,258 |
|-------------------------------------------------|--------|-------|

- Net cash generated from / (used in) other operating activities
- |                            |       |         |
|----------------------------|-------|---------|
| Other operating activities | 3,378 | 3,378   |
| Other operating receipts   | -     | -       |
| Other operating payments   | (38)  | (38)    |
| Income tax paid            | 3,240 | (3,259) |

- Total cash flow from all operating activities
- |                       |       |     |
|-----------------------|-------|-----|
| Investment activities | 1,700 | (1) |
|-----------------------|-------|-----|

- Profit / return received
- |                          |     |   |
|--------------------------|-----|---|
| Profit / return received | 380 | - |
|--------------------------|-----|---|

- Total cash flow generated from investing activities
- |                      |     |   |
|----------------------|-----|---|
| Financing activities | 380 | - |
|----------------------|-----|---|

- Contribution to the operators' fund
- |                                     |        |        |
|-------------------------------------|--------|--------|
| Contribution to the operators' fund | 50,000 | 50,000 |
|-------------------------------------|--------|--------|

- Total cash generated from financing activities
- |                                     |        |        |
|-------------------------------------|--------|--------|
| Contribution to the operators' fund | 50,000 | 50,000 |
|-------------------------------------|--------|--------|

- Cash and cash equivalents at end of the period
- |                                                |        |     |
|------------------------------------------------|--------|-----|
| Cash and cash equivalents at end of the period | 12,406 | 499 |
|------------------------------------------------|--------|-----|

- Reconciliation to profit and loss account
- |                      |       |     |
|----------------------|-------|-----|
| Operating cash flows | 1,700 | (1) |
|----------------------|-------|-----|

- Profit on deposits
- |                    |     |   |
|--------------------|-----|---|
| Profit on deposits | 380 | - |
|--------------------|-----|---|

- Increase in assets other than cash (decrease) in liabilities
- |                                                              |       |       |
|--------------------------------------------------------------|-------|-------|
| Increase in assets other than cash (decrease) in liabilities | 2,628 | 5,347 |
|--------------------------------------------------------------|-------|-------|

- Income tax paid
- |                 |         |         |
|-----------------|---------|---------|
| Income tax paid | (5,970) | (5,204) |
|-----------------|---------|---------|

- Profit / (Loss) for the period
- |                                |         |     |
|--------------------------------|---------|-----|
| Profit / (Loss) for the period | (1,262) | 138 |
|--------------------------------|---------|-----|

- Attributed to
- |                  |         |   |
|------------------|---------|---|
| Operations' Fund | (1,262) | - |
|------------------|---------|---|

- Participants' Takaful Fund
- |                            |   |     |
|----------------------------|---|-----|
| Participants' Takaful Fund | - | 138 |
|----------------------------|---|-----|

- Definition of cash
- |                    |         |     |
|--------------------|---------|-----|
| Definition of cash | (1,262) | 138 |
|--------------------|---------|-----|

- 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

- Chief Financial Officer

- Director

- Director

- Director

- Director

- Director

- Director

- Director

- Director

- Director

- Director

- Director

- Director

- Director

- Director

- Director

- Director

- Director

- Director

- Director

- Director

- Director

- Director

1. STATUS AND NATURE OF BUSINESS

East West Insurance Company Limited (the Operator) has been allowed to undertake Window Takaful Operations (WTO) on May 03, 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 Participant's Takaful Fund (PTF) on April 03, 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 has 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 reflects the financial position and results of operations of both the Operator's Fund (OFF) 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 03, 2018 to September 30, 2018 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim 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 instalments, 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 |      |      | PER LAKH |      |      |
|------------------------------------------------|---------|------|------|----------|------|------|
|                                                | 2018    | 2017 | 2017 | 2018     | 2017 | 2017 |
| 5 Net Takaful                                  |         |      |      |          |      |      |
| 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: Reinsured Contribution ceded             | -       | -    | -    | -        | -    | -    |
| Add: Prepaid reinsurance contribution opening  | -       | -    | -    | -        | -    | -    |
| Less: Prepaid reinsurance contribution closing | -       | -    | -    | -        | -    | -    |
| Reinsurance expense                            | 202     | -    | -    | 202      | -    | -    |
| Net takaful contribution                       | 276     | -    | -    | 276      | -    | -    |
| 6 Gross wakala fee                             | -       | -    | -    | -        | -    | -    |
| 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                     | -       | -    | -    | -        | -    | -    |
| Add: Deferred commission expense opening       | -       | -    | -    | -        | -    | -    |
| Less: Deferred commission expense closing      | 486     | -    | -    | 486      | -    | -    |
| Commission expense                             | 75      | -    | -    | 75       | -    | -    |

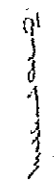
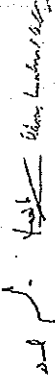
8 DATE OF AUTHORIZATION FOR ISSUE

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

9 GENERAL

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 FINANCIAL OFFICER |
|          |                   |                         |

