

Annual  
Report

2016



**EAST WEST LIFE**  
ASSURANCE COMPANY LIMITED



## In Memory of Our Founder Chairman

Founder Chairman of our group, late Mr. Unus Khan, was born on December 27, 1927 in a respectable and cultured family. He received his basic education in Quetta and after graduation in Aeronautics and Meteorology in Great Britain, he adopted the field of Civil Aviation as his profession and remained associated with it for over 20 years. Subsequently, he took up the field of commerce/business in 1965 and a few years thereafter proceeded to the United States of America along with his family.

In the 70s, besides other ventures, he was associated with the field of insurance in the Middle East. He returned to Pakistan in 1982 and founded East West Insurance Company Limited, our sister concern, in 1983. Throughout the remaining years of his life, he remained dedicated to development of East West. He organized and strengthened the company on modern lines and, at the same time, encouraged the executives, field and office personnel of the company to face the challenges of the market with courage, sincerity and hard work. It was for his determined leadership, untiring efforts, honesty and sincerity of purpose that Almighty Allah gifted him with such an outstanding success that the company became one of the largest insurance companies of Pakistan during his lifetime.

After taking East West Insurance Company Limited to such heights, it was his desire to develop an insurance company for the life assurance sector so that East West Group of Companies could cater to all insurance related needs of every Pakistani. Unfortunately, private life insurance companies were not allowed to operate in the country during his lifetime. However, when the government permitted operation of life insurance companies in the private sector, the sponsors of East West Insurance Company Limited immediately applied for a license and commenced operations of The Metropolitan Life Assurance Company of Pakistan Limited in March of 1993. In 2008, the company changed its name to East West Life Assurance Company Limited in order to give a unified look of a group with a substantial financial base and to service the best interest of policyholders as well as shareholders.

Today, by the Grace of Allah, East West Group of Companies have become symbols of security for thousands of their policyholders and livelihood for their hundreds of hard-working personnel.



**LATE MR. UNUS KHAN**

Founder Chairman,  
East West Group of Companies

Mr. Unus Khan was endowed with piety, simplicity, sincerity, diligence and affection. He will always be remembered for his selfless devotion to the cause of combining profound cultural values of the EAST with the modern technological developments of the WEST. In order to give perpetuity to the late Chairman of our group, all of us have pledged to adopt his practices as guidelines for the future. Our beloved Chairman left us to join his heavenly abode on July 27, 1988. May Allah rest his soul in eternal peace.

(آمین)



## Grow in Safe Hand

All of us dream the same dreams and start making plans accordingly, but life is never short of surprises.

Let **East West Life** take the worry out of your saving and insurance needs. Our comprehensive range of **Life Insurance, Health Insurance and Investment Solutions** let you protect your family while giving you real peace of mind.



**EAST WEST LIFE**

ASSURANCE COMPANY LIMITED

A Member of East West Group of Companies

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## Company Introduction

East West Life Assurance Company Limited was established in the year 1992 at Quetta under the name of The Metropolitan Life Assurance Company of Pakistan Limited after the Federal Government's decision to allow privately owned life insurance companies to operate in the country. This was done to enable more and more Pakistani families to benefit from the protection and savings value of life insurance. The company commenced underwriting life insurance business in March of 1993 and made successful progress in the field of life and health insurance businesses both on the front of individual and corporate clients alike.

The authorized capital of our company is Rs. 750 million, out of which Rs. 601,720,140 million is currently paid-up. The large paid-up capital base allows us to better position ourselves to provide top-notch benefit and services to our individual and corporate clients.

The company's individual and corporate product-line offers security, flexibility and liquidity to the policyholders with higher investment returns. The company is also in the process of developing

new individual and corporate products commensurate with the current investment, protection and other needs of the insured. Moreover, with increase in health insurance market potential, the company has established a separate health division to cater the needs of its growing clientele.

East West Life is a member of a large financial group, which includes our sister concern, specializing in general insurance business with over 80 branches throughout the country, M/s East West Insurance Company Limited. With joint paid-up capital of nearly Rs. 1109.87 million and worth in billions, the group, as a whole, has substantial resources to meet its financial requirements and obligations effectively. We are fully aware of the service needs of insurance clients. We are making endeavors to make our group a one-stop solution for all insurance needs of an individual or corporate entity with a special focus on being the best service provider.

East West Life's Registered Office is in Quetta, while the operational Head Office is in Karachi. With a wide network of additional zonal and branch offices throughout the

country, East West Life is equipped to render prompt and efficient service to its policyholders and to the field force. It should also be noted that we are a member of the Insurance Association of Pakistan (IAP) and our share is publicly traded at the Karachi Stock Exchange (KSE).

The company has various re-insurance arrangements with the world's leading re-insurers. The risk assumed by the company is reinsured with these financially sound reinsurers of international repute. Furthermore, all of our reinsurers are in the AA rating category indicating "very strong" capability to meet their financial commitments and comfortably fall within the secure range.





Life takes you in many directions.

- Marriage
- Business ventures
- Grandchildren
- Retirement

And with each new pathway, your life insurance policy should accompany you at every step. Mehfooz Sarmaya Plan is specifically designed to respond to changing needs.

In addition to flexible death benefits and premiums, the policy offers cash value growth potential. You can set the amount of each premium payment based on your policy's death benefit and financial objectives.

If the policy matures or you withdraw 100% of your cash value at an earlier age, you may choose one of the following options to receive your accumulated amount:

- Single Lump Sum
- Life Long Pension
- Combination of Lump Sum Payment and Life Long Pension

After two policy years have been completed and provided at least two full premiums have been paid, you can make withdrawals from your account value to meet your cash needs.

#### **Benefits Payable on Death of life Insured**

On the death of the life insured (God forbid), provided the policy has not lapsed, the benefit payable will be either (i) or (ii), whichever is the higher amount:

- (i) The sum insured in respect of the policy year in which the death took place.
- (ii) The Account Value in the policy year in which the death took place.

Outstanding amounts due to us (if any) against loans given shall be deducted from any death benefit.

#### **Sum Insured and Premium Amount Escalation**

Starting from the beginning of the second policy year, the yearly premium (excluding premiums for supplementary contracts) and sum insured will automatically increase each year by 5%. This can be thought of as a cushion against inflation. The policyholder can opt not to increase the premium and sum insured in the beginning of any given policy year. If the policyholder exercises this right more than three times, then medical evidence would be necessary.

#### **Account Value**

The premium paid each year less any related expenses will be credited to your account. Cost of insurance, charges for management expenses and premium for any rider attached to your basic policy will be deducted. The amount in your account will be invested in secured investments. Your account will be credited with your share of investment income earned on the invested assets.

It should be noted here that the rate of increase in your account value is subject to the amount and timing of your premium payment and the investment income earned by the Company on the invested assets. Both of these variables are unpredictable in the long range.



#### **Supplementary Riders**

The following supplementary riders can be attached to the policy:

- Accidental Death Benefit (ADB)
- Accidental Indemnity Benefit (AIB)
- Family Income Benefit (FIB)
- Term Insurance Rider (TIR)
- Major Surgical Benefit Rider (MSB)

#### **Policy Loans**

After two policy years have been completed and provided at least two full premiums have been paid, you can take out a loan against the Net Cash Value of the policy. The amount of the loan will not be more than 90% of the said Net Cash Value.

#### **Partial Termination**

In this plan, it is possible to terminate a portion of the policy. The reduced policy will continue for the remaining terms, all benefits and premiums being proportionately reduced.

#### **Pension From an Age of Your Choice**

If the policy matures or you withdraw 100% at an earlier age, you will have the option to take a pension from an age of your choice in lieu of the lump sum money. The rate of pension will be decided at the time of maturity according to the financial and other conditions ruling at that time. At the chosen maturity date, you can elect to take a portion of your net cash surrender value in lump sum and apply the rest towards pension.



Sarmaya Gold is a single premium universal life product of choice when lump sum cash from a regular savings, business profits, an inheritance, an insurance payout, a gift or even a lottery windfall is to be invested together with life insurance coverage.

Sarmaya Gold is specifically designed to offer highest cash-value growth potential together with life insurance. In this policy, there is no ongoing premium commitment required, i.e. only one premium is enough for your policy to sustain and produce high cash values (more investment potential) for the full term of the policy.

You can set the amount of premium payment based on your policy's death benefit and financial objectives subject to a minimum premium depending on your age and choice of sum assured. The amount of single premium cannot be less than Rs. 100,000. You can choose a sum assured from 5% to 100% of the amount of single premium.

After two policy years have been completed, you can make withdrawals from your account value to meet your cash needs. The policy will result in much higher cash values if no amount is taken out of the policy as withdrawal. Hence, it is in your best interest not to make withdrawal from your policy unless there is really a genuine need.

#### **Benefits Payable on Natural Death of Life Insured**

On natural death of the life insured (God forbid), provided the policy has not terminated, the benefit payable will be sum of (i) and (ii):



- (i) The sum insured in respect of the policy year in which death (God forbid) took place.
- (ii) The Account Value in the policy year in which the death (God forbid) took place.

#### **Lump Sum Additional Premium**

At any time during the term of the policy, you can pay additional lump sum premium in your account, which will increase the cash value. This additional premium can also be used to increase your sum assured, if you wish, after certain in-medical evidence.

#### **Account Value**

The premium paid less any related expenses will be credited to your account in the first year of the policy. Cost of insurance will be deducted each year. Any lump sum additional premium will be credited to your account.

The amount in your account will be invested in secured investments. Your account will be credited each year with your share of investment income earned on the invested assets. It should be noted here that the rate of increase in your account value is subject to the investment income earned by the Company on the invested assets, which cannot be predicted in the long range.

#### **Partial Withdrawals**

After two policy years have been completed and provided the policy has not terminated, you can make

partial withdrawals, by providing a written request, against the Net Cash Value of the policy. The amount of the withdrawal can be such that there should be a minimum residual balance in the account to continue the policy. The minimum residual balance criteria are as follows:

- (a) Minimum residual balance of a policy with initial premium between Rs. 100,000 and Rs. 299,999, should be equal to the initial single premium amount.
- (b) Minimum residual balance of a policy with initial premium of Rs. 300,000 or above, should be at least Rs. 300,000.

The policy will result in much higher cash values if no amount is withdrawn from the policy. Hence, it is in your best interest not to make withdrawal from your policy unless there is really a genuine need.

#### **Pension From an Age of Your Choice**

If the policy matures or you withdraw 100% of your cash value at an earlier age, you will have the option to take a pension from an age of your choice in lieu of lump sum payment. The rate of pension will be decided at the time of maturity according to the financial and other conditions ruling at that time. At the chosen maturity date, you can elect to take a portion of your net cash surrender value in lump sum and apply the rest towards the pension.





As a parent, your child's future and ability to fulfill your child's dreams and aspirations is always your prime concern.

Today, providing a good education, establishing a professional career or even a modest wedding is expensive. Costs are increasing rapidly. Just imagine how much you will need when your child takes these important steps in life!

East West Life's Scholar's Plan gives:

- (i) Invaluable financial support to your child.
- (ii) A choice to customize an ideal plan for your child.
- (iii) Multiple options for multiple benefits.

Our Scholar's Plan is designed to secure your child's future by giving your child (the beneficiary) a lump sum amount on maturity or in case of the payer's unfortunate demise early in the policy term. The premiums paid by you (less expenses and mortality charges) are invested by the company to provide excellent long-term returns.

Life has innumerable surprises in store for us. Parenthood is wonderful and it is such a stage, when you experience various emotions never thought possible. At the same time, parenthood also brings its own set of apprehensions and worries. What will your child grow up to be in the future? Will his/her future be as secure as you want it to be? Or more importantly, what can you do to make certain that his/her future is hassle-free and secure? Don't Worry! Now, by planning ahead, you have



the ability to answer these questions to your satisfaction.

East West Life's Scholar's Plan is especially designed to enable you to provide for higher education of your child and take care of your future needs in these times of spiraling costs.

This universal life child protection policy can be purchased on the life of the father or mother (i.e. the "Payer" of the policy), to provide for marriage and/or education of their child. The payer can also be a grandparent, brother, sister, real uncle or aunt of the child. This plan provides for the financial well-being of the child while offering cash value growth potential.

#### **Policy Maturity or Earlier Withdrawal**

If the policy matures or 100% of the cash value is withdrawn at an earlier age, the policyholder will have to choose on of the following options to receive their accumulated amount:

- Single Lump Sum
- Life Long Pension
- Combination of Lump Sum Payment and Life Long Pension

#### **Benefits Payable on Maturity of the Policy**

On survival of the both lives insured, i.e. the payer and the child, up to the maturity date, the Net Cash Value shall be payable. The Net Cash Value

Reserve of the policy LESS outstanding amounts due to us for loans given (if any).

#### **Benefits Payable on Death**

God forbid, if the payer dies before the maturity date, the premiums shall cease and the following benefits shall be payable:

- (i) The Sum Insured or the Net Cash Value (whichever is higher) shall be payable on the maturity date of the policy. Sum Insured here means the sum insured at the time of death of the payer (God forbid).
- (ii) 10% of initial sum insured (i.e. sum insured at policy issue) will be paid per year to the child from the date of death of adult life (God forbid) to the maturity date in monthly installments.

The first monthly payment shall fall due on the first day of the calendar month immediately after the date of death. The last monthly payment shall fall due on the first day of the calendar month immediately before the maturity date or when the payer would have turned 70.

Certain benefits are also payable in case of the child's death (God forbid) during the Policy Period.



Accidents are the leading cause of death for people under the age of 40 and the 5th leading cause for people of all ages. Most people may not think about additional insurance in the event of an accident. Accident insurance can help pay family expenses in the event of serious injury, disability, hospitalization or death as a result of an accident (God forbid).

Personal Accident insurance is an affordable supplement to life insurance. Accident insurance is important because it can help close the coverage gaps left by other insurance coverage programs, which usually has Accident insurance limitations.

With East West Life's Personal Accident Policy, a small premium can protect you from major financial crisis in case of accident. Together with Accidental Death Benefit, our product also offers Accidental Dismemberment & Disability Coverage and Reimbursement of Accidental In-Hospital Expenses. Our unique three-tier policy provides financial protection from the following most unfortunate consequences of an accident:

- Death (God forbid),
- Hospital Expenses, and
- Disability.

The description of benefits under each tier is given below:

#### Accidental Death

In case of one's Accidental Death (God forbid), we will pay a lump-sum amount to the designated nominee(s). This amount can be useful for the family's financial well-being.



#### In-Hospital Accidental Medical Expense

One of the major reasons for mental distress in case of hospitalization is heavy medical expenses. These expenses are increasing everyday and good medical services are becoming unreachable for normal middle class or even wealthy people. The medical expenses in case of hospitalization due to an accident are sudden and most of us are not prepared for such an expense. In case of an unfortunate event, you can always look towards East West Life. We can provide you with financial assistance when it is needed the most. By paying part of your accidental hospitalization expenses, we can share some of your distress. Total payment under this tier can be up to 20% of the principal sum assured.

The Accidental Disability benefits are as follows:

#### Accidental Disability

Suffering a disabling accident can take a heavy toll on every aspect of your life. Our Accidental Disability Insurance will help you and your family financially with lump sum or monthly payment depending upon the nature of the accidental disability.

It provides coverage for dismemberment, loss of sight, hearing, speech, etc., along with permanent and temporary as well as total and partial disability caused by an accidental injury.

***By Paying A Small Premium,  
You Can Secure Your Life From Major  
Aspects of Accidental Losses!***

Loss or Disability	Indemnity Benefit
Loss of Life	The Full Sum Insured
Loss of two or more Limbs	The Full Sum Insured
Total and irrecoverable loss of all sight in both Eyes	The Full Sum Insured
Total and irrecoverable loss of all sight in one Eye and loss of one limb by amputation at or above Wrist or Ankle	The Full Sum Insured
Loss of one Limb by amputation at or above Wrist or Ankle	One-Half of the Sum Insured
Total and irrecoverable loss of sight in one Eye	One-Third of the Sum Insured
Loss of Thumb and Index finger of either hand by amputation at or above the metacarpophalangeal joints	One-Fourth of the Sum Insured
Temporary Total Disability (unable to perform duties of occupation)	Weekly Indemnity
Partial Disability (unable to perform major part of duties of occupation)	One-Fourth of the Weekly Indemnity
Permanent, total and continuous disability (unable to do employment for wage or engage in any occupation)	Annual payment of 10% of sum insured payable monthly





## ACCIDENT PROTECTION PLAN

Life insurance provides a degree of financial protection against the uncertainty of death and can help survivors (dependents) achieve specified financial objectives.

Accidents are sudden and can lead to financial crisis, if you are not prepared. Accidents can cause sudden death or disability of the primary earning member of the family, which can cause serious financial consequences for the family because of the great level of dependence on his or her earnings.

### Need for Regular Monthly Income Only in Case of Accidental Death and Disability (God Forbid)

Life assurance is needed to provide for long and short terms income needs. In particular, these would include the need to pay installments of outstanding loans and/or mortgages; there would also be the need to provide a long term income for the surviving spouse and short term income for children or other dependants.

You can rely on our Accident Protection Plan to provide regular monthly income to you and your family to meet the basic necessities of life in case one dies by an accident (God forbid) or becomes disabled by an accident (God forbid). In addition to basic need of food, clothing and shelter, the income (being paid in case of an accident) can also be used for education of your children and ever growing medical needs.

### Regular Monthly Income Only in Case of Accidental Death and Disability (God Forbid)

Rather than providing lump sum payment, East West Life's Accident Protection Plan pays a monthly income for 10 years only in case of death or disablement (God forbid) due to accident while the policy is in force. The monthly income will



continue at the level specified in the policy for 10 years following the claim.

This product is particularly attractive to those who would like to have a fixed and regular stream of monthly income in case of accidental death or disability (God forbid) and would rather not have to worry about complex investment decisions to make the most as a lump sum payout.

*Save Rs. 7 daily to assure your family's monthly income in case you are not here (God forbid) or become incapable to perform your duties due to an accident.*

### PROVIDE YOUR FAMILY A SECURE FUTURE!

#### General Conditions Age Limit

The age should be minimum of 18 years and maximum of 59 years at the time of policy commencement date.

#### Claim Intimation

Written notice of specified accidental event on which the claim is based

must be submitted to the company within 20 days after the date of such event.

#### Termination

The insurance under this contract shall terminate at the end of a complete policy year. No surrender value is payable under this contract in any circumstances.

ACCIDENTS ARE UNAVOIDABLE, BUT THE GOOD NEWS IS THAT WE CAN REDUCE THEIR FINANCIAL IMPACT.

#### SALIENT FEATURES

A REGULAR MONTHLY INCOME FOR 10 YEARS ONLY IN CASE OF ACCIDENTAL DISABILITY, GOD FORBID.

NO MEDICAL EXAMINATION REQUIRED.

24/7 COVERAGE.

WORLDWIDE COVERAGE (irrespective of where the Accident resulting in loss occurred).

*Future is Uncertain but you can secure it with our ACCIDENT PROTECTION PLAN!*

Basic Benefit Structure	Benefit
Accidental Event	<b>Monthly Income for 10 Years only in case of an accidental event stated here</b>
Loss of LIFE	
Loss of one or more LIMBS by Amputation at above wrist or ankle.	
Loss of all SIGHT in both EYES.	
Loss of SPEECH	
Loss of Hearing in both EARS	
Permanent total and continuous DISABILITY	





We are providing group life insurance coverage for the employees of all types of organizations. We have a separate division for management of group life insurance schemes. This division is supervised by some of the most experienced professionals in this business. Some major highlights of our Group Life Insurance Schemes are given below:

We are providing the following benefits under the group life insurance policy:

- (a) **Death Benefit**  
Single life sum assured is paid under this benefit in case of death by any cause.
- (b) **Accidental Death Benefit (ADB)**  
Under this benefit, an additional life sum assured is paid in case of accidental death.
- (c) **Accidental Total and Permanent Disability (TPD) Benefit**  
Under this benefit, certain portion of the life sum assured is paid in case of accidental injuries.
- (d) **Accidental Temporary Disability Benefit**  
Under this benefit, fortnightly income payments are made for temporary accidental disablement.
- (e) **Natural Total and Permanent Disability Benefit**  
Under this benefit, certain portion of the life sum assured is paid in case of complete natural disability.



(f) **Natural Partial Disability Benefit**

Under this benefit, certain portion of the life sum assured is payable in case of partial natural disability.

(g) **Diagnosis of Terminal Illness**

Within this coverage, 50% of sum assured is payable at the time of diagnosis of terminal illness. Remaining 50% of sum assured will be payable at the time of death provided that our group policy remains in force with the policyholder.

(h) **Post Retirement Benefit**

Under this benefit, the group life coverage is extended to retiring employees provided that the policy stays in force with us on a continuous basis.

(i) **Bereaved Family Benefit**

Under this benefit, in case of death of any employee, we will pay a certain amount and/or percentage of the basic sum assured for miscellaneous expenses related to a person's death and / or burial.

These benefits are provided to all types of establishments at extremely competitive premium rates.

Moreover, free sum assured, i.e. sum assured without medical examination, is allowed quite generously and profit sharing for group life contracts of 3 years or more is provided.

**Group Life Insurance of Finance Scheme Borrowers**

We are also providing death coverage to borrowers of all types of finance schemes, including:

- Consumer-Related Finance Schemes
- Home Finance Schemes
- Agricultural Finance Schemes, etc...
- Flexible age limits are usually provided to the borrowers according to the criteria of the finance scheme(s).
- High Sum Assured amounts are provided as per the requirement of the finance scheme(s).

The following benefits are available for the borrowers as an add-on to the main policy:

- Accidental Total and Permanent Disability Benefit, and
- Natural Total and Permanent Disability Benefit.

Claim settlement is very prompt and polite (within 24 hours in most cases) in both our normal group life insurance scheme and group life coverage for finance scheme borrowers.



Our company is an active member in the healthcare insurance sector. We have an independent division for management of the group health insurance business. This division is supervised by some of the most well-trained and experienced healthcare professionals in the industry. Some major highlights of our group health insurance scheme are given below:

The group health insurance policy is broken-up into the following three major sections:

**(a) Hospitalization Insurance:**

This section provides coverage for hospital stay due to sickness or accidental injuries. Eligible hospitalization expenses include:

- Daily room & board charges.
- Medicines & drugs.
- Consultant's fees.
- Surgeon's fees.
- Blood & Oxygen supplies.
- Anesthetist's fees.
- Diagnostic tests.
- Daycare surgeries/procedures.
- Specialized investigations.
- Operation Theater charges.
- Miscellaneous charges (ambulance charges, plaster casts, physiotherapy, etc.)

Besides this, we also provide coverage for the following expenses:

- i. Charges for pre-hospitalization diagnostic services, which includes specialized investigations (such as Endoscopy, Angiography, Lithotripsy, Hernia, MRT, CT Scan, etc.), specialist's fees for consultation, diagnostic x-ray and laboratory tests.
- ii. Charges for post-hospitalization treatment incurred after discharge from hospital.
- iii. Hospitalization charges for pre-existing conditions.



**(b) Maternity Insurance:**

This section provides coverage to female employees or spouse of male employees for hospital stay as a result of pregnancy, which includes normal birth, caesarean surgery or multiple births. Eligible maternity expenses are identical to those listed in the hospitalization insurance section along with miscarriage (on doctor's advice or accidental) and baby's nursing care.

Beside this, charges for pre-hospitalization diagnostic services and post-hospitalization treatment are also covered within maternity insurance along with circumcision expenses for baby boys. Further, separate hospitalization coverage for newborn babies is allowed from the date of birth.

**(c) Major Medical Expense Insurance:**

This coverage is provided under the Hospitalization Insurance section, which will be used in case the hospitalization limit is fully utilized and funds are remaining in the annual major medical benefit limit.

Besides the benefits listed above, the following highlights of the health insurance scheme are important to note:

- Benefits included in the group health policy are very generous and customizable to meet the needs of our corporate client. Coverage is provided to all employees of the client, their spouses, parents and children.

- Our group health policy does not restrict the covered individual to visit only panel listed hospitals or laboratories. The patient is free to visit ANY hospital and laboratory. Moreover, we have several hospitals on our panel throughout the country, which allows our clients to get treatment without payment. We are continuously in the process of enlisting additional hospitals and laboratories on our panel in all major cities of the country.
- OPD Treatment under the company's optional "Stay-Healthy" plan is also available, under which employees and their dependents can obtain healthcare services from hundreds of panel consultants, laboratories and pharmacies on credit basis.
- We offer optional Electronic Funds Transfer (EFT) service for reimbursement claim payments and SMS alerts during hospitalization and claim processing.
- Most importantly, we offer prompt and polite claim payment service.



# Board of Directors and Company Information

## Chairman

Chief Justice (R) Mian  
Mahboob Ahmad

## Chief Executive Officer

Maheen Yunus, CPCU

## Directors

Mohsin Ali Kanchwala  
Umeed Ansari  
Javed Yunus  
Pervez Yunus  
Naved Yunus  
Omar P. Yunus

## Company Secretary

Sohail Nazeer

## Appointed Actuary

Shujat Siddiqui, MA, FIA, FPSA

## Consulting Actuaries

Akhtar & Hasan (Private) Limited

## Legal Advisor

Saiyed Younus Saeed

## Auditor

Grant Thornton Anjum Rehman  
(Chartered Accountants)

## Share Registrar

THK (Pvt.) Limited  
1st Floor, 40-C, Block-6  
P.E.C.H.S, Karachi-75400  
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Fax: +92 (021) 34168271  
E-mail: secretariat@thk.com.pk  
Web: www.thk.com.pk

## Registered Office

28 Regal Plaza, M. A. Jinnah  
Road, Quetta.  
Phone: (081) 2822913, 2821397  
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## Head Office

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35630422, 35630423  
Fax: (92-21) 35630429

## Website

www.eastwestlifeco.com

## E-mail

info@eastwestlifeco.com



# Management and Bankers

## Chief Executive Officer (CEO)

Maheen Yunus, CPCU

## Chief Operating Officer (COO)

Imran Ali Dodani

## Chief Financial Officer (CFO) and Company Secretary

Sohail Nazeer

## Zonal Head

Sheikh Khalid Mehmood

## Chief Medical Officer (CMO)

Dr. Muhammad Aslam, MBBS,  
MD (USA), FCPS (Part 1)

## Deputy General Managers

Aqeel Ansari

Sana-ul-Haq Hashmi

## Assistant General Managers

Tanveer Iqbal

Naveed Ashraf

Anjum Ghazali

Ajaz Hussain

Mohammad Zohaib

## Bankers

Allied Bank Limited

Summit Bank Limited

MCB Bank Limited

The Bank of Punjab

Habib Bank Limited

Askari Bank Limited

NIB Bank Limited

Bank Al-Habib Limited

JS Bank Limited

The Karakoram Co-Operative Bank Ltd.

Apna Microfinance Bank Limited

Bank Alfalah Limited

Sindh Bank Limited

# Committees

**Executive Committee**

Pervez Yunus  
Maheen Yunus, CPCU  
Naved Yunus  
Javed Yunus  
Sohail Nazeer, Secretary

**Audit Committee**

Umeed Ansari  
Naved Yunus  
Pervez Yunus  
Mohsin Ali Kanchwala  
Mohammad Zohaib, Secretary

**Underwriting Committee**

Pervez Yunus  
Mohsin Ali Kanchwala  
Javed Yunus  
Ajaz Hussain, Secretary

**Claim Committee**

Javed Yunus  
Naved Yunus  
Mohsin Ali Kanchwala  
Saleha Usman, Secretary

**Reinsurance Committee**

Naved Yunus  
Maheen Yunus, CPCU  
Mohsin Ali Kanchwala  
Sana-ul-Haq Hashmi, Secretary

**Investment Committee**

Mohsin Ali Kanchwala  
Naved Yunus  
Maheen Yunus, CPCU  
Sohail Nazeer, Secretary

**Human Resources and Remuneration Committee**

Naved Yunus  
Pervez Yunus  
Imran Ali Dodani  
Anjum Ghazali, Secretary

## Our Mission, Vision and Principle Values

### Our Vision

Our vision is to be the number one provider of wide-ranging insurance solutions to all of Pakistan, a goal we will attain while observing the principle values that have served us well since inception.

### Our Mission

To provide high quality, competitive insurance products and services through qualified, professional and committed salespersons.

To maintain financial strength for the benefit of our corporate and individual insurers, shareholders, agents/salespersons and employees.

To earn and protect public trust of the communities where we live and work by supporting good works and contributing to charities.

To create a challenging environment and develop a sense of accomplishment for our employees through tools and training to achieve personal growth and contribute to our organization.

To serve the nation by increasing the rate of literacy through our East West Life Educational Security Schemes for children and their parents.

To provide the right solutions that are in tune with our customer's needs, while facing up to the emerging challenges in the industry.

To help individuals and families financially realize their hopes and dreams and be there when they need us most.

To develop awareness of insurance need, build confidence in the insurance industry and also to develop the concept of saving.

To innovate and develop ideas to design new products for our valued corporate and individual clients to effectively meet their ever-changing needs.

### Our Principle Values

- Safety and Security through expansion, development and profitability.
- Exceptional and flexible product-line to meet the needs of our clients
- Respect and consideration for our policyholders, agents and employees.
- Vision as well as action to achieve our mission.
- Integrity and honesty in every aspects of our organization.
- Community improvement through participation.
- Excellent service.



## Code of Conduct

- The Company's policy is to conduct business with honesty and integrity and be ethical in all its dealings, showing respect for the interest of those with whom it has relationship.
- The Company complies with all laws and regulations. All employees are expected to familiarize themselves with laws and regulations governing their individual areas of responsibility, and not to transgress them. If in doubt, employees are expected to seek advice. The Company believes in fair competition, and supports appropriate competition laws.
- The Company does not support any political party nor contributes to the funds of groups whose activities promote party interests.
- The Company is committed to provide services, which consistently offer value in terms of price and quality and satisfy customer needs and expectations.
- The Company is committed to run its business in an environment that is sound and sustainable. As a good corporate citizen, the Company recognizes its social responsibilities, and will endeavor to contribute to community activities, for betterment of society as a whole.
- The Company believes in and fully adheres to the principles of reliability and credibility in its financial reporting and in transparency of business transactions.
- The Company is an equal opportunity employer. Its employee recruitment and promotional policies are free of any gender bias, and is merit as well as excellence oriented. It believes in providing its employees safe and healthy working conditions, and in maintaining good channels of communications.
- The Company expects its employees to abide by certain personal ethics, whereby Company information and assets are not used for any personal advantage or gain. Any conflict of interests should be avoided, where it exists it should be disclosed, and guidance sought.
- The Board to ensure that the above principles are complied with, for which the Board has constituted the Audit Committee, to be supportive of compliance.

## Chairman's Review

It is my distinct pleasure to place before you, on behalf of the Board of Directors of East West Life Assurance Company Limited, the 24rd Annual Report together with the audited financial statements of the company for the year ended December 31st, 2016.

### THE ECONOMY

Pakistan is at an important juncture of its history. But sometime it is quite contrary to one's expectations what is happening in the world economy these days as the fight between the oil giants is getting worse. Oil prices in the world market are facing the worst slump of recent history.

The present reduction simply means boon for all developing economies while the increase in the consumer's pockets raises demand for almost everything. It also means lower cost of production and prices that are affordable by more people from farmers sowing wheat for home consumption to industrialists filling apparel export orders passing benefit to almost everyone. It is also good news for Government of Pakistan looking to weather the ever worsening energy crisis. It can reap its benefits in both economic and political spheres. The oil prices will help reduce cost of energy and is likely to ease out load-shedding.

The fight against terrorism in Pakistan has gone into top gear and it seems the pressure has been released to quite an extent for the law enforcing agencies. It is finally moving forward and has shown ample signs of force and resolve

with which it intends to march ahead. But let us not be deceived. Terrorism as we Pakistani have lived through over past decades is not about a group of rouge, violent and misguided elements. It has taken deep roots in society, its polity and its economy as well. However, we have to define the way we perceive nationalism and decide for us which Pakistan we wish to live in.

### COMPANY'S FINANCIAL PERFORMANCE

In terms of profitability, 2016 was a difficult year for your company. However, despite of this fact, some important financial targets were achieved, including:

- First year individual life premium with decrease of more than 76% this portfolio of the company had been shrinking two years ago.
- The 2nd year individual life premium has shown a Un satisfactory Decrease in 2016 by more than 32.2%, achieving 2nd year persistency of 27%
- The management has taken serious action for reduction of claim expense by adopting rigorous policies, which have resulted in exceptional reduction of claim expenses by more than 33% in 2016 to Rs. 49.515 million from approximately 73.712 million in 2015.
- Total gross claims have decreased by more than 49.2% to go Rs. 50 million, which is an excellent achievement for Claims Officers of the company.

- Total Net Claims have decrease by 32.8% from 73.7 million in 2015 to 49.51 millions in 2016.
- The company's total net management expenses have by almost 4.26% from Rs. 55.029 million in 2015 to approximately Rs. 52.684 million during 2016.
- The management's persistent hard work to control excessive costs in the company have resulted in exceptional reduction of statutory fund management expenses by more than 24.2% in 2016 to Rs. 31.11million from Rs.41.099 million in 2015.
- As a result of premium income reduction, the company's total acquisition costs have also decreased by 49.2% from Rs. 84.76 million in 2015 to Rs. 4.29 million in 2016.
- The Amount of Investment Income Increase by 24.1% from 32.3 million in 2015 to 40.2 millions In 2016. This Increase shows the Sound Investment Policy of the Company.

It has become the key focus of the company to enhance profitability by increasing net premium results and further controlling expense while keeping in view the essential task of continued improvement in claim results.



## Chairman's Review

### FUTURE PROSPECTS OF THE COMPANY

In 2017 and beyond, the management is planning to focus on improving internal controls and constituting concrete policies to achieve continued reduction in claims, improve premium growth (especially on the front of individual and group life insurance) while instituting steps to further reduce expenditures.

It is expected that in order to achieve these tasks, the company will need to enhance marketing field force under close supervision, use new business procurement channels, develop unique target based products and improve Human Resource mobilization as well as utilization while promoting a professional environment and corporate culture. Moreover, necessary modification of departmental structures will also be implemented to maximize efficiency and enhancement of management tools.

Moreover, the focus of the company's management will be on the following areas for the future:

- Focus on development of new products in line with principles of Microinsurance.
- Addition of value-added services to our individual and corporate clients using the company's Information Technology (IT) department.
- Implementation of controls through customized IT solutions

in each area/level of transactions to improve overall working of the company.

- Improve cost management of company's branch offices throughout the country with focus on business procurement expense control.

With a view to further maximize returns for policyholders and shareholders of the company, the management's job in 2017 is to continue improvement in the financial results of the entity. The board is certain that, in view of the improving economic situation globally and within the country, your management is keenly focused on the above targets, which (InshaAllah) will result in further improvement of the financial results while developing an enhanced corporate culture within the organization. I am certain that the management's direction for the future will be mutually beneficial for the policyholders and shareholders of the organization.

### ACKNOWLEDGEMENT

I would like to take this opportunity to express my sincere thanks to The Ministry of Commerce, Government of Pakistan, and the Securities and Exchange Commission of Pakistan (SECP) for their continued direction and support given in managing the affairs of the company in a prudent manner. The directors wish to record their appreciation for the tremendous contribution made by the able and eminent officers, staff and sales force of the company towards its development and

growth. Their continuous commitment to high ethical standards, client service and hard work has helped your company emerge and maintain its position as a key member amongst private sector life insurers.

Moreover, we also wish to thank the Insurance Association of Pakistan (IAP) for their assistance and valued representation of our industry. We would also like to sincerely express our gratitude to the company's loyal policyholders and corporate clients for their continued support and confidence in our company.

Lastly, my thanks and appreciation to the thousands of our shareholders, whose enthusiasm for the company is a source of confidence for us to make East West Life a sound and reliable financial organization and a symbol of security for the marketplace.

May Almighty Allah bless us all (Ameen).

On behalf of the Board of Directors,



**CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD**  
Chairman

Karachi, March 22nd, 2017



## Directors' Report to the Shareholders

The Directors of your company are pleased to present their report along with the Accounts and Auditors' Report for the year ended December 31st, 2016.

### PRINCIPAL ACTIVITY

The Company is actively engaged in life and health insurance business. We extend individual life insurance and group/corporate life, accidental and health insurance to companies all over Pakistan.

### OPERATING RESULTS

During 2016, our company's net loss for the year has, decreased by Rs. 10.095 million from a loss of almost Rs.32.2 million at the end of 2015 to a loss Rs 22.11 million as at December 31st, 2016. This is primarily due to a decrease in net premium and investment income of approximately 6%, which has occurred because of lower gross premium by 42% driven by a decrease in overall group life

premium by almost 68% as compared to the previous period. However, it is important to note that the company's claims and expenditures have decreased by more than 20% compared to the previous period. This clearly shows that the company's expense reduction strategies are continuing to bear fruit.

Below you will find a financial comparison of several key figures between the year 2016 and 2015 for shareholders' and statutory funds combined:

All Amounts in Rupees	2016	2015 Re-stated
<b>Operating Income</b>		
Premiums Less Reinsurances	20,081,316	31,583,733
Net Investment Income	40,209,125	32,378,885
<b>Total Net Income</b>	<b>60,290,441</b>	<b>63,962,618</b>
<b>Operating Expenses</b>		
Claims, Including Bonuses, Net of Reinsurance Recoveries	49,515,706	73,712,032
Management Expense Less Recoveries	52,684,408	55,029,350
<b>Total Claims and Expenditures</b>	<b>102,200,114</b>	<b>128,741,382</b>
Deficit of Income Over Claims and Expenditure	(41,909,673)	(64,778,764)
Movement in Policyholders' Liability	19,958,724	33,650,944
<b>Loss Before Taxation</b>	<b>(21,950,949)</b>	<b>(31,127,820)</b>
Taxation	(166,006)	(1,084,891)
<b>Loss After Taxation</b>	<b>(22,116,955)</b>	<b>(32,212,711)</b>

The disappointing premium income figures have negated the positive net management expense and claim expense achievements to result in a loss in the excess of income over claims and expenditures figure. However, positive results in the movement in policyholders' liability and taxation have allowed the

company to reduce the amount of loss. The company's management has decided to focus on completely revamping its marketing department strategy to tackle the lackluster premium income results achieved during 2016. This will also include reviewing our rating and underwriting standards with the

company's actuaries as well as underwriting personnel to pinpoint the reasons for the drastic decrease in premium income along with implementation of steps that will allow our company to achieve higher business volume in the near future.

# Directors' Report to the Shareholders

## FINANCIAL PERFORMANCE

The results of our company's accomplishments are evident in a comparison of certain key figures for 2016 versus 2015, which are indicative of its performance for the year under review.

Below you will find a comparison of the key figures:

	2016	2015	% Chg.
Total 1st Year Individual Life Premium	Rs. 1,111,975	Rs. 4,630,776	-76.0%
Total 2nd Year Individual Life Premium	Rs. 1,257,332	Rs. 1,854,629	-32.2%
Net Claims Expense	Rs. 49,515,706	Rs. 73,712,032	-32.8%
Total Gross Claims	Rs. 50,398,620	Rs. 99,226,086	-49.2%
Total Net Management Expenses	Rs. 52,684,408	Rs. 55,029,350	-4.26%
Statutory Fund Management Expenses	Rs. 31,119,153	Rs. 41,099,891	-24.2%
Shareholders' Fund Expenses	Rs. 21,565,255	Rs. 13,929,459	-54.8%
Total Acquisition Costs	Rs. 4,299,932	Rs. 8,476,395	-49.2%
Investments	Rs. 259,525,658	Rs. 305,099,242	-14.9%
Investment Income	Rs. 40,209,125	Rs. 32,378,885	24.1%

- First year individual life premium with decrease of more than 76% this portfolio of the company had been shrinking two years ago.
- The 2nd year individual life premium has shown a Un satisfactory Decrease in 2016 by more than 32.2%, achieving 2nd year persistency of 27%.
- The management has taken serious action for reduction of claim expense by adopting rigorous policies, which have resulted in exceptional reduction of claim expenses by more than 33% in 2016 to Rs. 49.515 million from approximately 73.712 million in 2015.
- Total gross claims have decreased by more than 49.2% to go Rs. 50 million, which is an excellent achievement for Claims Officers of the company.
- Total Net Claims have decrease by 32.8% from 73.7 million in 2015 to 49.51 millions in 2016.
- The company's total net management expenses have by almost 4.26% from Rs. 55.029 million in 2015 to approximately Rs. 52.684 million during 2016.
- The management's persistent hard work to control excessive costs in the company have resulted in exceptional reduction of statutory fund management expenses by more than 24.2% in 2016 to Rs. 31.11million from Rs.41.099 million in 2015.
- As a result of premium income reduction, the company's total acquisition costs have also decreased by 49.2% in 2015 from Rs. 84.76 million to less than Rs. 4.29 million.
- The Amount of Investment Income Increase by 24.1% from 32.3 million in 2015 to 40.2 millions In 2016 .This Increase shows the Sound Investment Policy of the Company.

The management of the company would like to take this opportunity to thank the Securities and Exchange Commission of Pakistan (SECP) for the crucial part that the regulator plays in elevating the image of the life and entire insurance industry including their untiring efforts to advance corporate governance.

## CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board is mindful of its responsibilities as established by the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the following statements are given:

- The financial statements prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.



## Directors' Report to the Shareholders

- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

- International Financial Reporting Standards and International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.

- The system of internal control is sound in design and has been effectively implemented and monitored. The Board is ultimately responsible for the Company's system of internal control and reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve objectives, and by its nature can provide only reasonable and not absolute assurance against material misstatement or loss. The process used by the Board to review the effectiveness of system of internal control include, inter-alia, the following:

- The audit committee has written terms of reference and reports to the Board. It reviews the approach adopted by the company's internal audit department and the scope of and the relationship with, the external auditors. It also receives reports from the internal audit department and the external auditors on the system of internal control and any material control

weaknesses that have been identified. Further, the committee discusses the actions to be taken in areas of concern with the relevant executive directors.

- An organization structure has been established, which supports clear lines of communication and tiered levels of authority with delegation of responsibility and accountability.
- Business strategies agreed to divisional level are approved by the Board. In addition, there is an annual budgeting and strategic planning process. Financial forecast are prepared quarterly and these strategies are reviewed during the year to reflect significant changes in the business environment.

The principal features of control framework include:

- Evaluation and approval procedures for major capital expenditure and other transactions.
- Regular reporting and monitoring of financial performance of the divisions, and the group as a whole, using operating statistics and monthly management accounts, which highlight key performance indicators and variance from budgets and quarterly forecasts.
- Review of the group's health, safety, environment contingency management processes and other significant

policies.

- There are no doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations of the Karachi Stock Exchange (Guarantee) Limited.
- The key operating and financial data for the last six years is annexed.
- The statement of shareholding in the Company as December 31st, 2016 is included with the Report.
- The value of investment in the Provident Fund based on the respective financial statements as at December 31st, 2016 is Rs 7.339 million.
- There has been no trading during the year in the shares of the Company carried out by the directors, CEO, COO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children.



## Directors' Report to the Shareholders

### BOARD MEETINGS

- During the year, six (6) meetings of the Board of Directors were held and attendance position was as under:

Serial No.	Name of Director	Number of Meetings Attended
01	Chief Justice (R) Mian Mahboob Ahmad	06 out of 06
02	Mr. Maheen Yunus, CPCU	04 out of 06
03	Mr. Umeed Ansari	06 out of 06
04	Mr. Mohsin Ali Kanchwala	05 out of 06
05	Mr. Naved Yunus	06 out of 06
06	Mr. Pervez Yunus	06 out of 06
07	Mr. Javed Yunus	06 out of 06
08	Mr. Omar P. Yunus (Mr. Shabbir Ali Kanchwala, Alternate Director)	06 out of 06

Leave of absence was granted to Directors who could not attend the Board meetings.

### FUTURE OUTLOOK

In 2017 and beyond, the management of your company will continue focus on improving internal controls and constitute concrete policies to achieve reduction in claims, improve overall premium growth while taking steps to further reduce expenditures. In view of such goals, the company's management is taking important steps shown below in order to keep the organization ahead within the competitive business environment being faced in the marketplace:

- A thorough revamping of the company's corporate/group marketing department will be conducted. This will be done in conjunction with a detailed review of our rating and underwriting standards with the company's actuaries as well as underwriting personnel to allow our company to achieve higher business volume in the near future.
- Strict internal controls are being further examined to continue

reduction in management expenses. Accordingly, despite of increased inflation, it is forecasted that the company's expense will continue to decrease in 2017 and beyond.

- The individual life field force compensation package and structure are being continued without modification as it has continued to bear fruit in 2017.
- Consolidations of individual life field force offices are continuing with focus to improve the procurement cost within the business portfolio.
- Continued efforts will be taken to achieve breakthrough within Bancassurance business procurement channel via agreements with prestigious banking institutions in order to expand the company's premium base and take advantage of this extremely efficient as well as cost effective marketing tool. Our efforts will be supplemented towards other similar procurement channels, such as

salary based selling and direct marketing.

- The company has achieved some success in the front of Microinsurance. However, steps will be taken to make further inroads on the front of Microinsurance via introduction of additional products to expand the company's market exposure in this field.
- Policies will be further refined for the Human Resources department with assistance of Human Resources and Remuneration committee to enhance its efforts in appointing knowledgeable and capable personnel for all areas of the company, especially sales/marketing team, in order to maximize results/profitability.
- Further improvement in the company's internal structure will be performed to achieve early processing of professionalized underwriting with assistance and co-ordination of available skilled managers and staff.

## Directors' Report to the Shareholders

- The company will further enhance the role of the company's investment committee and the fund manager to refine the company's investment strategy and results in line with the latest opportunities being experienced in the business marketplace.

Besides taking these definite steps, in 2017 (the 25th year of the organization), the company will, as always, continue its focus on further increasing its premium procurement with regards to individual life marketing as well as group life and health insurance. The company's management continues to face the challenge of permanent and long-term betterment. In connection with this realization, the company will continue its efforts for premium growth in all business areas, further improvement in persistency figures especially related to renewal recoveries, sustained efforts to further reduce operating/management expenses and advancement of customer-oriented services. In this regard, few areas where the management will focus their attention in the future are given below:

- Focus on development of new products in line with principles of Bancassurance.
- Further addition of value-added services to our individual and corporate clients using the company's Information Technology (IT) department.
- The implementation of controls through customized IT solutions in each area/level of transactions to improve overall working of the company.
- Improve cost management of company's branch offices throughout the country with focus on business procurement expense control.

In view of the improving economic situation globally and within the country, your management is certain that focus on the above targets will result in improvement of the financial results while developing an improved corporate culture within the organization. The company is very much focused on our targets/direction, which, we are confident, will be mutually beneficial for the policyholders and shareholders of the organization.

### AUDIT COMMITTEE

The Audit Committee comprises of the following members:

1. Umeed Ansari
2. Naved Yunus
3. Pervez Yunus
4. Mohsin Ali Kanchwala
5. Muhammad Zohaib, Secretary

### STATEMENT OF CODE OF CONDUCT

The Board has adopted the statement of Code of Conduct. All employees are informed of this statement and are required to observe these rules of conduct in relation to business and regulations.

### MATERIAL CHANGES

There have been no material changes since December 31, 2016 and the Company has not entered into any

commitment, which would affect its financial position at that date.

### DIVIDEND

In the light of the adverse environment in the economic sector of the country, the Directors feel that no dividend can be declared for the year ended December 31, 2015.

### PATTERN OF SHAREHOLDING

The pattern of shareholding, as required by section 236 of the Companies Ordinance 1984 and Code of Corporate Governance is enclosed.

### AUDITORS

The appointment of Auditors for the financial year 2017 and fix their remuneration, retiring auditors M/S Grant Thornton Anjum Rehman, (Chartered Accountants), being proposed for appointment by the Board of Directors on recommendation of Audit Committee.



## Directors' Report to the Shareholders

### ACKNOWLEDGEMENT

The directors would like to take this opportunity to extend their gratitude to the Securities and Exchange Commission of Pakistan (SECP) for their continued guidance and support to the company's management. The board would also like to thank The Ministry of Commerce and Government of Pakistan for their efforts in uplifting the insurance industry in the country.

The directors also wish to record their indebtedness for the extraordinary efforts of the able

officers, staff and field force of the company towards its development and growth. Their constant dedication to high ethical standards, client service and hard work has made your company an important member among the private sector life insurers.

Further, the board would like to record their appreciation to the Insurance Association of Pakistan (IAP) for their guidance, support and invaluable representation of our industry. The board also wishes to sincerely thank the company's loyal policyholders and corporate clients for their constant confidence and

encouragement in our organization.

Finally, thanks to the thousands of our shareholders, whose loyalty and dedication for the company is a source of encouragement for us to make East West Life a strong and dependable financial organization and a symbol of security for the marketplace.

For and on behalf of the Board of Directors,



**Maheen Yunus, CPCU**  
Chief Executive Officer



## Key Financial Data for the Last Six Years

	2016	2015 Re-stated	2014 Re-stated	2013	2012	2011
<b>REVENUE ACCOUNT</b>						
Premium - Net of Reinsurance	20,081,316	31,583,733	142,581,803	219,575,818	181,272,234	178,686,939
Interest and Other Income	40,209,125	32,376,885	39,673,259	31,035,347	28,472,441	33,851,073
	60,290,441	63,960,618	182,255,062	250,611,165	209,744,675	212,538,012
Claims Less Reinsurance	49,515,706	73,712,032	120,970,732	118,444,648	162,132,539	124,524,654
Net Commission & Acquisition Cost	4,009,711	7,675,152	10,841,953	14,097,678	15,372,062	20,762,238
Other Administrative Cost	48,674,697	47,354,198	53,810,322	59,111,466	64,997,997	63,469,139
Movement in Policyholders' Liabilities	(19,958,724)	(33,650,944)	(15,673,092)	26,031,832	4,101,664	16,876,406
Profit/(Loss) Before Tax	(21,950,949)	(31,127,820)	12,305,147	32,925,541	(36,839,587)	(13,094,425)
Taxation	(166,006)	(1,084,891)	661,068	771,429	(2,801,730)	(2,218,754)
<b>Profit/(Loss) After Tax</b>	<b>(22,116,955)</b>	<b>(32,212,711)</b>	<b>12,966,215</b>	<b>33,696,970</b>	<b>(39,641,317)</b>	<b>(15,313,179)</b>
<b>BALANCE SHEET</b>						
Investments	259,525,658	305,099,242	284,900,323	277,686,388	202,034,877	186,588,230
Other Assets	197,454,813	218,421,192	275,747,928	246,999,029	179,028,416	194,501,337
Fixed Assets	19,291,389	21,301,629	24,973,540	28,316,213	32,806,644	37,213,987
	476,271,860	544,822,063	585,621,791	553,001,630	413,869,937	418,303,554
Issued, Subscribed and Paid-Up Capital	601,720,140	594,291,500	594,291,500	594,291,500	500,456,000	500,456,000
Advance Against Equity	-	-	-	-	24,000,000	-
Accumulated Surplus/(Loss)	(411,879,085)	(391,462,353)	(357,504,839)	(382,821,519)	(411,900,536)	(376,330,613)
Balance of Statutory Fund	193,747,350	215,406,297	247,312,438	269,041,765	238,391,980	238,381,710
Other Liabilities	92,683,455	126,585,619	101,522,692	72,489,884	62,922,493	55,796,457
	476,271,860	544,822,063	585,621,791	553,001,630	413,869,937	418,303,554

## Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of the shareholders of East West Life Assurance Company Limited will be held on Monday, April 17, 2017 at 2.00 P.M at 28 - Regal Plaza, M. A. Jinnah Road, Quetta, to transact the following business.

1. To confirm the minutes of the last meeting held on November 4, 2016.
2. To receive, consider and adopt the Audited Accounts for the year ended December 31st, 2016 along with Directors' and Auditors' Report thereon.
3. To appoint Auditors for the year 2017 and fix their remuneration, retiring Auditor M/s Grant Thornton Anjum Rehman, Chartered Accountants being eligible, offered themselves for re-appointment.
4. To transact any other business that may be placed before the meeting with the permission of the Chairman.

Karachi  
March 22nd, 2017

By Order of the Board

  
Sohail Nazeer  
Company Secretary

### NOTES:

- (a) The Share Transfer Books of the Company will remain closed from April 11, 2017 to April 17, 2017 (both days inclusive) for Annual General Meeting. No application for transfer of shares will be entertained during this period.
- (b) A member eligible to attend and vote at the meeting may appoint another person as his/her proxy to attend, speak and vote instead of him/her. Proxies in order to be effective must be received in the office of the Company's Share Registrar M/s THK Associates (Pvt) Limited, 1st Floor, 40-C Block 6, PECHS, Karachi, not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. A member shall not be entitled to appoint more than one proxy.
- (c) CDC account/sub account holders are requested to bring their original Computerized National Identity Cards (CNIC), Accounts/Sub-Account Number and Participant's ID Number in the Central Depository Company (CDC) for identification purpose when attending the meeting. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
- (d) Shareholders are requested to promptly notify the office of the Company's Share Registrar, in case of any change in their addresses.

### Submission of copies of CNIC:

In accordance with Securities and Exchange Commission of Pakistan (SECP) SRO 831(I)/2012 dated July 05, 2012 dividend warrant should bear CNIC number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholders. Members having physical shares are once again requested to immediately send a copy of their valid computerized national identity (CNIC) to our above mentioned Share Registrar for updating of record.

## Notice of Annual General Meeting

### **Payment of Cash Dividend Electronically (Optional):**

As per directions to all Listed of Companies through Securities and Exchange Commission of Pakistan (SECP) Circular Number 18/2012 dated June 05, 2012 that shareholder can instruct the company to directly transfer their dividend warrant portion to mandated concern bank simultaneously with a notice to shareholder registered address. Shareholders are once again requested to send their dividend mandate to our above mentioned Share Registrar in case of physical shareholding and to their participant/broker/CDC in case of CDC shareholding. Dividend Mandate Form can be downloaded from Company's web page by using this link [www.eastwestlifeco.com/company\\_information.html](http://www.eastwestlifeco.com/company_information.html).

### **Electronic Transmission of Financial Statements and Notices:**

Securities and Exchange Commission of Pakistan through SRO no.787(1)/2014 dated September 8, 2014 allowed the companies to circulate its Annual Audited Financial Statements along with companies notice of annual general meeting to its members through email. Those shareholders who wish to receive the companies annual report through email are requested to send email to company's secretary at [info@eastwestlifeco.com](mailto:info@eastwestlifeco.com), their name, CNIC number, folio number and email address at which they wish to receive annual report. Please note that annual report would also be available at [www.eastwestlifeco.com](http://www.eastwestlifeco.com).

In case any member who has provided consent to receive audited Financial Statements and notices through email, subsequently request for hard copy of audited Financial Statements the same shall be provided free of cost within 7 days of the receipt of the request.



## Statement of Compliance with the Code of Corporate Governance For the Year Ended December 31, 2016

This statement is being presented to comply with the Code of Corporate Governance contained in regulation No. 35 of listing regulations of The Karachi Stock Exchange and Code of Corporate Governance applicable to listed companies issued by SECP, for the purpose of establishing a framework of good governance, whereby an insurance company is managed in compliance with the best practices of Corporate Governance.

The company has applied the principles contained in the Code of Corporate Governance in the following manner:

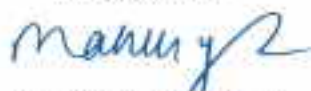
1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present, the Board includes:

Category	Name
Independent Director	Mr. Mohsin Ali Kanchwala
Executive Director	Mr. Maheen Yunus, CPCU (CEO/Director)
Non-Executive Directors:	Chief Justice (R) Mian Mahboob Ahmad Mr. Pervez Yunus Mr. Javed Yunus Mr. Naved Yunus Mr. Umeeed Ansari Mr. Omar P. Yunus

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No Casual Vacancy Occurred during the year 2016.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decision on material transactions including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.
8. The meetings of the Board were preside over by the Chairman and in his absence by a director elected by the Board for this purpose and the Board met at least once in every quarter during the year. Written notices of the Board meetings along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Board of Directors comprised of seven directors out of which four directors have obtained "Orientation Course" organized by recognized institutions and two directors are experienced and educated enough that exempted them from certification course.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment.
11. The Director's Report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance and fully describes the salient matters required to be disclosed.

## Statement of Compliance with the Code of Corporate Governance For the Year Ended December 31, 2016

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest-in shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance.
15. The Board has formed an Underwriting Committee. It comprises of three members of whom all are non-executive directors including Chairman of the committee.
16. The Board has formed a Claim Settlement Committee. It comprises of three members of whom all are non-executive directors including Chairman of the committee.
17. The Board has formed a Reinsurance Committee. It comprises of three members of whom two is a non-executive director being Chairman of the committee.
18. The Board has formed a Human Resources and Remuneration Committee. It comprises of three members, of whom, all are non-executive directors including Chairman of the committee.
19. The Board has formed an Audit Committee. It comprises of four members of whom all are non-executive directors including Chairman of the committee.
20. The meetings of the Audit Committee were held at least once in every quarter prior to approval of interim and final results of the company as required by the Code of Corporate Governance. The terms of reference of the committee have been formed and advised to the committee for compliance.
21. The Board has set up an effective internal audit function, which are conversant with the policies and procedures of the company.
22. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold the shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
23. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed International Federation of Accountants guidelines in this regard.
24. The "close period" prior to the announcement of inter/final results and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
25. The actuary appointed by the company has confirmed that neither he nor his spouse and minor children hold shares of the company.
26. The Board ensures that the appointed actuary complies with all requirements set for him in the Code for Insurance Companies.
27. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
28. We confirm that all other material principles contained in the Code of Corporate Governance have been complied with.



**Maheen Yunus, CPCU**  
Chief Executive Officer



## Review Report to the Members on Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance for Insurers, 2016 and Code of Corporate Governance, 2012 as mentioned in the Regulation No. 5.19.24 of the Rule Book of Pakistan Stock Exchange ("PSX") (collectively referred to 'the Code') as prepared by the Board of Directors ("the Board") of **East West life Assurance Company Limited** ("the Company") for the year ended December 31, 2016 to comply with the requirements of Listing Regulations of PSX where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended December 31, 2016.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in Statement of Compliance:

S.No.	Paragraph Reference	Description
1.	9	It is mandatory for all listed companies to ensure that the directors on their boards have certification under any Directors' Training Program (DTP) offered by institutions local or foreign that meets the criteria specified by the SECP. We understand the said provision of the Code is applicable in four directors; however, none of the directors have attended the DTP during the year.
2.	24	Within two years of coming into force of this Code, a mechanism is put in place for an annual evaluation of the board's own performance. We have observed that the company has not yet formulated any mechanism for the annual evaluation of the board's own performance.
3.	25	It is mandatory that CFO and Company Secretary must be different persons. However, CFO and Company Secretary is the same person.
4.	26	The Company has not appointed a compliance officer.

KARACHI

DATED: March 22nd, 2017

**Grant Thornton Anjum Rahman**  
Chartered Accountants



## Independent Auditors' Report to the Members of East West Life Assurance Company Limited

We have audited the annexed financial statements comprising of:

- i. balance sheet;
- ii. profit and loss account;
- iii. statement of comprehensive income;
- iv. statement of changes in equity;
- v. statement of cash flows;
- vi. revenue account;
- vii. statement of premiums;
- viii. statement of claims;
- ix. statement of expenses; and
- x. statement of investment income.

of **EAST WEST LIFE ASSURANCE COMPANY LIMITED** ("the Company") as at December 31, 2016 to together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Company's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved Accounting Standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by the management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) proper books of accounts have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- b) the financial statements together with the notes thereon have been drawn upon in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied;
- c) The financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at December 31, 2016 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended in accordance with approved Accounting Standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- d) The apportionment of assets, liabilities, revenue and expenses between two or more funds has been performed in accordance with the advice of the appointed actuary; and
- e) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

### Emphasis of Matter

We draw attention to note 1.2 to the financial statements, which, inter alia, states that the gross premium of the Company has decreased by Rs. 18 million (42%) as compared to corresponding prior year. The Company has incurred loss for year ended December 31, 2016 of Rs. 4.916 million (2015 loss after tax: Rs. 3,307 million), and accumulated deficit as at December 31, 2016 amounted to Rs. 411.879 million (as at December 31, 2015: Rs. 391.462 million). These matters indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and that the Company may be unable to realize its assets and unable to discharge its liabilities in the normal course of business. These financial statements have been prepared on the going concern basis for reasons as stated in note 1.2 to these financial statements. Our conclusion is not qualified in this respect.

### Other Matters

The financial statements of the Company for the year ended December 31, 2015 were audited by another firm of Chartered Accountants who in their reports dated March 28, 2016 expressed an unqualified opinion.

KARACHI  
DATED: March 22nd, 2017

**Grant Thornton Anjum Rahman**  
Chartered Accountants  
Engagement Partner: Muhammad Shaukat Naseeb

# Balance Sheet

As At December 31, 2016

Figures in Rupees

Notes	Shareholders' Fund	Statutory Funds			2016	Aggregate	
		Ordinary Life	Universal Life	Accident & Health		(Re-stated) 2015	(Re-stated) 2014
<b>SHARE CAPITAL AND RESERVES</b>							
Authorized Share Capital (75,000,000 Ordinary Shares (2015 and 2014: (60,000,000) shares of 10 each)	750,000,000	-	-	-	750,000,000	600,000,000	600,000,000
Issued, Subscribed and Paid-Up Share Capital	601,720,140	-	-	-	601,720,140	594,291,500	594,291,500
Accumulated Deficit	(411,879,085)	-	-	-	(411,879,085)	(391,462,353)	(357,504,839)
<b>Net Shareholders' Equity</b>	<b>189,841,055</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>189,841,055</b>	<b>202,829,147</b>	<b>236,786,661</b>
<b>Balance of Statutory Fund Including Policyholders' Liabilities Rs. 189.306 Million (2015: Rs. 209.264 Million) (2014: Rs. 242.915 Million)</b>							
	-	6,922,100	184,526,070	2,299,180	193,747,350	215,406,297	247,312,438
<b>DEFERRED LIABILITIES</b>							
Outstanding Gratuity	9,055	77,195	-	-	86,250	86,250	90,550
<b>CREDITORS AND ACCRUALS</b>							
Outstanding Claims	-	17,735,328	44,113,522	5,325,465	67,174,315	91,361,089	71,322,337
Premiums Received in Advance	-	-	9,756,145	-	9,756,145	14,960,914	15,512,593
Amount Due To Other Reinsurers	-	4,467,036	1,965,306	-	6,432,342	2,879,505	154,270
Accrued Expenses	1,025,967	2,390,584	3,484,789	253,030	7,154,370	13,136,867	12,130,889
Amount Due To Agents	-	30,853	1,730,835	309,366	2,071,054	4,126,898	2,176,412
Other Creditors and Accruals	2,515	4,156	1,059	1,249	8,979	35,096	135,641
	<b>1,028,482</b>	<b>24,627,957</b>	<b>61,051,656</b>	<b>5,889,110</b>	<b>92,597,205</b>	<b>126,500,369</b>	<b>101,432,142</b>
<b>CONTINGENCIES AND COMMITMENTS</b>							
<b>TOTAL LIABILITIES</b>	<b>1,037,537</b>	<b>31,627,252</b>	<b>245,577,726</b>	<b>8,188,290</b>	<b>286,430,805</b>	<b>341,992,916</b>	<b>348,835,130</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>190,878,592</b>	<b>31,627,252</b>	<b>245,577,726</b>	<b>8,188,290</b>	<b>476,271,860</b>	<b>544,822,063</b>	<b>585,621,791</b>

The annexed notes from 1 to 39 form an integral part of these financial statements.

Figures in Rupees

Notes	Shareholders' Fund	Statutory Funds			2016	Aggregate	
		Ordinary Life	Universal Life	Accident & Health		(Re-stated) 2015	(Re-stated) 2014
<b>CASH AND BANK DEPOSITS</b>							
Cash in Hand	-	-	17,616	-	17,616	4,667	17,872
Current and Other Accounts	25,852,000	7,911,882	30,451,378	1,727,248	65,942,508	104,132,048	124,800,780
Deposits Maturing within 12 Months	-	-	100,000,000	-	100,000,000	85,000,000	82,500,000
16	25,852,000	7,911,882	130,468,994	1,727,248	165,960,124	189,136,715	207,318,652
<b>Loans Secured Against Life Insurance Policies</b>							
	-	4,155,090	5,783,676	-	9,938,766	9,358,262	8,158,364
<b>Unsecured Advances to Employees</b>							
	73,641	585,928	-	72,841	732,410	591,720	198,524
<b>INVESTMENTS</b>							
Government Securities	133,594,704	17,143,126	104,588,881	3,918,429	259,245,140	257,544,891	284,116,177
Listed Equities and Mutual Funds	280,518	-	-	-	280,518	47,554,351	784,146
17	133,875,222	17,143,126	104,588,881	3,918,429	259,525,658	305,099,242	284,900,323
<b>CURRENT ASSETS - OTHER</b>							
Premiums Due But Unpaid	-	19,264	536,020	529,174	1,084,458	1,461,902	40,652,174
Amount Due From Other Insurers / Reinsurers	11	612,800	2,945,071	-	3,557,871	2,952,479	5,351,441
Taxation - Payments Less Provision	8,975,450	-	-	-	8,975,450	7,241,668	6,580,901
Prepayments	-	-	-	-	-	81,210	-
Sundry Receivables	18	157,540	1,199,162	854,937	1,940,598	4,238,028	4,847,439
Investment Income Accrued	2,386,594	-	400,147	-	2,786,741	3,091,900	2,348,878
Stationery	266,756	-	-	-	266,756	267,308	291,555
	11,786,340	1,831,226	4,736,175	2,469,772	20,823,513	19,334,495	60,072,388
<b>FIXED ASSETS</b>							
<b>Tangible</b>							
Furniture, Fixtures, Office Equipment and Vehicles	19,291,389	-	-	-	19,291,389	21,301,629	24,973,540
19	19,291,389	-	-	-	19,291,389	21,301,629	24,973,540
<b>TOTAL ASSETS</b>							
	190,878,592	31,627,252	245,577,726	8,188,290	476,271,860	544,822,063	585,621,791

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chairman



Chief Executive Officer



Director



Director



# Profit and Loss Account

For The Year Ended December 31, 2016

Figures in Rupees

		Aggregate	
	Notes	December 31, 2016	(Re-stated) December 31, 2015
<b>Investment Income Not Attributable to Statutory Funds</b>			
<b>Income From Non-Trading Investments</b>			
<b>Held To Maturity Or Available For Sale</b>			
Return on Government Securities		10,919,957	12,324,504
Return on Other Fixed Income Securities and Deposits		1,072,287	1,891,199
Amortization of Discount/Premium		328,194	729,569
Dividend Income		333,384	1,392,850
		12,653,822	16,338,122
Provision for impairment in the value of available sale investments		-	(8,399,462)
<b>Total Investment Income</b>		<b>12,653,822</b>	<b>7,938,660</b>
Gain on Sale of Investments Available for Sale		3,719,574	3,306,656
Gain on Sale of Fixed Assets		441,133	461,520
<b>Total Investment Income and Other Revenues</b>		<b>16,814,529</b>	<b>11,706,836</b>
Expenses Not Attributable to Statutory Funds	21	(21,565,255)	(13,929,459)
<b>Loss Before Tax</b>		<b>(4,750,726)</b>	<b>(2,222,623)</b>
Tax Expense	23	(166,006)	(1,084,891)
<b>Loss After Tax</b>		<b>(4,916,732)</b>	<b>(3,307,514)</b>
<b>Loss Per Share - Basic and Diluted</b>	24	<b>(0.0817)</b>	<b>(0.0557)</b>
<b>Profit and Loss Appropriation Account</b>			
Balance at commencement of year		(391,462,353)	(357,504,839)
Loss for the year		(4,916,732)	(3,307,514)
Transfers to/(from) reserves		(15,500,000)	(30,650,000)
<b>Balance Unappropriate Loss At The End Of The Year</b>		<b>(411,879,085)</b>	<b>(391,462,353)</b>


The annexed notes from 1 to 39 form an integral part of these financial statements.



Chairman



Chief Executive Officer



Director



Director

# Statement of Comprehensive Income

For The Year Ended December 31, 2016

Figures in Rupees

	Notes	Aggregate	
		December 31, 2016	(Re-stated) December 31, 2015
Loss For The Year		(4,916,732)	(3,307,514)
Other Comprehensive Income		-	-
<b>Total Comprehensive Loss For The Year</b>		<b><u>(4,916,732)</u></b>	<b><u>(3,307,514)</u></b>

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chairman



Chief Executive Officer



Director



Director

# Cash Flow Statement

For The Year Ended December 31, 2016

Figures in Rupees

	Statutory Funds				Aggregate	
	Shareholders' Fund	Ordinary Life	Universal Life	Accident & Health	December 31, 2016	December 31 2015
<b>Operating Cash Flows</b>						
<b>a) Underwriting Activities</b>						
Premium Received	-	4,102,423	12,112,954	3,233,205	19,448,582	80,297,194
Reinsurance Premium Net of Claims Received / (Paid)	-	-	-	-	-	20,186,938
Claims Paid	-	(9,831,581)	(39,597,264)	(6,213,647)	(55,642,492)	(75,121,214)
Surrenders Paid	-	(815,724)	(17,677,178)	-	(18,492,902)	(4,010,723)
Commission Paid	-	(1,887,476)	(3,022,165)	(227,273)	(5,136,914)	(5,173,644)
<b>Net Cash Flow From Underwriting Activities</b>	-	(8,432,358)	(48,183,653)	(3,207,715)	(59,823,726)	16,178,551
<b>b) Other Operating Activities</b>						
Income Tax Paid	(1,899,788)	-	-	-	(1,899,788)	(1,745,658)
General Management Expenses Paid	(19,248,272)	(5,195,292)	(18,151,846)	(5,619,068)	(48,214,478)	(44,162,467)
<b>Net Cash Used in Other Operating Activities</b>	(21,148,060)	(5,195,292)	(18,151,846)	(5,619,068)	(50,114,266)	(45,908,125)
<b>Total Cash (Used in) All Operating Activities</b>	(21,148,060)	(13,627,650)	(66,335,499)	(8,826,783)	(109,937,992)	(29,729,574)
<b>Investment Activities</b>						
Profit / Return Received	7,651,271	-	7,457,718	-	15,108,989	13,261,670
Dividend Received	868,437	-	-	-	868,437	1,392,850
Payments For Investments	(237,012,196)	(33,994,994)	(464,643,109)	(8,741,187)	(744,391,486)	(1,398,114,877)
Proceeds From Disposal of Investments	275,443,504	34,991,582	484,487,676	12,897,595	807,820,357	1,393,796,832
Proceeds From Disposal of Fixed Assets	520,000	-	-	-	520,000	1,217,762
Purchase of Fixed Assets	(593,532)	-	-	-	(593,532)	(6,600)
<b>Total Cash Flow From Investing Activities</b>	46,877,479	996,588	27,302,285	4,156,408	79,332,760	11,547,637
	25,729,419	(12,631,062)	(39,033,214)	(4,670,375)	(30,605,232)	(18,181,937)
<b>Financing Activities</b>						
Share Capital Issued	7,428,641	-	-	-	7,428,641	-
Capital Contribution From Shareholders' Fund	(15,500,000)	400,000	9,100,000	6,000,000	-	-
<b>Total Cash Generated From / (Used in) All Operating Activities</b>	(8,071,359)	400,000	9,100,000	6,000,000	7,428,641	-
<b>Net Cash (Outflow) From All Activities</b>	17,658,060	(12,231,062)	(29,933,214)	1,329,625	(23,176,591)	(18,181,937)
<b>Cash And Cash Equivalents At The Beginning of The Year</b>	8,193,940	20,142,944	160,402,208	397,623	189,136,715	207,318,652
<b>Cash And Cash Equivalents At The End of The Year</b>	25,852,000	7,911,882	130,468,994	1,727,248	165,960,124	189,136,715
<b>Reconciliation to Profit and Loss Account</b>						
Operating Cash Flows					(109,937,992)	(29,729,574)
Depreciation Expenses					(2,524,910)	(2,922,269)
Investment Income					39,413,010	31,739,936
Increase / (Decrease) in Assets Other Than Cash					2,515,371	(39,887,821)
Decrease in Liabilities Other Than Running Finance					48,417,566	8,587,017
Deficit of Statutory Funds					17,200,223	28,905,197
Loss After Tax					(4,916,732)	(3,307,514)

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chairman



Chief Executive Officer



Director



Director



# Statement of Changes in Equity

For The Year Ended December 31, 2016

Figures in Rupees

	Note	Net Accumulated Surplus/(Deficit)				Total
		Share Capital	Accumulated (Deficit)	Capital Contributed to Statutory Fund	Net Accumulated Surplus/(Deficit)	
Balance as at January 01, 2015		594,291,500	(84,743,643)	(279,055,426)	(363,799,069)	230,492,431
Effect of Re-statement	23.2	-	6,294,230	-	6,294,230	6,294,230
Balance as at January 01, 2015 - as restated		594,291,500	(78,449,413)	(279,055,426)	(357,504,839)	236,786,661
<b>Total Comprehensive Income For The Year Ended December 31, 2015</b>						
Loss for the Year - re-stated		-	(3,307,514)	-	(3,307,514)	(3,307,514)
Other Comprehensive Income		-	-	-	-	-
Total Comprehensive loss - re-stated		-	(3,307,514)	-	(3,307,514)	(3,307,514)
<b>Transactions with Owners Directly Recorded in Equity</b>						
Capital Contributed to Statutory Fund		-	-	(30,650,000)	(30,650,000)	(30,650,000)
<b>Balance as at December 31, 2015 - re-stated</b>		<b>594,291,500</b>	<b>(81,756,927)</b>	<b>(309,705,426)</b>	<b>(391,462,353)</b>	<b>202,829,147</b>
Balance as at January 01, 2016		594,291,500	(81,756,927)	(309,705,426)	(391,462,353)	202,829,147
<b>Total Comprehensive Income For The Year Ended December 31, 2016</b>						
Loss for the Year		-	(4,916,732)	-	(4,916,732)	(4,916,732)
Other Comprehensive Income		-	-	-	-	-
Total Comprehensive loss		-	(4,916,732)	-	(4,916,732)	(4,916,732)
<b>Transactions with Owners Directly Recorded in Equity</b>						
Capital Contributed to Statutory Fund	20	-	-	(15,500,000)	(15,500,000)	(15,500,000)
Right Share Issued During the Year		7,428,640	-	-	-	7,428,640
<b>Balance as at December 31, 2016</b>		<b>601,720,140</b>	<b>(86,673,659)</b>	<b>(325,205,426)</b>	<b>(411,879,085)</b>	<b>189,841,055</b>

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chairman



Chief Executive Officer



Director



Director

# Revenue Account

For The Year Ended December 31, 2016

Figures in Rupees

Notes	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accident & Health	December 31, 2016	December 31, 2015
<b>Income</b>					
Premium Less Reinsurances	1,012,747	15,944,641	3,123,928	20,081,316	31,583,733
Net Investment Income	1,474,754	21,571,189	348,653	23,394,596	20,672,049
<b>Total Net Income</b>	<b>2,487,501</b>	<b>37,515,830</b>	<b>3,472,581</b>	<b>43,475,912</b>	<b>52,255,782</b>
<b>Claims and Expenditure</b>					
Claims, Including Bonuses, Net of Reinsurance Recoveries	6,257,372	39,210,823	4,047,511	49,515,706	73,712,032
Management Expenses Less Recoveries	5,810,730	19,942,485	5,365,936	31,119,153	41,099,891
	12,068,102	59,153,308	9,413,449	80,634,859	114,811,923
<b>Excess / (Deficit) of Income Over Claims and Expenditure</b>	<b>(9,580,601)</b>	<b>(21,637,478)</b>	<b>(5,940,868)</b>	<b>(37,158,947)</b>	<b>(62,556,141)</b>
Add: Policyholders' Liabilities at Beginning of Period	12,853,870	196,409,514	1,391	209,264,775	242,915,719
Less: Policyholders' Liabilities at End of Period	5,147,610	184,156,102	2,339	189,306,051	209,264,775
	7,706,260	12,253,412	(948)	19,958,724	33,650,944
<b>Surplus/(Deficit)</b>	<b>(1,874,341)</b>	<b>(9,384,066)</b>	<b>(5,941,816)</b>	<b>(17,200,223)</b>	<b>(28,905,197)</b>
<b>Movement in Policyholders' Liabilities</b>	<b>(7,706,260)</b>	<b>(12,253,412)</b>	<b>948</b>	<b>(19,958,724)</b>	<b>(33,650,944)</b>
<b>Transfer To or From Shareholders' Fund</b>					
Capital Contribution From Shareholders' Fund	400,000	9,100,000	6,000,000	15,500,000	30,650,000
Capital Contribution to Shareholders' Fund	-	-	-	-	-
Transfer of Surplus to Shareholders' Fund	-	-	-	-	-
<b>Net Transfer To or From Shareholders' Fund</b>	<b>400,000</b>	<b>9,100,000</b>	<b>6,000,000</b>	<b>15,500,000</b>	<b>30,650,000</b>
Balance of Statutory Funds at The Beginning of Period	16,102,701	197,063,548	2,240,048	215,406,297	247,312,438
<b>Balance of Statutory Funds at End of Period</b>	<b>6,922,100</b>	<b>184,526,070</b>	<b>2,299,180</b>	<b>193,747,350</b>	<b>215,406,297</b>
<b>Represented By:</b>					
Capital Contributed by Shareholders' Fund	159,605,426	154,200,000	11,400,000	325,205,426	309,705,426
Accumulated Deficit	(157,830,936)	(153,830,032)	(9,103,159)	(320,764,127)	(303,563,904)
	1,774,490	369,968	2,296,841	4,441,299	6,141,522
Policyholders' Liabilities	5,147,610	184,156,102	2,339	189,306,051	209,264,775
<b>Balance of Statutory Funds</b>	<b>6,922,100</b>	<b>184,526,070</b>	<b>2,299,180</b>	<b>193,747,350</b>	<b>215,406,297</b>

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chairman



Chief Executive Officer



Director



Director

# Statement of Premiums

For The Year Ended December 31, 2016

Figures in Rupees

Notes	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accident & Health	December 31, 2016	December 31, 2015
<b>Gross Premiums</b>					
Regular Premium Individual Policies*					
First Year	-	1,104,475	7,500	1,111,975	4,630,776
Second Year Renewal	-	1,257,332	-	1,257,332	1,854,629
Subsequent Year Renewal	-	15,319,688	-	15,319,688	16,148,327
Single Premium Individual Policies	-	-	-	-	-
Group Policies	4,050,988	-	3,116,428	7,167,416	20,224,767
<b>Total Gross Premiums</b>	<b>4,050,988</b>	<b>17,681,495</b>	<b>3,123,928</b>	<b>24,856,411</b>	<b>42,858,499</b>
<b>Less: Reinsurance Premiums Ceded</b>					
On Individual Life First Year Business	-	(27,631)	-	(27,631)	(75,616)
On Individual Life Second Year Business	-	(77,251)	-	(77,251)	(49,378)
On Individual Life Renewal Business	-	(1,631,972)	-	(1,631,972)	(1,612,921)
On Group Policies	(3,038,241)	-	-	(3,038,241)	(9,536,851)
<b>Total Reinsurance Premiums Ceded</b>	<b>(3,038,241)</b>	<b>(1,736,854)</b>	<b>-</b>	<b>(4,775,095)</b>	<b>(11,274,766)</b>
<b>Net Premiums</b>	<b>1,012,747</b>	<b>15,944,641</b>	<b>3,123,928</b>	<b>20,081,316</b>	<b>31,583,733</b>

\* Individual policies are those underwritten on an individual basis and includes joint life policies underwritten.

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chairman



Chief Executive Officer



Director



Director



# Statement of Claims

For The Year Ended December 31, 2016

Figures in Rupees

	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accident & Health	December 31, 2016	December 31, 2015
<b>Gross Claims</b>					
Claims Under Individual Policies					
By Death	307,104	2,883,228	-	3,190,332	3,693,845
By Insured Event Other Than Death	-	78,000	-	78,000	-
By Maturity	5,428,887	25,517,458	-	30,946,345	30,108,900
By Surrender	301,549	10,955,557	-	11,257,106	7,326,937
<b>Total Gross Individual Policy Claims</b>	<b>6,037,540</b>	<b>39,434,243</b>	<b>-</b>	<b>45,471,783</b>	<b>41,129,682</b>
<b>Claims Under Group Policies</b>					
By Death	879,326	-	-	879,326	33,716,823
By Insured Event Other Than Death	-	-	4,047,511	4,047,511	24,379,581
<b>Total Gross Group Policy Claims</b>	<b>879,326</b>	<b>-</b>	<b>4,047,511</b>	<b>4,926,837</b>	<b>58,096,404</b>
<b>Total Gross Claims</b>	<b>6,916,866</b>	<b>39,434,243</b>	<b>4,047,511</b>	<b>50,398,620</b>	<b>99,226,086</b>
<b>Less: Reinsurance Recoveries</b>					
On Group Life Claims	(659,494)	-	-	(882,914)	(25,514,054)
On Individual Life Claims	-	(223,420)	-	-	-
<b>Net Claims</b>	<b>6,257,372</b>	<b>39,210,823</b>	<b>4,047,511</b>	<b>49,515,706</b>	<b>73,712,032</b>

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chairman



Chief Executive Officer



Director



Director

# Statement of Expenses

For The Year Ended December 31, 2016

Figures in Rupees

	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accident & Health	December 31, 2016	December 31, 2015
<b>Acquisition Costs</b>					
Remuneration to Insurance Intermediaries on					
<b>Individual Policies:</b>					
Commission on First Year Premiums	-	721,713	1,875	723,588	3,123,466
Commission on Second Year Premiums	-	142,398	-	142,398	189,870
Commission on Subsequent Renewal Premiums	-	598,391	-	598,391	483,748
Other Benefits to Insurance Intermediaries	-	436,523	-	436,523	306,804
Remuneration to Insurance Intermediaries on					
<b>Group Policies:</b>					
Commission	1,165,949	-	155,821	1,321,770	3,020,242
	1,165,949	1,899,025	157,696	3,222,670	7,124,130
<b>Branch Overhead</b>	-	1,068,387	-	1,068,387	1,344,490
<b>Other Acquisition Cost</b>					
Policy Stamps	-	8,875	-	8,875	7,775
<b>Total Acquisition Cost</b>	<b>1,165,949</b>	<b>2,976,287</b>	<b>157,696</b>	<b>4,299,932</b>	<b>8,476,395</b>
<b>Administration Expenses</b>					
Salaries and Other Benefits	1,571,822	10,303,179	2,618,751	14,493,752	17,855,682
Travelling Expenses	277,661	656,050	233,161	1,166,872	1,263,989
Auditor Remuneration	236,435	236,435	236,435	709,305	558,619
Actuary's Fees	504,000	630,000	576,000	1,710,000	1,710,000
Advertisements	47,704	47,704	47,704	143,112	45,300
Printing and Stationary	95,332	117,069	95,332	307,733	257,878
Rentals	243,630	401,598	243,630	888,858	756,203
Provision for Doubtful Advance for Expense	-	1,916,400	-	1,916,400	-
	2,976,584	14,308,435	4,051,013	21,336,032	22,447,671
Other Management Expenses	1,896,066	2,720,115	1,157,229	5,773,410	10,977,068
<b>Gross Management Expenses</b>	<b>6,038,599</b>	<b>20,004,837</b>	<b>5,365,938</b>	<b>31,409,374</b>	<b>41,901,134</b>
<b>Commission From Reinsurers</b>	<b>(227,869)</b>	<b>(62,352)</b>	<b>-</b>	<b>(290,221)</b>	<b>(801,243)</b>
<b>Net Management Expenses</b>	<b>5,810,730</b>	<b>19,942,485</b>	<b>5,365,938</b>	<b>31,119,153</b>	<b>41,099,891</b>

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chairman



Chief Executive Officer



Director



Director



## Statement of Investment Income

For The Year Ended December 31, 2016

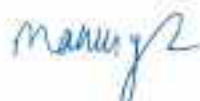
Figures in Rupees

	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accident & Health	December 31, 2016	December 31, 2015
<b>Investment From Non-Trading Investments</b>					
<b>Held To Maturity or Available For Sale</b>					
On Government Securities	1,024,754	6,333,902	348,653	7,707,309	9,672,111
On Other Fixed Income Securities and Deposits	-	6,502,092	-	6,502,092	5,165,492
Amortization of Discount	-	4,546	-	4,546	4,533
Other Miscellaneous Income	450,000	6,658,099	-	7,108,099	638,949
	<b>1,474,754</b>	<b>19,498,639</b>	<b>348,653</b>	<b>21,322,046</b>	<b>15,481,085</b>
Gain on Sale of Investments	-	2,072,550	-	2,072,550	5,190,964
<b>Net Investment Income</b>	<b>1,474,754</b>	<b>21,571,189</b>	<b>348,653</b>	<b>23,394,596</b>	<b>20,672,049</b>

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chairman



Chief Executive Officer



Director



Director

# Notes to the Financial Statements

For The Year Ended December 31, 2016

## 1 STATUS AND NATURE OF BUSINESS

East West Life Assurance Company Limited (the Company) was incorporated in Pakistan on August 18, 1992 as a public limited company under the Companies Ordinance, 1984. Its shares are quoted on Pakistan Stock Exchange. The company commenced life insurance business on February 22, 1993 after registration with Controller of Insurance on February 14, 1993. The addresses of its registered and principal office are 57 Regal Plaza, M.A. Jinnah Road, Quetta and 802, 8th Floor, Lakson Square Building No.1, Karachi, respectively.

- 1.1 The company is engaged in life insurance business. In accordance with the requirements of Insurance Ordinance, 2000, the company has established shareholders' fund and there statutory funds in respect of its each class of life insurance business namely, Ordinary life, Universal life and Accident and health.
- 1.2 The Company incurred loss after tax of Rs. 4,916,732 (2015: loss after tax - restated Rs. 3,307,514), thereby reducing accumulated deficit to Rs. 411,879,085 (as at December 31, 2015 - restated : Rs. 391,462,353). Further, insurance operation of the Company have reduced and the amount of 'Premiums less reinsurances' for the year amounted to Rs 20, 081, 316 (2015: Rs. 31, 583, 733) and have resulted in net deficit of Rs. 17,200,223 (2015: Rs. 28,905,197), thereby increasing the accumulated deficit to Rs. 320,764,127 (2015: Rs. 303,563,904). Above cited facts / factors indicate that there are material uncertainties that may cast doubt on the Company's ability to continue as a going concern, and the Company may not be able to realize its assets and discharge liabilities in the normal course of business.

The directors of the Company have explicitly provided a commitment to provide necessary financial support to the Company, if the need arises, to address any liquidity and solvency issues to enable the Company to continue its business. We have further been given to understand that the directors and shareholders have both the intention and the ability to operate in the foreseeable future, and will be able to realize its assets and to discharge its liabilities in the normal course of the business. The management, therefore, believes that going concern assumption is appropriate, and has prepared the condensed interim financial information accordingly.

## 2 BASIS OF PRESENTATION

These financial statements have been prepared on the format of financial statements issued by Securities and Exchange Commission of Pakistan (SECP) through Securities and Exchange (Insurance) Rules, 2002.

## 3 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) Issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail.

### 3.1 Standards or interpretations that are effective in current year but not relevant to the Company

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB) which have been adopted locally by the Securities and Exchange Commission of Pakistan vide SRO 633(I)/2014 dated July 10, 2014 with effect from following dates. The Company has adopted these accounting standards and interpretations which do not have significant impact on the Company's financial statements other than certain disclosure requirement about fair value of financial instruments as per IFRS 13 "Fair Value Measurement".

<u>Amendments</u>	<u>Effective Date (Annual Periods Beginning On or After)</u>
IAS 1 Disclosure Initiatives (Amendments to IAS 1 Presentation of Financial Statements)	January 01, 2016
Annual Improvements to IFRSs 2012-2014 Cycle	January 01, 2016
Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	January 01, 2016
Adoption of the above revisions, amendments and interpretations of the standards have no significant effect on the amounts for the year ended December 31, 2015 and 2016.	

### 3.2 Standards, amendments to published standards and interpretations that are effective but not relevant

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on January 01, 2016 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are therefore not presented here.

### 3.3 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

<u>Interpretation and amendments</u>	<u>Effective Date (Annual Periods Beginning On or After)</u>
IAS 7 Disclosure Initiative (Amendments to IAS 7)	January 01, 2017
IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)	January 01, 2017
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 01, 2018
Annual Improvements to IFRS Standards 2014-2016 Cycle (amendments in IFRS 12 and IFRS 28)	January 01, 2018

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

### 3.4 Applicability of approved Insurance Accounting Regulations, 2017

On February 09, 2017, the Securities and Exchange Commission of Pakistan (SECP) through SRO 88(I)/2017 has approved Insurance Accounting Regulations, 2017 (the Regulations). The Regulations inter alia pertains to Published Financial Statements and Policyholder liabilities.

Consequent to the above SROs, the Company has to prepare its financial statements for the period ended after March 30, 2017, using the Insurance Accounting Regulations, 2017. Keeping in view the nature of transactions of the Company, the above changes in the accounting reporting framework would not result in any material impact on the financial statements of the Company.



### 3.5 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<u>Standard or Interpretation</u>	<u>Effective Date (Annual Periods Beginning On or After)</u>
IFRS 9 Financial Instruments	January 01, 2018
IFRS 14 Regulatory Deferral Accounts	January 01, 2016
IFRS 15 Revenue from Contracts with Customers	January 01, 2018
IFRS 16 Leases	January 01, 2019

## 4. BASIS OF MEASUREMENT

The financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortized cost as applicable.

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented except as stated otherwise.

### 5.1 Use of Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000, the Securities and Exchange Commission (Insurance) Rules, 2002 and the Companies Ordinance, 1984, requires the use of certain critical accounting estimates.

It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continuously evaluated and are based on historical experience including expectation of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year are disclosed in the following notes:

- Provision for Compensated Absences	5.3
- Claims (IBNR)	5.4
- Policyholders' Liabilities	5.5
- Taxation	5.6
- Useful Life of Depreciable / Amortizable Assets	5.8
- Impairment of Assets	5.10
- Reinsurance Recoveries Against Outstanding Claims	5.4

## 5.2 Statutory Funds

The Company maintains statutory funds in respect of each class of life insurance business. Assets, liabilities, revenues and expenses of the Company are referable to respective statutory fund. Wherever these are not referable to statutory funds, these are allocated to the shareholders' fund.

Apportionment of assets, liabilities, revenues and expenses wherever required, between funds are made on fair and equitable basis and in accordance with the written advice of the appointed actuary.

Policyholders' liabilities have been included in statutory funds on the basis of the actuarial valuation carried out by the appointed actuary of the Company on the balance sheet date as required by Section 50 of the Insurance Ordinance, 2000.

## 5.3 Staff Retirement Benefits

### Defined Contribution Plan

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

### Accumulated Compensated Absences

The Company makes provision in the financial statements for its liabilities towards vested compensated absences accumulated by its employees, estimated on the basis of actuarial valuation carried out by the Company's actuary. Latest actuarial valuation was carried out as at December 31, 2016. For details of basis of assumptions taken by the actuary refer to note 12.1.

## 5.4 Claims

A liability for outstanding claims is recognized in respect of all claims incurred up to the balance sheet date, except for accident and health claims which are recognized as soon as reliable estimates of the claims amount can be made. Claims where intimation of the event giving rise to the claim is received are reported as claims in the revenue account. The liability for claims incurred but not reported at the year end is determined by the appointed actuary and are included in the policyholders' liabilities.

Experience refund of premium calculated by appointed actuary is included in outstanding claims. Experience refund of premium receivable from reinsurers is included in the reinsurance recoveries of claim.

Claim recoveries receivable from the reinsurers are recognized at the same time as the claim which gives rise to the right of recovery and are measured at the amount expected to be recovered.

## 5.5 Policyholders' Liabilities

Policyholders' liabilities are stated at a value determined by the appointed actuary through an actuarial valuation / advice carried out as at each balance sheet date. In determining the value, both acquired policy values (which forms the bulk of policyholders' liabilities) as well as estimated values which will be payable against risks which the Company underwrites are considered. The basis used are applied consistently from year to year.

## 5.6 Income Tax Expense

### Current

Provision for current taxation is based on the taxable income for the year determined in accordance with the prevailing



laws of taxation on income. The charge for the current tax is calculated using the rate enacted or substantively enacted at the balance sheet date.

### **Deferred**

Deferred tax is recognized using the balance sheet liability method on all temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amount used for the taxation purposes. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available and the credits can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

## **5.7 Investments**

### **Classification**

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rate are classified as available for sale. Investments acquired principally for the purpose of generating a profit from short-term fluctuation in price are classified as held for trading. Investments with fixed or determinable payments and fixed maturity where the Company has positive intent and ability to hold to maturity are classified as held-to-maturity.

### **Initial Recognition**

All investments are initially recognized at fair value including the transaction costs. All purchases and sales of investments which require delivery within time frame established by the regulations or market convention are accounted for at the settlement date. Settlement date is the date that an asset is delivered to or by the Company.

### **Subsequent Measurement**

Investments classified as held-to-maturity are subsequently measured at amortized cost, taking into account any discount or premium on acquisition using the effective interest method.

Available for sale investments are subsequently measured at lower of cost or market value (market value being taken as lower if the fall is other than temporary) in accordance with Securities and Exchange Commission (Insurance) Rules, 2002 and is recognized as provision due to impairment in the value of investment. Any change in the provision for impairment in the value of investment held for sale is recognized in profit and loss / revenue account in which it arises.

### **Fair / Market Value Measurement**

For investments in government securities fair/market value is determined by reference to quotation obtained from Reuters page (PKRV). For investments in quoted marketable securities, fair/market value is determined by reference to stock exchange quoted market price at the close of business on balance sheet date. The fair / market value of the term finance certificates are determined by the average rates quoted by brokers.

### **Impairment of 'Available for Sale' Equity Investments**

The Company determines that 'available-for-sale' equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Company evaluates, among other factors, the normal volatility in share price. In addition, the impairment may be appropriate when there is an evidence of deterioration in the financial health of the invested industry and sector performance, changes in technology and operational/financial cash flow.



## 5.8 Fixed Assets

### Tangible Assets

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is calculated on the reducing balance method at rates mentioned in note 19.1.

Depreciation on additions and disposals during the year is charged from the month of addition to the month of disposal. When parts of an item of asset have different useful lives, they are accounted for as separate items in fixed assets.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to income as and when incurred. However, major repairs and renewals are capitalized.

Depreciation rates and method are reviewed at each balance sheet date and adjusted, if required.

Gains or losses on disposal of fixed assets are determined by comparing proceeds with the carrying amount. These are included in the profit and loss account currently.

### Intangible Assets

These include computer software and are recorded initially at cost and subsequently carried at cost less any accumulated amortization and any accumulated impairment losses, if any.

These are amortized over their useful lives and amortization is charged to income using the straight line method.

## 5.9 Cash and Cash Equivalents

For the purpose of statement of cash flows, cash and cash equivalents consists of cash in hand, stamps in hand and deposits with banks.

## 5.10 Impairment

The carrying amount of each asset is reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account.

## 5.11 Insurance Contract

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

## 5.12 Revenue Recognition

### Premium

Individual life first year premiums are recognized once related policies have been issued against receipt of premium. Subsequent premium falling due under the policy are recognized if received before expiry of the grace period.

Group life premiums are recognized as and when due.

## Accident and Health

Group accident and health premiums are recognized as and when due. In respect of certain group policies, the Company continues to provide cover even if the premium is received after the grace period.

## Dividend Income

Dividend income is recognized when right to receive such dividend is established.

## Interest / Mark-up Income

Interest/mark-up income on securities is recognized using effective interest method. Income on bank deposits is recognized on accrual basis.

### 5.13 Amount Due (from) / to Reinsurers

These are net amount (receivable) / payable against recovery of claims, reinsurance commissions receivable and premiums ceded to reinsurers and claims payable or premiums receivable from other insurers. These are recognized at fair value.

### 5.14 Reinsurance Premiums Ceded

For reinsurance contracts operating on a proportional basis, or for which the term of the reinsurance contract is directly referable to the term of the underlying policy (ies), premium ceded to reinsurers is recognized as liability at the same point at which the premium of the underlying policy(ies) is recognized as revenue. At the same point premium ceded is recognized as expense over the period of reinsurance. Reinsurance premiums ceded not yet recognized are recognized as prepayments and are disclosed in "amount due from / (to) other insurers / reinsurers". In case if at the reporting date, reinsurance accounts are under finalization process then estimated figure is incorporated for preparation of financial statement.

### 5.15 Acquisition Cost

These are cost incurred in acquiring insurance policies, maintaining such policies, and include without limitation all forms of remuneration paid to insurance agents.

Commission and other expenses are recognized as an expense in the earlier of the financial year in which they are paid or financial year in which they become due and payable, except that commission and other expenses which are directly referable to the acquisition or renewal of specific contracts are recognized not later than the period in which the premium to which they refer is recognized as revenue.

### 5.16 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments and derecognized when the Company loses control of contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on the de-recognition of financial asset or financial liabilities is included in the profit and loss or revenue account currently, as the case may be.

### 5.17 Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Company accounts for segment reporting

using the classes or sub classes of business (statutory funds) as specified under the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002.

Based on its classification of insurance contracts issued, the Company has three business segments for reporting purposes namely ordinary life business, universal life business and accident and health business.

#### 5.18 Off-Setting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### 5.19 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

#### 5.20 Foreign Currencies

Transactions in foreign currencies are translated into reporting currency at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling on the balance sheet date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences are included in the income currently.

#### 5.21 Dividend and Appropriation to Reserves

Dividend and appropriation to reserves except appropriations required by the law or determined by actuary or allowed by Insurance Ordinance, 2000 are recognized in the year in which these are declared / approved.

#### 5.22 Premium Due But Unpaid

##### Individual Life

These are recognized against individual life insurance policies which are subsequently received within three month from the balance sheet date.

##### Group Life & Health

These are initially recognized at fair value. Provision for impairment on premium receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivable.

#### 5.23 Loan Secured Against Life Insurance Policies

##### Cash Loan

The Company provides loans to their policyholders on the basis of payment of premium for three consecutive years. The maximum limit of disbursement is 90 percent of the surrender value and carries a mark-up rate determined by the Company from time to time.

##### Auto Paid-up Loan

These non-interest bearing loans are available to policyholders of the Company to the extent of cash value built in their policies.



**6 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

Number of Shares			2016 Rupees	2015 Rupees
2016	2015	Ordinary Shares of Rs. 10/- Each Fully Paid in Cash		
60,172,014	59,429,150		601,720,140	594,291,500

**Reconciliation of Issued, Subscribed and Paid-Up Share Capital**

	Number of Shares	
	2016	2015
Number of Shares at Beginning of the Year	59,429,150	59,429,150
Right Shares Issued During the Year	742,864	-
Number of Shares at End of the Year	60,172,014	59,429,150

Rights Shares Issued During the Year

The company in its extra ordinary general meeting held on November 4, 2016, announced issuance of 1.25% right shares, which were exercised as on December 26, 2016.

**7 ANALYSIS OF ACCUMULATED DEFICIT AS SHOWN IN BALANCE SHEET**

	2016 Rupees	2015 Rupees Re-stated
Accumulated Deficit in Statement of Changes in Equity Ignoring Effect of Capital Transfers at Start of the Year	(81,756,927)	(78,449,413)
Add: Profit in Profit and Loss Account for the Year	(4,916,732)	(3,307,514)
Accumulated Deficit in Statement of Changes in Equity Ignoring Effect of Capital Transfers at End of the Year	(86,673,659)	(81,756,927)
Less: Accumulated Net Capital Transferred in Statutory Funds	(325,205,426)	(309,705,426)
<b>Total Accumulated Deficit as Shown in Balance Sheet</b>	<b>(411,879,085)</b>	<b>(391,462,353)</b>

**8 DEFERRED LIABILITIES - GRATUITY**

Unfunded gratuity scheme for the permanent employees of the Company had been discontinued since 2003. Outstanding balance represents the liability of the Company pertaining to the employees who rendered their services at the time of discontinuation and allowed the members to withdraw their balances at the time of completion / termination of their employment. Consequently, no further charge and contribution has been accounted for since then.

	2016 Rupees	2015 Rupees
<b>9 OUTSTANDING CLAIMS</b>		
Opening Balance	91,361,089	71,322,337
Add: Claims Incurred During the Year	50,398,620	99,226,086
Less: Claims Paid During the Year	(74,585,394)	(79,187,334)
<b>Closing Balance</b>	<b>67,174,315</b>	<b>91,361,089</b>

	Note	2016 Rupees	2015 Rupees
<b>10 PREMIUMS RECEIVED IN ADVANCE</b>			
Opening Balance		14,960,914	15,512,593
Add: Received During The Year		17,665,422	22,082,053
Less: Adjusted During The Year		(17,688,995)	(22,633,732)
Less: Refund During The Year		(5,181,196)	-
<b>Closing Balance</b>		<b>9,756,145</b>	<b>14,960,914</b>
<b>11 AMOUNT DUE FROM REINSURERS</b>			
Opening Balance		2,952,479	5,351,441
Add: Premium Ceded During The Year		-	(5,519,618)
Amount Received During The Year		-	(21,346,727)
		-	(26,866,345)
Less: Claims Recoveries During The Year		315,104	24,073,722
Commission Recoveries During The Year		-	413,971
Adjustment During The year		290,288	(20,310)
		605,392	24,467,383
<b>Closing Balance</b>		<b>3,557,871</b>	<b>2,952,479</b>
<b>Amount Due To Reinsurer</b>			
Opening Balance		2,879,505	154,270
Add: Premium Ceded During The Year		4,775,096	5,755,147
Less: Claims Recoveries During The Year		(567,811)	(1,440,331)
Commission Recoveries During The Year		(290,220)	(387,270)
Adjustment During The Year		(364,228)	-
Amount Paid During The Year		-	(1,202,311)
		(1,222,259)	(3,029,912)
<b>Closing Balance</b>		<b>6,432,342</b>	<b>2,879,505</b>
<b>12 ACCRUED EXPENSES</b>			
Salary and Other Benefits Payable		890,474	981,551
Compensated Absences Payable	12.1	1,554,238	1,662,008
Expense Payable		450,773	6,456,918
Other Accrued Expenses		4,258,885	4,036,390
		<b>7,154,370</b>	<b>13,136,867</b>

12.1 This includes provision made against accumulated compensation absences on the basis of actuarial assumptions taken by Company's actuary.

The main assumptions used for actuarial valuation are as under :

**Principal Actuarial Assumption**

	2016	2015
Discount factor used per annum	8.00%	10.50%
Expected increase in eligible pay per annum	8.00%	10.50%

	2016 Rupees	2015 Rupees
<b>Movement in Payable to Accumulated Compensation Absences</b>		
Opening Balance	1,662,008	1,454,750
Addition / (Reversal) During The Year	(107,770)	207,258
<b>Closing Balance</b>	<b>1,554,238</b>	<b>1,662,008</b>

### 13 AMOUNT DUE TO AGENTS

Opening Balance	4,126,898	2,176,412
Add: Incurred During The Year	3,222,670	7,124,130
Less: Paid During The Year	(5,136,914)	(5,173,644)
Less: Adjustment	(141,600)	-
<b>Closing Balance</b>	<b>2,071,054</b>	<b>4,126,898</b>

### 14 OTHER CREDITORS AND ACCRUALS

	Statutory Funds				Aggregate	
	Shareholders' Fund	Ordinary Life	Universal Life	Accident & Health	December 31, 2016	December 31, 2015
	Rupees					
Sundry Creditors	1,687	1,538	392	462	4,079	15,446
Provident Fund Payable	828	2,618	667	787	4,900	19,650
	<b>2,515</b>	<b>4,156</b>	<b>1,059</b>	<b>1,249</b>	<b>8,979</b>	<b>35,096</b>

### 15 CONTINGENCIES AND COMMITMENTS

#### Contingencies

There is a matter outstanding in respect of a person, who was previously working on contract basis at the Company's Hyderabad Branch. The management of the Company, on the basis of legal advice obtained, is confident that there is no legal or potential of the Company regarding this matter.

#### Commitments

There were no commitments as at balance sheet date (2015: Nil)

	Note	2016 Rupees	2015 Rupees
<b>16 CASH AND BANK DEPOSITS</b>			
Cash and Other Equivalents		17,616	4,667
Current and Other Accounts	16.1	65,942,508	104,132,048
Deposits Maturing Within 12 Months	16.2	100,000,000	85,000,000
		<b>165,960,124</b>	<b>189,136,715</b>

16.1 This include amount placed with local currency savings accounts carrying mark-up rates ranging from 3.00% to 6.00% (2015: 4% to 5%) per annum.

#### 16.2 DEPOSITS MATURING WITHIN 12 MONTHS

This represents Term Deposit Receipts (TDRs) in local currency carrying mark-up rates ranging from 3.00% to 7.00% (2015: 5% to 7%) per annum. These deposits are due to mature within 12 months of the year end.



	Shareholders' Fund	Statutory Funds			Aggregate	
		Ordinary Life	Universal Life	Accident & Health	December 31, 2016	December 31, 2015
Rupees						
The Bank of Punjab	-	-	25,000,000	-	25,000,000	25,000,000
Summit Bank Limited	-	-	25,000,000	-	25,000,000	25,000,000
Bank Alfalah Limited	-	-	25,000,000	-	25,000,000	25,000,000
Bank Al Habib Limited	-	-	25,000,000	-	25,000,000	10,000,000
	-	-	100,000,000	-	100,000,000	85,000,000

## 17 INVESTMENTS

Note	Shareholders' Fund	Statutory Funds			Aggregate	
		Ordinary Life	Universal Life	Accident & Health	December 31, 2016	December 31, 2015
Rupees						
Government Securities 17.1	133,594,704	17,143,126	104,588,881	3,918,429	259,245,140	257,544,891
Listed Equities and Mutual Fund 17.2	280,518	-	-	-	280,518	47,554,351
	<b>133,875,222</b>	<b>17,143,126</b>	<b>104,588,881</b>	<b>3,918,429</b>	<b>259,525,658</b>	<b>305,099,242</b>

### 17.1 Government Securities

Government Securities	Shareholders' Fund	Statutory Funds			Aggregate	
		Ordinary Life	Universal Life	Accident & Health	December 31, 2016	December 31, 2015
	Rupees					
<b>Held-to-Maturity</b>						
10 Year Pakistan Investment Bonds	-	-	-	-	-	19,788,789
10 Year Pakistan Investment Bonds	1,991,837	-	-	-	1,991,837	1,985,913
10 Year Pakistan Investment Bonds	3,863,407	-	-	-	3,863,407	3,824,921
10 Year Pakistan Investment Bonds	15,764,622	-	-	-	15,764,622	15,713,677
10 Year Pakistan Investment Bonds	-	-	1,194,731	-	1,194,731	1,193,245
10 Year Pakistan Investment Bonds	9,620,425	-	583,058	-	10,203,483	10,149,917
10 Year Pakistan Investment Bonds	8,008,779	-	-	-	8,008,779	7,974,235
10 Year Pakistan Investment Bonds	23,571,263	-	-	-	23,571,263	-
01 Year Treasury Bills	70,774,371	-	25,911,928	-	96,686,299	-
06 Months Treasury Bills	-	17,143,126	76,899,164	3,918,429	97,960,719	196,913,194
	<b>133,594,704</b>	<b>17,143,126</b>	<b>104,588,881</b>	<b>3,918,429</b>	<b>259,245,140</b>	<b>257,544,891</b>

The particulars of investments are as follows:

	Amount in Rupees	Maturity	Principal Repayment	Coupon Percentage	Coupon Payment
<b>Held-to-Maturity</b>					
10 Year Pakistan Investment Bonds	1,991,837	August 2018	on Maturity	12%	Semi-Annually
10 Year Pakistan Investment Bonds	3,863,407	July 2020	on Maturity	12%	Semi-Annually
10 Year Pakistan Investment Bonds	15,764,622	August 2021	on Maturity	12%	Semi-Annually
10 Year Pakistan Investment Bonds	1,194,731	July 2020	on Maturity	12%	Semi-Annually
10 Year Pakistan Investment Bonds	10,203,483	July 2020	on Maturity	12%	Semi-Annually
10 Year Pakistan Investment Bonds	8,008,779	July 2022	on Maturity	12%	Semi-Annually
10 Year Pakistan Investment Bonds	23,571,263	April 2026	on Maturity	8.75%	Semi-Annually
01 Year Treasury Bills	96,686,299	August 2017	on Maturity	5.87%	on Maturity
06 Months Treasury Bills	97,960,719	May 2017	on Maturity	5.88%	on Maturity
	<b>259,245,140</b>				

## 17.2 Listed Equities and Mutual Fund

Shareholders' Fund	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accident & Health	December 31, 2016	December 31, 2015
Rupees					
<b>Available for Sale</b>					
Listed Equities	280,518	-	-	280,518	40,948,480
Mutual Funds	-	-	-	-	15,005,333
Provision for impairment	-	-	-	-	(8,399,462)
	<b>280,518</b>	<b>-</b>	<b>-</b>	<b>280,518</b>	<b>47,554,351</b>

17.3 The SECP has allowed insurance companies to defer the application of International Accounting Standard - 39 (IAS-39) "Financial Instruments: Recognition and Measurement" in respect of Valuation of "available for sale investment", accordingly. The requirements of IAS-39, to the extent allowed by SECP as aforesaid, have not been considered in the preparation of these financial statements.

## 18 SUNDRY RECEIVABLES

Shareholders' Fund	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accident & Health	December 31, 2016	December 31, 2015
Rupees					
<b>Considered Good</b>					
Advance for Expenses	107,540	-	153,837	896,975	982,766
Deposits	50,000	1,199,162	701,100	3,255,262	3,255,262
	<b>157,540</b>	<b>1,199,162</b>	<b>854,937</b>	<b>4,152,237</b>	<b>4,238,028</b>
<b>Considered Doubtful</b>					
Advances	8,801,000	-	1,916,400	10,717,400	-
Less Provision for Doubtful	(8,801,000)	-	(1,916,400)	(10,717,400)	-
	<b>157,540</b>	<b>1,199,162</b>	<b>854,937</b>	<b>4,152,237</b>	<b>4,238,028</b>
				<b>2016</b>	<b>2015</b>
				<b>Rupees</b>	<b>Rupees</b>

18.1 The Movement for Provision for Doubtful Advances is given below:

Opening Balance as at January 1	-	-	-	-	-
Provisions/(Reversal) made	8,801,000	-	1,916,400	10,717,400	-
Closing Balance as at December 31	<b>8,801,000</b>	<b>-</b>	<b>1,916,400</b>	<b>10,717,400</b>	<b>-</b>

## 19 FIXED ASSETS

## 19.1 Tangible Assets

	Furniture and Fixtures	Office Equipment	Computers Equipments	Vehicle Equipment	Vehicles	Total
Rupees						
<b>At January 01, 2016</b>						
Cost	38,452,395	11,161,085	5,009,357	564,240	13,649,295	68,836,372
Accumulated Depreciation	24,033,913	7,484,257	4,574,514	344,842	11,097,217	47,534,743
Net Book Value	14,418,482	3,676,828	434,843	219,398	2,552,078	21,301,629
<b>Year Ended December 31, 2016</b>						
Opening Net Book Value	14,418,482	3,676,828	434,843	219,398	2,552,078	21,301,629
Additions	514,437	-	79,100	-	-	593,537
Disposals						
Cost	-	-	-	-	663,650	663,650
Depreciation	-	-	-	-	584,783	584,783
Depreciation Charge	1,493,292	367,683	136,218	21,940	505,777	2,524,910
<b>Closing Net Book Value</b>	<b>13,439,627</b>	<b>3,309,145</b>	<b>377,725</b>	<b>197,458</b>	<b>1,967,434</b>	<b>19,291,389</b>
<b>At December 31, 2016</b>						
Cost	38,966,832	11,161,085	5,088,457	564,240	12,985,645	68,766,259
Accumulated Depreciation	22,521,198	7,851,940	4,710,732	366,782	11,018,211	49,474,870
Net Book Value	16,445,634	3,309,145	377,725	197,458	1,967,434	19,291,389
<b>At January 01, 2015</b>						
Cost	38,832,831	11,860,685	5,002,757	596,240	14,451,395	70,743,908
Accumulated Depreciation	22,521,198	7,431,321	4,389,096	335,132	11,093,621	45,770,368
Net Book Value	16,311,633	4,429,364	613,661	261,108	3,357,774	24,973,540
<b>Year Ended December 31, 2015</b>						
Opening Net Book Value	16,311,633	4,429,364	613,661	261,108	3,357,774	24,973,540
Additions	-	-	6,600	-	-	6,600
Disposals						
Cost	380,436	699,600	-	32,000	802,100	1,914,136
Depreciation	111,172	373,045	-	16,260	657,417	1,157,894
Depreciation Charge	269,264	326,555	-	15,740	144,683	756,242
Depreciation Charge	1,623,886	425,981	185,418	25,970	661,014	2,922,269
<b>Closing Net Book Value</b>	<b>14,418,483</b>	<b>3,676,828</b>	<b>434,843</b>	<b>219,398</b>	<b>2,552,077</b>	<b>21,301,629</b>
<b>At December 31, 2015</b>						
Cost	38,452,395	11,161,085	5,009,357	564,240	13,649,295	68,836,372
Accumulated Depreciation	24,033,912	7,484,257	4,574,514	344,842	11,097,218	47,534,743
Net Book Value	14,418,483	3,676,828	434,843	219,398	2,552,077	21,301,629
<b>Rate of Depreciation</b>	<b>10%</b>	<b>10%</b>	<b>30%</b>	<b>10%</b>	<b>20%</b>	



## 20 MOVEMENTS IN EQUITY OF STATUTORY FUNDS

	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accident & Health	December 31, 2016	December 31, 2015
	Rupees				
<b>Policyholders' Liabilities</b>					
Balance at Beginning of The Year	12,853,870	196,409,514	1,391	209,264,775	242,915,719
Increase / (decrease) During The Year	(7,706,260)	(12,253,412)	948	(19,958,724)	(33,650,944)
<b>Balance at End of The Year</b>	<b>5,147,610</b>	<b>184,156,102</b>	<b>2,339</b>	<b>189,306,051</b>	<b>209,264,775</b>
<b>Capital Contributed by Shareholders' Fund</b>					
Balance at Beginning of The Year	159,205,426	145,100,000	5,400,000	309,705,426	279,055,426
Capital Contributed During The Year	400,000	9,100,000	6,000,000	15,500,000	30,650,000
<b>Balance at End of The Year</b>	<b>159,605,426</b>	<b>154,200,000</b>	<b>11,400,000</b>	<b>325,205,426</b>	<b>309,705,426</b>
<b>Accumulated Deficit</b>					
Balance at Beginning of The Year	(155,956,595)	(144,445,966)	(3,161,343)	(303,563,904)	(274,658,707)
Deficit Allocated in Respect of The Year	(1,874,341)	(9,384,066)	(5,941,816)	(17,200,223)	(28,905,197)
<b>Balance at End of The Year</b>	<b>(157,830,936)</b>	<b>(153,830,032)</b>	<b>(9,103,159)</b>	<b>(320,764,127)</b>	<b>(303,563,904)</b>
<b>Balance at End of The Year</b>	<b>6,922,100</b>	<b>184,526,070</b>	<b>2,299,180</b>	<b>193,747,350</b>	<b>215,406,297</b>

Notes

2016

2015

Rupees

## 21 EXPENSES NOT ATTRIBUTABLE TO STATUTORY FUNDS

Salaries and Other Benefits		4,100,481	4,590,571
Staff Welfare		1,203,718	1,500,174
Travelling		224,661	200,510
Advertisement		47,705	15,100
Telephone		146,189	114,810
Electricity		241,717	596,129
Entertainment		191,606	811,004
Vehicle Maintenance		1,415,717	694,537
Fees and Subscription		773,637	500,000
Professional and Consultancy		180,000	180,000
Supervision Fees		479,569	521,198
Professional Tax		103,300	206,600
Depreciation	19.1	2,524,910	2,922,269
Auditors' Remuneration	22.1	236,434	186,206
Actuary Fees		90,000	90,000
Rent Expense		243,630	154,912
Printing and Stationery		95,330	76,982
Insurance Association of Pakistan - Membership Fees		47,131	47,131
Miscellaneous Expenses		418,520	521,326
Provision for Doubtful Advance for Expense		8,801,000	-
		<b>21,565,255</b>	<b>13,929,459</b>

The above expenses represent allocation in accordance with the advice of the appointed actuary.

**22 AUDITORS' REMUNERATION**

	<u>2016</u>	<u>2015</u>
	Rupees	
Audit Fee	400,000	400,000
Half Yearly Review	100,000	89,500
Others	50,000	-
Out of Pocket Expenses to Previous and Year	266,800	255,325
Out of Pocket Expenses to Existing and Year	128,939	-
	<u><b>945,739</b></u>	<u><b>744,825</b></u>

**22.1 Allocation of the Auditors' Remuneration is as Follows:**

Expense Not Attributable to Statutory Funds	236,434	186,206
Administration Expenses - Ordinary Life Business	236,435	186,206
Administration Expenses - Universal Life Business	236,435	186,206
Administration Expenses - Accident and Health Business	236,435	186,206
	709,305	558,618
	<u><b>945,739</b></u>	<u><b>744,824</b></u>

**23 TAXATION****Provision For Taxation**

Current	166,006	142,157
Prior	-	942,734
	<u><b>166,006</b></u>	<u><b>1,084,891</b></u>

**23.1 Relationship Between Tax Expense and Accounting Profit**

Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented as the Company's tax computation gives rise to a tax loss. Provision for current year income tax consists of tax on government securities and minimum tax on turnover.

The Company's deferred tax computation gives rise to deferred tax asset of Rs.14.374 million (2015: Rs. 19.391 million) which has not been recognized in these financial statements.

**23.2 Restatement of tax income in the profit and loss account for the year ended December 31, 2015****Effect and reasons of re-statement**

During the year the Company has restated the amounts of tax refundable/(payable) to rectify the amount of current year tax wrongly charged in the financial statements as minimum tax for the year ended December 31, 2008 to year ended December 31, 2013. The effects of the above adjustments have been applied retrospectively.

The impact of the above adjustment on the prior year financial statements have been summarised below:

	2015	2014
	Rupees	
Decrease in Accumulated Deficit	3,146,930	3,147,300
Increase in Tax Refundable	3,146,930	3,147,300
Decrease in Prior Year Taxation	3,146,930	3,147,300
Increase in Profit After Tax	3,146,930	3,147,300
Increase in Earning Per Share - Basic and Diluted	0.05	0.05

2016	Restated 2015
Rupees	

## 24 LOSS PER SHARE - BASIC AND DILUTED

Loss for The Year - Rupees	(4,916,732)	(3,307,514)
Weighted Average Number of Ordinary Shares	60,172,014	59,429,150
Loss Per Share - Rupees	(0.0817)	(0.0557)

## 25 POLICYHOLDERS' LIABILITIES AS PER ACTUARY

	Statutory Funds					Aggregate December 31, 2016	Aggregate December 31, 2015
	Ordinary life		Universal Life	Accident & Health			
	Individual	Group		Individual	Group		
Rupees							
<b>Gross of Reinsurance</b>							
Actuary Liability Relating to Future Events	4,388,324	1,530,132	182,004,050	2,339	-	187,924,845	215,517,276
Provision for Outstanding Reported Claims Payable Over the Period Exceeding Twelve Months	242,235	-	1,688,661	-	-	1,930,896	1,793,503
Provision for Claims Incurred But Not Reported (IBNR)	100,000	138,070	927,017	-	-	1,165,087	2,096,896
<b>Total</b>	<b>4,730,559</b>	<b>1,668,202</b>	<b>184,619,728</b>	<b>2,339</b>	<b>-</b>	<b>191,020,828</b>	<b>219,407,675</b>



	Statutory Funds					Aggregate December 31, 2016	Aggregate December 31, 2015
	Ordinary life		Universal Life	Accident & Health			
	Individual	Group		Individual	Group		
	Rupees						
<b>Net of Reinsurance</b>							
Actuary Liability Related to Future Events	4,388,324	382,533	181,640,424	2,339	-	186,413,620	206,632,815
Provision for Outstanding Reported Claims payable Over the Period Exceeding Twelve Months	242,235	-	1,688,661	-	-	1,930,896	1,793,503
Provision for Claims Incurred But Not Reported (IBNR)	100,000	34,518	827,017	-	-	961,535	838,457
<b>Total</b>	<b>4,730,559</b>	<b>417,051</b>	<b>184,156,102</b>	<b>2,339</b>	<b>-</b>	<b>189,306,051</b>	<b>209,264,775</b>

## 26 REMUNERATION OF CHIEF EXECUTIVE AND OTHER EXECUTIVES

	2016			2015		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
Managerial Remuneration	828,000	-	1,395,000	828,000	-	1,395,000
Directors' Fees	-	160,000	-	-	60,000	-
Chairman's Honorarium	-	85,000	-	-	35,000	-
House Rent Allowance	372,000	-	584,556	372,000	-	584,556
Utilities	-	-	180,000	421,838	-	180,000
Retirement Benefits	-	-	139,500	165,600	-	139,500
Reimbursement of Expenses	282,391	-	1,082,147	2,108,137	250,150	1,124,364
	<b>1,482,391</b>	<b>245,000</b>	<b>3,381,203</b>	<b>3,895,575</b>	<b>345,150</b>	<b>3,423,420</b>

**Number of Person(s)** 1 2 2 1 2 2

Certain Employees are provided with free use of Company maintained cars.

## 27 TRANSACTIONS WITH RELATED PARTIES

The related parties comprises East West Insurance Limited (Associated company), directors of the company, key management personnel, associated undertakings, entities with common directors, statutory funds and employees' funds.

The details of transactions with related parties, other than those that are which have been specifically disclosed elsewhere in the condensed interim financial information are as follows:

	2016			2015		
	Provident Fund	Key Management Personnel	Associated Companies & Common Directorship	Provident Fund	Key Management Personnel	Associated Companies & Common Directorship
	Rupees					
<b>Transactions</b>						
Payment Made for Settlement	-	-	-	-	-	3,650,000
Payment Made to Share Registrar	-	-	150,000	-	-	180,000
Contribution During The Year	746,767	-	-	866,182	-	-
<b>Balances</b>						
Investment	-	-	280,518	-	-	280,518

## 28 BUSINESS SEGMENTS

A segment is a distinguishable component of the Company that is engaged in business activities from which the Company earns revenues and incurs expenses and its results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Further, discrete financial information is available for each segment. The Company accounts for segment reporting using the classes or business as specified under the Insurance Ordinance, 2000 and the Securities and Exchange Commission (Insurance) Rules, 2002 as the reporting format based on the Company's practice of reporting to the management on the same basis.

The Company's reportable segments under IFRS 8 are as follows:

### a) Statutory Funds

#### Ordinary Life

The ordinary life segment provides life assurance coverage to individuals under conventional policies issued by the Company. It also provides life insurance coverage to members of business enterprises, corporate entities and common interest groups under life insurance schemes issued by the Company.

#### Universal Life

Universal life segment provides life assurance coverage to individuals under universal life policies issued by the Company.

#### Accident and Health

Accident and health business segment provides health coverage to individuals members of enterprises, corporate entities and common interest groups under health insurance scheme issued by the Company.

### b) Shareholders' Fund

Assets, liabilities, expenses and revenues that are not attributable to other segments are managed under shareholders' fund.

All segments assets, liabilities, income and expenses are allocable to reportable segments. Assets and liabilities of each segment are disclosed in balance sheet while expenses and revenues of shareholders' fund are presented in profit and loss account and that of other segments are presented in revenue account.

## 29 FINANCIAL INSTRUMENTS BY CATEGORY

	2016			
	Loans and Receivables	Available for Sale	Held to Maturity	Total
	Rupees			
<b>Assets</b>				
Cash in Hand	17,616	-	-	17,616
Current and Other Accounts	65,942,508	-	-	65,942,508
Deposits Maturing Within 12 Months	100,000,000	-	-	100,000,000
Loans Secured Against Life Insurance Policies	9,938,766	-	-	9,938,766
Unsecured Advances to Employees	732,410	-	-	732,410
Government Securities	-	-	259,245,140	259,245,140
Listed Equities	-	280,518	-	280,518
Premiums Due But Unpaid	1,084,458	-	-	1,084,458
Amount Due From Reinsurer	3,557,871	-	-	3,557,871
Sundry Receivables	4,152,237	-	-	4,152,237
Investment Income Accrued	2,786,741	-	-	2,786,741
	<b>188,212,607</b>	<b>280,518</b>	<b>259,245,140</b>	<b>447,738,265</b>

	2016		
	Others	At Fair Value Through Profit and Loss	Total
	Rupees		
<b>Financial Liabilities</b>			
Outstanding Gratuity	-	86,250	86,250
Outstanding Claims	-	67,174,315	67,174,315
Amount Due To Reinsurers	-	6,432,342	6,432,342
Accrued Expenses	-	7,154,370	7,154,370
Amount Due To Agents	-	2,071,054	2,071,054
Other Creditors and Accruals	-	8,979	8,979
	<b>-</b>	<b>82,927,310</b>	<b>82,927,310</b>

	2015			
	Loans and Receivables	Available for Sale	Held to Maturity	Total
	Rupees			
<b>Financial Assets</b>				
Cash in Hand	4,667	-	-	4,667
Current and Other Accounts	104,132,048	-	-	104,132,048
Deposits Maturing Within 12 Months	85,000,000	-	-	85,000,000
Loans Secured Against Life Insurance Policies	9,358,262	-	-	9,358,262
Unsecured Advances to Employees	591,720	-	-	591,720
Government Securities	-	-	257,544,891	257,544,891
Listed Equities	-	47,554,351	-	47,554,351
Premiums Due But Unpaid	1,461,902	-	-	1,461,902
Amount Due From Reinsurer	2,952,479	-	-	2,952,479
Sundry Receivables	4,238,028	-	-	4,238,028
Investment Income Accrued	3,091,900	-	-	3,091,900
	<b>210,831,006</b>	<b>47,554,351</b>	<b>257,544,891</b>	<b>515,930,248</b>



	2015		
	Others	At Fair Value Through Profit and Loss	Total
		Rupees	
<b>Financial Liabilities</b>			
Outstanding Gratuity	-	86,250	86,250
Outstanding Claims	-	91,361,089	91,361,089
Amount Due To Reinsurers	-	2,879,505	2,879,505
Accrued Expenses	-	13,136,867	13,136,867
Amount Due To Agents	-	4,126,898	4,126,898
Other Creditors and Accruals	-	35,096	35,096
	-	<b>111,625,705</b>	<b>111,625,705</b>

### 30 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company is primarily exposed to credit risk, liquidity risk and market risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall risk arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below. The Board of Directors has overall responsibility for establishing an oversight of Company's risk management framework. The Board is also responsible for developing the Company's risk management policies.

#### 30.1 Credit Risk and Concentration of Credit Risk

Credit risk is the risk that one party to financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly effected by changes in economics, political and other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company manages its credit risk by monitoring credit exposure, limiting transaction with specific counter party and continually assessing the credit worthiness of counter parties. Management considers that all the financial assets that are neither past due nor impaired are of good credit quality. The maximum exposure of the Company to credit risk at reporting date without taking into account any collateral held or other credit enhancements is as:

	2016 Rupees	2015 Rupees
<b>Cash and Cash Equivalent</b>		
Current and Other Accounts	65,942,508	104,132,048
Deposits Maturing Within 12 Months	100,000,000	85,000,000
<b>Loans and Receivables</b>		
Loans Secured Against Life Insurance Policies	9,938,766	9,358,262
Unsecured Advances to Employees	732,410	591,720
Premiums Due But Unpaid	1,084,458	1,461,902
Amount Due From Insurer / Reinsurer	3,557,871	2,952,479
Investment Income Accrued	2,786,741	3,091,900
Sundry Receivables	4,152,237	4,238,028
<b>Available For Sale Financial Assets</b>		
Investments	280,518	47,554,351
	<b>188,475,509</b>	<b>258,380,690</b>

The credit risk to cash and cash equivalent is negligible, since the counter parties are reputable banks with high quality external credit rating. The Company did not hold any collateral against above assets except 'loans secured against life insurance policies' that are secured against reserve balance of the policyholders. There is no impairment against past due balances as they relate to a number of policyholders and other reinsurers for whom there is no recent history of defaults. The Company maintained its funds with banks having strong credit rating. Currently, funds are kept with banks having ranging from BBB to AAA.

The age analysis of Premiums Due But Unpaid is as follows:

	2016 Rupees	2015 Rupees
Upto One Year	896,564	1,119,685
More Than One Year	187,894	342,217
	<b>1,084,458</b>	<b>1,461,902</b>

	2016 Rupees	2015 Rupees
Sector Wise Analysis of Premium Due But Unpaid is as follows:		
Financial Institutions	-	-
Transport and Communication	-	-
Education	-	-
Others	1,084,458	1,461,902
	<b>1,084,458</b>	<b>1,461,902</b>

### 30.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulties in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding impact of netting agreements:

#### Financial Assets and Liabilities

		2016					
Effective Interest Rate	Total	Up to 1 Month	Over 1 to 3 Month	Over 3 to 12 Month	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years
Rupees							
<b>On Balance Sheet</b>							
<b>Financial Assets</b>							
Cash in Hand	17,616	17,616	-	-	-	-	-
Current and Other Accounts	3% to 6%	65,942,508	65,942,508	-	-	-	-
Deposits Maturing Within 12 Months	3% to 7%	100,000,000	75,000,000	25,000,000	-	-	-
Loans Secured Against Life Insurance Policies		9,938,766	9,938,766	-	-	-	-
Unsecured Advances to Employees		732,410	732,410	-	-	-	-
Investments	5.87% to 12%	259,525,658	280,518	-	194,647,018	1,991,837	31,026,243
Premiums Due But Unpaid		1,084,458	1,084,458	-	-	-	-
Amounts Due From Other Insurer and Reinsurer		3,557,871	3,557,871	-	-	-	-
Investment Income Accrued		2,786,741	-	2,786,741	-	-	-
Deposits		3,255,262	-	3,255,262	-	-	-
		<b>446,841,290</b>	<b>156,554,147</b>	<b>31,042,003</b>	<b>194,647,018</b>	<b>1,991,837</b>	<b>31,026,243</b>

## 2016

Effective Interest Rate	Total	Up to 1 Month	Over 1 to 3 Month	Over 3 to 12 Month	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years
Rupees							
<b>Financial Liabilities</b>							
Deferred Liabilities - Gratuity	86,250	86,250	-	-	-	-	-
Outstanding Claims	67,174,315	67,174,315	-	-	-	-	-
Amounts Due to Reinsurer	6,432,342	6,432,342	-	-	-	-	-
Accrued Expenses	7,154,370	7,154,370	-	-	-	-	-
Agent's Balances	2,071,054	2,071,054	-	-	-	-	-
Other Creditors and Accruals	8,979	8,979	-	-	-	-	-
	82,927,310	82,927,310	-	-	-	-	-
<b>On Balance Sheet Gap</b>	<b>363,913,980</b>	<b>73,626,837</b>	<b>31,042,003</b>	<b>194,647,018</b>	<b>1,991,837</b>	<b>-</b>	<b>31,026,243</b>

## Financial Assets and Liabilities

## 2015

Effective Interest Rate	Total	Up to 1 Month	Over 1 to 3 Month	Over 3 to 12 Month	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years
Rupees							
<b>On Balance Sheet</b>							
<b>Financial Assets</b>							
Cash in Hand	4,667	4,667	-	-	-	-	-
Current and Other Account	4% to 5%	104,132,048	104,132,048	-	-	-	-
Deposits Maturing Within 12 Months	5% to 7%	85,000,000	85,000,000	-	-	-	-
Loans Secured Against Life Insurance Policies		9,358,262	9,358,262	-	-	-	-
Unsecured Advances to Employees		591,720	591,720	-	-	-	-
Investments	8% to 12%	305,099,242	32,549,018	114,118,745	117,588,571	1,986,913	15,168,083
Premiums Due But Unpaid		1,461,902	1,461,902	-	-	-	-
Amounts Due From Reinsurer		2,952,479	2,952,479	-	-	-	-
Investment Income							
Accrued		3,091,900	-	3,091,900	-	-	-
Sundry Receivables		4,238,028	-	4,238,028	-	-	-
	515,930,248	236,050,095	121,448,673	117,588,571	-	1,986,913	15,168,083
<b>Financial Liabilities</b>							
Deferred Liabilities - Gratuity	86,250	86,250	-	-	-	-	-
Outstanding Claims	91,361,089	91,361,089	-	-	-	-	-
Amounts Due to Insurer / Reinsurer	2,879,505	2,879,505	-	-	-	-	-
Accrued Expenses	13,136,867	13,136,867	-	-	-	-	-
Agent's Balances	4,126,898	4,126,898	-	-	-	-	-
Other Creditors and Accruals	35,096	35,096	-	-	-	-	-
	111,625,705	111,625,705	-	-	-	-	-
<b>On Balance Sheet Gap</b>	<b>404,304,543</b>	<b>124,424,391</b>	<b>121,448,673</b>	<b>117,588,571</b>	<b>-</b>	<b>1,986,913</b>	<b>15,168,083</b>



**30.3 Market Risk**

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in interest rates or market prices due to a change in credit rating of the issuer of the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company's investments are primarily in long term Government Bonds.

**30.4 Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to changes in market interest rates. Management considers that fluctuation in market interest rate will have no significant impact.

**30.5 Fair Value Sensitivity Analysis for Fixed Rate Instrument**

The Company does not account for any fixed rate financial asset and liability at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.

**30.6 Other Price Risk**

The Company is not exposed to this risk.

**31 INSURANCE RISK****31.1 Insurance Contract**

The Company issues contracts that are classified as insurance contracts as they transfer significant insurance risk (against death, disability and sickness) from the policyholder to the Company. The Company classifies its contracts (policies) into group life, group accident and health, individual life and individual accident and health business. None of the contracts of the Company contains discretionary participation feature. The Company also offers some supplementary benefits attached in the form of riders with individual life contracts.

**31.2 General Terms of the Insurance Contracts Issued by the Company are as Follows:****(a) Group Policies****Group Life**

The group life policies are generally one year renewable term insurance contracts. In most of the cases they provide group coverage to the employees of an employer. Group policies are issued to lending agencies such as banks to provide group coverage to their borrowers. In many cases supplementary coverage is also provided which may include accidental or natural disability benefits and additional accidental death benefit.

Under the group life insurance policies in most cases the insured event is either death due to any cause. In case of supplementary coverage the insured event can include accidental death or disability or natural disability.

All the group insurance contracts are non participatory and have no cash value. Company has its own market personnel to sell group policies.

## Group Health

The group health policies of the Company provide cover against accidental death, disability, sickness and critical illness. These are generally one year renewable term insurance contracts which are non participatory and have no cash value. In most of the cases they provide group coverage to the employees of an employer. The Company has its own market personnel to sell these policies.

### (b) Individual Policies

#### Individual Conventional Life Products

The Company stopped selling conventional type business since 2007. All pre-existing conventional policies were converted to universal life policies. Hence, in conventional life business, there are only non-participating paid-up conventional policies.

#### Individual Accident and Health Products

The Company, in its accidental and health statutory fund, offers two individual one-year renewable term non-participating accidental products which provide cover against accidental death, disability, sickness and critical illness. These products are distributed through in-house agency of the Company.

### (c) Universal Life Products

Under these plans a certain amount is set aside from the premium for expenses and meeting the mortality cost and the remainder of the premium is invested to earn some investment return. Investment return is allocated to these products on an annual basis keeping in view the investment earnings of the 'Universal life fund'.

Particulars of insurance contracts provided by the Company under universal life are as follows:

Type of Insurance Contracts	Insurance Risks	Type of Customers	Insured Event	Method Used to Distribute
Mehfooz Sarmaya Plan	Mortality Risk, Investment Risk	From age 18 to age 60 years (in good health)	Death	In-House Agency
Sarmaya Gold Plan (Single Premium)	Mortality Risk, Investment Risk, Accidental Death Risk	From age 18 to age 60 years (in good health)	Death	In-House Agency
Scholar's Plan	Mortality Risk of Payer and Child, Investment Risk	Children from age 1 to age 17 with related payer from age 18 to 60 (in good health)	Death	In-House Agency

The following riders are offered by the Company which can be added to its periodic premiums for universal life products:

- 1 - Accidental Death Benefit
- 2 - Accidental Indemnity Benefit
- 3 - Terms Insurance Rider
- 4 - Major Surgery Benefit
- 5 - Family Income Benefit Rider

#### 31.2.1 Policyholders' Liabilities

The general principles adopted in the valuation of policy holder liabilities for various classes of business and the reasons for adopting them are described below:

### Group Policies

The liability in respect of group life and accidental and health insurance, and riders of all types, was set using the unearned premium method. Unearned premium reserve is held for that portion of premium which has not yet accrued at the balance sheet date. Due provision was made for claims incurred but not reported ("IBNR"). The Company has to record a premium deficiency reserve on the advice of the appointed actuary if the Company's group business claim ratio (claims divided by net earned premiums) is adverse.

### Individual Accidental Policies

The liability in respect individual accidental policies was set using the unearned premium method as described above for group business.

### Individual Conventional Life Policies

The liability under individual conventional life assurances is calculated by deducting from the present value of the sums assured, ninety per cent of the present value of the net premiums. Net premiums are calculated under the modified preliminary term method, to be the level net premiums on the valuation basis plus adjustments to allow for the first year expenses at 5% of net premiums for each year of the premium paying term (e.g. 50% for a term of 10 years), limited to 100% for a term of 20 years or more. SLIC (2001-05) Mortality Table and a valuation interest rate of 3.75% are used for valuation of liabilities. As at the balance sheet date (valuation date), all conventional policies are either paid-up or are in benefit stage where the premiums have been ceased.

### Individual Universal Life Policies

The liability for universal life business was calculated by summing up individual mathematical reserves of the policies. The mathematical reserves as at the valuation date were calculated individually in accordance with the bases outlined in the policy document. LIC (1994-96) Mortality Table is used as the base for deducting mortality charges. Suitable provisions were made for the unexpired mortality charges, expense charges, unexpired linked riders and investment income to be credited to each policy account in respect of the period from the policy anniversary date of the said calendar year up to the valuation date.

#### 31.3 Liability Adequacy Test

The adequacy of liability held by the Company has been tested using an alternative reserving method based upon realistic estimates of future mortality, expenses, lapses and investment return. Based upon the results of this test the appointed actuary considers that the liability being kept by the Company is adequate.

#### 31.4 For the Frequency and Severity of Claims

In individual life business, the frequency and severity of claims is restricted because of underwriting strategies which does not permit higher sum assureds to higher age groups. Secondly, high sum assureds are reinsured. The mortality risk is well diversified because the insureds are spread all over Pakistan where the Company has established branches.

In group life business, the number of groups and number of lives insured are enough to treat the business as well diversified. Hence, frequency of claims is controlled through diversification. The severity of claims is restricted due to reinsurance and requirement of medical underwriting for high sum assured insureds in the groups.



In group health business, the frequency and severity of claims is controlled through proper claim investigation processes and pacts between panel hospitals and the Company. The severity is also controlled through upper limits on claims and exclusions of some high expense diseases. Additional premium is charged per thousand of a limit which covers some dreaded diseases.

However, the frequency can be affected in case there is a variation in the mortality rates experienced by the group of lives insured by the Company. An unusual catastrophic event such as a disease epidemic, flash floods or a major earthquake can produce a sudden spike in the frequency.

### 31.5 Accounting Estimates and Judgements

#### Mortality and Morbidity Experience

State Life Insurance Corporation of Pakistan (SLIC) Mortality table based on mortality experience of 2001 to 2005 is used to price group life business. This assumption varies due to the volume of the group and nature of industry to which that group belongs.

Group health business is priced based on 60% of the UK Hospital In-patient Enquiry (HIPE) rates for year 1984. The assumptions vary due to change in medical inflation rates and other miscellaneous factors.

#### Persistency Rates for Long Term Individual Policies

The valuation of individual conventional paid up policies has been carried out using 100% persistency (i.e. the liabilities contain no recognition of lapses) as per the guidelines of SECP.

#### Expense Levels and Inflation

The following assumptions are used to value unexpired expenses for periodic premium individual universal life products:

- 95% of the first year expense charge (90% of premium) occurs on the day of issuance of policy. The remaining 5% is reserved for unexpired term proportionately;
- 30% of the second year expense charge (15% of premium) occurs on the first anniversary of the policy. The remaining 70% is reserved for unexpired term proportionately;
- From third policy year onwards, the expense charge (5% of premium) is entirely reserved for unexpired term proportionately.
- For group life and health, the basic premium is loaded by 7.5% to 10% to cover administration expenses, excluding commission expense which is separately factored in. In group health, the assumption of average hospitalization expense per day is updated periodically based of medical inflation rates; and
- In individual accidental policies, approximately 40% of premium is allocated to expenses and commission payments.

#### Investment Returns

The valuation of individual conventional paid up policies has been carried out using 3.75% discount rate assumption as per the guidelines of SECP. The account values of universal life policies depends upon historical investment returns earned on these policies. Hence, the liability incorporates investment return distributed to the policyholder up to the valuation date. Due provision is made for earned investment income. The future investment returns are not sensitive to the liability as at the valuation date in respect of universal life policies.

## Tax

There is no major impact of taxes on valuation of liabilities, future benefit payments and premium receipts.

### 31.6 Process Used to Decide on Assumptions

The assumptions are used only to value Individual Conventional Paid up Policies. These assumptions are fixed according to the SECP guidelines.

Mortality Assumption:	SLIC (2001-05) Tables
Interest Rate:	3.75% Per Annum
Expenses and Persistency:	No Explicit Assumptions

No assumptions have been made to value Universal Life Policyholder's liabilities since the liabilities are based on actual account values as at the valuation date i.e. Retrospective valuation method has been used.

### 31.7 Sources of Uncertainty in Estimation of Future Benefit Payments and Premium Receipts

The uncertainty with respect to future premiums and benefits may arise due to unexpected changes in mortality or disability experience. Adverse mortality experience will result in excess benefit payments, and reduced future premium income. Likewise, unexpected changes in surrenders and lapses could also have a significant impact on future realized premiums. Estimates of lapses and surrenders are based on internal experience studies carried out annually. Factors that could affect policyholder behavior include, market factors such as interest rates, policyholder preferences in terms of the monetary value that a policyholder relates with the insurance policy, the frequency of premium payments and the age of the individual.

### 31.8 Process for Estimation of IBNR and Its Provisioning Mechanism

Due provision was made for claims incurred but not reported ("IBNR") by analyzing claims incurred after the valuation date till the reporting date and past pattern of claim intimation lag from the date of occurrence of claim. The claims actually intimated in January 2016 and February 2016 which pertains to calendar year 2015 were taken as IBNR reserve after adjusting the amount for unreported claims pertaining to 2015. For adjustment, the history of lags between the date of claim occurrence (e.g. death) and date of intimation was analyzed. The lag factors were developed and applied to total claims.

### 31.9 Sensitivity Analysis

Variables	Change in Variable	Change in Liability 2016	Change in Liability 2015
<b>a) Long Term Insurance with Fixed Guaranteed Terms (Individual Life Conventional Paid Ups)</b>			
Worsening of Mortality and/or Morbidity Rates for Risk Policies	5% 10%	2,346 4,648	3,086 6,127
Improvement of Mortality rates for annuities	N/A	N/A	N/A
Worsening of Persistency Rates for Long Term individual Policies	No assumption of persistency in estimating policyholders' liability		
Increase in Expense Levels and Inflation	No assumption of expenses in estimating policyholders' liability		
Decrease in Investment Returns	The discount rate of 3.75% p.a. is fixed by SECP.		



b) **Long Term Insurance Contracts Without Fixed Terms  
(Individual Life Universal Life)**

The policyholder's liability in respect of individual universal life business is based on accumulated account value with provision for unexpired charges. The liability does not have any explicit underlying assumptions and do not contain any uncertain item. Therefore, no sensitivity analysis is required.

**31.10 Claim Development**

Development of claims against insurance contracts issued is not disclosed as uncertainty about the amount and timing of claim settlement is usually resolved within one year.

**31.11 Management of Insurance Risk**

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of resulting claim. By the very nature of the contract the risk is random and unpredictable. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under contracts.

The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Exposures are managed by having documented underwriting limits and criteria. Adequate reinsurance is arranged to mitigate the effect of potential loss to the Company for large insured events. Further, the Company adopts strict claim review policies including active management and prompt perusing of the claims, regular detail review of claims handling procedures and frequent investigation of false claims to review the insurance risk.

The underwriter's freedom to underwrite is paramount. Therefore, the underwriter will have the discretion to decline, reduce, or modify the proposal or cut out a rider even if the case appears to be acceptable. Those risks subject to a higher than normal mortality are said to be sub-standard or impaired risk as their chances of surviving from year to year are impaired. Such lives are either accepted only with extra premium or with some restriction, or postponed or declined as the merits of individual case warrant. Free cover limit in case of group insurance business is set with the consultation of the appointed actuaries on case to case basis.

The insurance law has laid down some minimum criteria for insurance risk management, which is mandatory for all insurers. This includes guidance regarding minimum capital requirement for insurers, requirement to submit a financial condition report on an annual basis, minimum reserving basis for the financial condition report, minimum solvency requirements and requirement to match the currency of assets and liabilities. Also the law lays down certain restrictions on the assets that may be counted as admissible assets, prescribes guidelines for valuation of assets and liabilities, prescribes reinsurance arrangements and prescribes guidelines for investment of funds. Strategy of the Company to manage insurance risk meets the regulatory requirements in this regard in addition to internal Company specific practices.

**31.12 Other Risks**

The Company faces a number of financial risks in its assets and liabilities, apart from insurance risk. These risks can be broadly categorized as expense risk, lapse risk, market risk, credit risk and liquidity risk. This section describes these risks on the Company level and identifies and describes the processes and strategy of management to manage these risks.

**Expense Risk**

The risk that the Company faces is that future expenses may be higher than those used in pricing of products causing an expense overrun. The Company mitigates this risk by incorporating a certain level of acceptable conservatism in building future policy expense factors in pricing and expects to maintain its actual expenses



within these limits. Regular monitoring of policy expense factors in pricing and expects to maintain its actual expenses within these limits. Regular monitoring of expenses allows the Company to adjust its pricing in time to account for higher than expected expenses.

### **Lapse Risk**

The risk the Company faces is that future persistency rates may be lower than assumed in pricing, thus impacting the emergence of profit from its portfolio of individual life policies. The Company places tremendous emphasis on quality customer services and retention of clients by making persistency standard an integral part of the sales force culture. It has robust systems in place to regularly monitor the lapse experience. Regular focus on persistency is embedded in the Company's culture and is an integral part of the monitoring of the sales force performance and remuneration.

### **Surrenders Risk**

The reserving basis used by the Company does not assume any surrenders. However, the Company ensures that the reserves kept by it for each policy is more than its surrender value. This ensures that the Company does not suffer any adverse impact in case any policies are surrendered.

### **Catastrophe Risk**

The business of the Company is spread in different geographical areas of the country. However the insurance penetration rate in the country is very low. This means for any localized segment of the population only a small proportion of the people would be covered under life insurance. The proportion covered by the Company's policies is expected to be even smaller. As a result any localized catastrophic event is not expected to have any significant impact on the Company.

The situation is a bit different on the group insurance side where there is a higher concentration of risk because by its very nature this business often covers a large number of persons located within a restricted geographical area, such as a building or a factory premises. This risk is somewhat mitigated due to the presence of reinsurance cover for the individual and group policies. In addition the premium rates of the Company are designed to adequately cater for this risk. Premium deficiency reserve held by the Company for its group business provides an extra layer of security against this risk.

### **Operational Risk or Pricing Risk**

The Company utilizes industry recognized underwriting practices to ensure that only standard risks are written on standard rates. Any sub-standard risks identified during the underwriting process are charged suitable extra premiums. This ensures fair and equitable treatment between various risk categories and helps in keeping its standard rates competitive by the insurance industry standards. This practice also protects the Company against the risk of large number of sub-standard impaired lives accumulating on its policy portfolio, since extra premium is automatically charged commensuration with such risk.

## **32 REINSURANCE RISK**

Reinsurance ceded do not relieve the Company from its obligation to policy holder and as a result the Company remains liable for the portion of outstanding claims reinsured to the extent that reinsurer fails to meet the obligation under the reinsurance agreement.

In order to minimize the financial exposure arising from large claims, the Company, in normal course of business, enters into agreement with other reinsurers.

In order to manage this risk, the Company obtains reinsurance cover only from companies with sound financial health. The Company has reinsurance arrangements with "A or above" rated companies to cover the individual policies and group life insurance policies.

### 33 CAPITAL MANAGEMENT

The Company's capital management objectives are:

- to comply with minimum paid-up capital requirement prescribed by SECP
- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders
- by pricing its insurance premium commensurately with the level of risk.

The Company's objective in capital management is to maintain a balance between shareholders' capital to overall financing and statutory funds to the investments. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders and issue new shares. Further, the Company ensures to comply with all the regulatory requirements regarding capital and its management.

Capital requirements applicable to the Company are set and regulated by the Securities and Exchange Commission of Pakistan (SECP). These requirements are put in place to ensure sufficient solvency margins. The Company manages its capital requirement by assessing its capital structure against the required capital level on a regular basis. Minimum capital requirement for the Company as required by Notification through S.R.O.225(I)/2015 dated March 13, 2015 is Rs.600 million at year end December 31, 2016.

SECP vide its letter dated February 10, 2014 has granted permission to Company for maintaining solvency margin in the Company's shareholders fund on aggregate basis instead of maintaining the solvency margin in each statutory fund separately. As per the terms and conditions of the approval the risk based solvency margins shall be maintained in the shareholders' fund for a period of ten years, and no dividend shall be declared, without the express written consent of the appointed actuary of the Company.

### 34 DEFINED CONTRIBUTION PLAN

The Company has contributory provident fund scheme for benefit of all its permanent employees under the title of (Company name) – Employees Contributory Provident Fund". The fund is maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees independent of the Company.

34.1 The Trustees have intimated that the size of the fund at year end was Rs. 7.339 million (2015 Rs. 5.510 million).

34.2 As intimated by the Trustees, the cost of the investments made at year end was Rs. 7.339 million (2015 Rs. 5.510 million) which is equal to 100% of the total fund size. The entire investment amount is invested in bank deposit. The category wise break up of investment as per section 227 of the Companies Ordinance, 1984 is given below:

	<u>Rupees</u>	<u>Percentage</u>
Bank Deposit	<u>7,339,000</u>	<u>100.00%</u>
	<b><u>7,339,000</u></b>	<b><u>100.00%</u></b>

34.3 According to the Trustees, investments out of provident fund have been made in accordance with the provisions of section 227 of Companies Ordinance, 1984 and the rules made thereunder.

### 35 NUMBER OF EMPLOYEES

	<u>2016</u>	<u>2015</u>
As at December 31st	<u>38</u>	<u>41</u>
Average No. of Employees During the Year	<u>40</u>	<u>43</u>



### 36 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2016 and December 31, 2015:

December 31, 2016	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Listed Securities	280,518	-	-	280,518
	<u>280,518</u>	<u>-</u>	<u>-</u>	<u>280,518</u>
<b>December 31, 2015</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>				
Listed Securities	47,554,351	-	-	47,554,351
	<u>47,554,351</u>	<u>-</u>	<u>-</u>	<u>47,554,351</u>

#### 36.1 Fair Value Hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorized 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).

#### 36.2 Fair Value of Financial Assets

The fair value of all financial assets and financial liabilities is estimated to approximate their carrying value.

### 37 GENERAL

Amounts have been presented and rounded off to the nearest Rupee.

### 38 EVENTS OCCURRING AFTER BALANCE SHEET DATE

There are no event or transactions subsequent to period end that requires disclosure or in the financial statements.

### 39 DATE OF AUTHORIZATION FOR ISSUE

These financial statements are authorized for issue on March 22, 2017 by the Board of Directors of the company.



Chairman



Chief Executive Officer



Director



Director



## Statement of Directors

(As per the requirement of Section 46(6) and Section 52(2) of the Insurance Ordinance, 2000)

### Section 46(6)

- (a) In our opinion the annual statutory accounts of East West Life Assurance Company Limited set out in the forms attached to the statement have been drawn up in accordance with the Ordinance and any rules made there under;
- (b) East West Life Assurance Company Limited has at all times in the year complied with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements; and
- (c) As at December 31st, 2016, East West Life Assurance Company Limited continues to be in Compliance with provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements.

### Section 52(2)c

- (d) In our opinion, each statutory fund of East West Life Assurance Company Limited complies with the Solvency requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2002.



Chairman



Chief Executive Officer



Director



Director

## Statement by the Appointed Actuary

(As per the requirement of Section 52(2) (a) & (b)  
of the Insurance Ordinance, 2000)

### In my opinion

- (a) the Policyholders' Liabilities included in the balance sheet of East West Life Assurance Company Limited as at December 31, 2016 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
- (b) the Shareholders' Fund and Statutory Funds of East West Life Assurance Company Limited meet the solvency requirements of the Insurance Ordinance, 2000 as at December 31st, 2016.

Karachi  
Dated: March 22nd, 2017



**Shujat Siddiqui, MA, FIA, FPSA**  
Appointed Actuary

## Pattern of Holding of the Shares

Held by the Shareholders of East West Life Assurance Company Limited  
As at December 31, 2016

Number of Shareholders	From	Shareholding	To	Total Shares Held	Percentage
63	From	1	To	1,853	0.0031
131	From	101	To	57,398	0.0954
68	From	501	To	58,197	0.0967
87	From	1,001	To	223,579	0.3716
29	From	5,001	To	210,381	0.3496
8	From	10,001	To	96,875	0.161
3	From	15,001	To	56,456	0.0938
4	From	20,001	To	86,622	0.144
4	From	25,001	To	110,675	0.1839
1	From	30,001	To	35,000	0.0582
1	From	35,001	To	38,530	0.064
1	From	40,001	To	44,000	0.0731
1	From	50,001	To	55,000	0.0914
1	From	80,001	To	83,539	0.1388
2	From	95,001	To	100,000	0.3324
1	From	110,001	To	113,500	0.1886
1	From	120,001	To	123,977	0.206
1	From	135,001	To	136,562	0.227
2	From	165,001	To	170,000	0.5609
1	From	180,001	To	183,000	0.2993
1	From	225,001	To	229,900	0.3821
1	From	260,001	To	263,323	0.4376
1	From	265,001	To	265,405	0.4411
3	From	305,001	To	310,000	1.5297
1	From	345,001	To	347,083	0.5768
1	From	395,001	To	396,773	0.6594
1	From	450,001	To	453,650	0.7539
1	From	490,001	To	491,821	0.8174
1	From	595,001	To	595,817	0.9902
1	From	650,001	To	652,031	1.0836
1	From	1,130,001	To	1,134,557	1.8655
1	From	1,175,001	To	1,179,265	1.9598
1	From	1,185,001	To	1,187,500	1.9735
1	From	1,800,001	To	1,804,489	2.9989
1	From	3,185,001	To	3,190,000	5.2951
1	From	3,385,001	To	3,390,000	5.6329
1	From	3,940,001	To	3,943,163	6.5531
1	From	4,255,001	To	4,257,025	7.0748
1	From	4,805,001	To	4,807,742	7.99
1	From	5,515,001	To	5,515,419	9.1661
1	From	5,570,001	To	5,572,434	9.2608
1	From	8,300,001	To	8,302,098	13.7973
1	From	9,025,001	To	9,026,681	15.0015
<b>435</b>				<b>60,172,014</b>	<b>100.000</b>

No. of Shareholders	Number	Shares Held	Percentage
CEO, Directors and their Spouses and Minor Children	15	38,213,599	63.5073
Joint Stock Companies, Insurance Companies, Investment Companies & Modarabas	1	8,961,885	14.8938
Individuals	1	1,000	0.0017
	<b>418</b>	<b>12,995,530</b>	<b>21.5973</b>
	<b>435</b>	<b>60,172,014</b>	<b>100.0000</b>

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
<b>Associated Company</b>			
M/s. East West Insurance Company Limited	1	8,961,885	14.8938
<b>Other Company</b>			
National Development Finance	1	1,000	0.0017
<b>Shareholding 5%</b>			
Naved Yunus	1	9,027,081	15.0022
Javed Yunus	1	8,531,998	14.1794
Pervez Yunus	1	5,515,819	9.16680
Maheen Yunus	1	4,206,485	6.99070
Samina Yunus	1	3,186,174	5.29510
Shamaila Yunus	1	5,995,242	9.96350
Syed Arshad Ali	1	4,237,062	7.12960
<b>CEO, Directors, their Spouses and Minor Childrens</b>			
Omer Yunus	1	596,217	0.99090
Chief Justice (R) Mian Mahboob Ahmed	1	7,427	0.01230
Rubina Yunus	1	491,821	0.81740
Ambreen Yunus	1	347,083	0.57680
Samad Yunus	1	305,352	0.50750
Umeed Ansari	1	2,500	0.00420
A. K. M. Sayeed	1	400	0.00070
Mohsin Ali Kanchwala	1	2,500	0.00420
Individuals	<b>418</b>	<b>8,755,968</b>	<b>14.4632</b>
<b>Total</b>	<b>435</b>	<b>60,172,014</b>	<b>100.0000</b>



## Branch Network

### Lahore

*Punjab Zone\**

2nd Floor, Naqi Arcade,  
71, Shahrah-e-Quaid-e-Azam, Lahore.  
Tel.: (042) 36370717, 36362033  
Fax: (042) 36370711  
E-Mail:  
lahore.zone@eastwestlifeco.com

### Sialkot

Office No-3, 2nd Floor,  
Sharif Centre,  
Fateh Garh, Agency Chowk,  
Defence Road, Sialkot  
Tel: (052) 3560260

### Sahiwal

1st Floor, Mansha Plaza,  
Lahore Commercial Centre,  
Near General Bus Stand,  
G.T. Road, Sahiwal,  
Mobile: (0333) 3757700

### Multan

Upper Story Leopards Couriers  
Centre, Opposite Hajveri Arcade  
Katchery Road, Multan,  
Mobile: (0300) 7351492

### Layyah

Arian Plaza, Near Indus Petrol  
Pump, Chowak Azam Road,  
Layyah,  
Mobile: (0300) 6765756

### Rawalpindi

Corporate/Group Marketing  
55-A, Bank Road, Rawalpindi Cantt,  
Rawalpindi.  
Tel.: (051) 5514322, Fax: (051) 5564809  
E-Mail:  
rawalpindi.zone@eastwestlifeco.com

### Gujrat

Near Grid Station / Police Chowki,  
Sargodha Road, Gujrat.  
Mobile: (0333) 5835787

### Chakwal

1st Floor, Bait-ul-Mukarram Masjid,  
Talagang Road, Chakwal.  
Tel.: (0543) 553226

### Jhelum

F-1, 3rd Floor, Shabbir Plaza,  
Shandar Chowk, Jhelum.  
Tel.: (0544) 623261

### Bhimber (Azad Kashmir)

Ch. Barkat Plaza, Samahni Road,  
Bhimber (A.K.).  
Tel.: (058650) 43551

### Note:

*Besides the company's head office  
(stated on page number 2), corporate  
(group life and group health)  
insurance services are also offered at  
the above individual life sales offices  
marked with an asterisk (\*).*

# FORM OF PROXY

## 24th Annual General Meeting

I/We ..... of .....  
in the district of .....  
being a member of East West Life Assurance Company Limited, hereby appoint .....  
..... of .....  
another member of the company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 24th Annual  
General Meeting to be held on Wednesday, April 27th, 2017 at 12:30 am at 28 - Regal Plaza, M.A. Jinnah Road, Quetta and at any adjournment  
thereof.

Signed this ..... day of ..... 2017

[illegible]

Please  
Affix Rupees  
Five Revenue  
Stamp

[illegible]

Signature of Member

**IMPORTANT:** This instrument appointing a proxy, duly completed, must be received at the office of the Company's Share Registrar, M/s. THK Associates (Pvt.) Limited, 2nd Floor, State Life Building No. 3, Ziauddin Ahmed Road, Karachi, not later than 48 hours before the time of holding the meeting.

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*The Company Secretary*

**EAST WEST LIFE**  
**ASSURANCE COMPANY LIMITED**

Share Registrar's Office

1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400

UAN: +92 (021) 111-000-322

Dir: +92 (021) 34168266-68-70

Fax: +92 (021) 34168271

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*The Company Secretary*

**EAST WEST LIFE**  
ASSURANCE COMPANY LIMITED

Share Registrar's Office

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# ایسٹ ویسٹ لائف اشورنس کمپنی لمیٹڈ

## پراکسی فارم

میں/ہم \_\_\_\_\_  
برائے ایسٹ ویسٹ لائف اشورنس کمپنی لمیٹڈ کا/کی امبر کی حیثیت سے بذریعہ ہذا

کے/کی \_\_\_\_\_  
جناب/محترمہ \_\_\_\_\_  
ان کی جگہ \_\_\_\_\_  
جناب/محترم \_\_\_\_\_

کمپنی کے 24 ویں سالانہ اجلاس عام میں اپنی جگہ شرکت کرنے اور ووٹ دینے کے لئے اپنا/ہمارا پراکسی تقرر کرتا/کرتی ہوں/کرتے ہیں۔ یہ اجلاس بروز پیر 17 مارچ 2017 کو دوپہر 1 بجے دن بمقام 28 ریگل پلازہ، ایم اے جناح روڈ، کوئٹہ یا التوا کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہوگا۔

دستخط کردہ بروز \_\_\_\_\_ تاریخ \_\_\_\_\_ 2017ء  
گواہان:



1- دستخط: \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
یا CNIC \_\_\_\_\_

پاسپورٹ نمبر: \_\_\_\_\_ نمبر (ممبران) کے دستخط \_\_\_\_\_  
2- دستخط: \_\_\_\_\_ شیئر ہولڈر کا فوئیو نمبر \_\_\_\_\_  
نام: \_\_\_\_\_ اور/یا CDC شریک کا آئی ڈی نمبر \_\_\_\_\_  
پتہ: \_\_\_\_\_ اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_  
یا CNIC \_\_\_\_\_

پاسپورٹ نمبر: \_\_\_\_\_

اہم نوٹ:

☆ باضابطہ مکمل شدہ یہ پراکسی فارم کمپنی کے رجسٹرار آفس بمقام فرسٹ فلور C-40، بلاک 6، پی ای سی ایچ ایس، کراچی میں اجلاس کے وقت سے 48 گھنٹے قبل پہنچانا چاہئے۔

☆ CDC شیئر ہولڈرز اور ان کے پراکسیز سے درخواست ہے کہ وہ کمپنی کو یہ پراکسی فارم جمع کروانے سے قبل اس کے ساتھ اپنے کمپیوٹر انٹرنیٹ قومی شناختی کارڈ (CNIC) یا پاسپورٹ کی تصدیق شدہ نقل منسلک کریں۔

☆ CDC شیئر ہولڈرز اور ان کے پراکسیز سے درخواست ہے کہ وہ اپنی شناخت میں سہولت کے لئے سالانہ اجلاس عام میں شرکت کے وقت شرکت کنندہ کے ID نمبر اور اپنے اکاؤنٹ نمبر کے ساتھ اپنے اصل کمپیوٹر انٹرنیٹ قومی شناختی کارڈ یا پاسپورٹ بھی بھرا لائیں۔

کمپنی کے نامور اور قابل آفیسرز، عملے اور فیلڈ فورس کی طرف سے، کمپنی کی نشوونما اور فروغ کے لئے، ان کی قابل قدر اور زبردست شراکت کے لئے، کمپنی کے ڈائریکٹرز کلمہ ہائے تحسین قلمبند کرانا چاہیں گے۔ ان کی اعلیٰ اخلاقی اقدار سے مسلسل وابستگی، صارف کو دینی جانے والی خدمات اور جانفشانی اور محنت سے کام کرنے کے باعث آپ کی کمپنی کو ابھر کر سامنے آنے میں مدد دی اور نئی شعبے کے بیمہ داروں کے درمیان ایک شفاف مارکیٹ لیڈر کی حیثیت سے اس کو برقرار رکھا۔

آخر میں، ہم اپنے صارفین کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اپنے بھروسے کا اظہار کیا اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے انشورنس ڈویژن کے بھی شکر گزار ہیں جنہوں نے تمام سال ہمیں مناسب رہنمائی اور تعاون فراہم کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے

*manu y*

ماہین یونس

چیف ایگزیکٹو آفیسر

تاریخ: 22 مارچ 2017ء



## آؤٹ کمیٹی

کمپنی کے آؤٹ کمیٹی میں شامل افراد کے نام مندرجہ ذیل ہیں:

- ۱۔ جناب امید انصاری
- ۲۔ جناب نوید پونس
- ۳۔ جناب پرویز پونس
- ۴۔ جناب محسن علی کاٹھ والا
- ۵۔ محمد زویب۔ سیکریٹری

## کاروباری اخلاقیات

کمپنی کے بورڈ نے ایک کاروباری اخلاقیات کا بیان جاری کر دیا ہے۔ اور کمپنی کے تمام ملازمین اُس کا جائزہ لے سکتے ہیں۔

## اہم تبدیلیاں

31 دسمبر 2016ء سے لے کر اب تک کمپنی کسی بھی اہم تبدیلی میں شامل نہیں ہوتی ہے۔

## ڈویڈنڈ

کمپنی کے مالیاتی حالت کو دیکھتے ہوئے کمپنی کے ڈائریکٹرز نے کسی بھی ڈویڈنڈ نہ دینے کا فیصلہ کیا ہے۔

## حصص یافتگان کا جدول

کمپنی آرڈیننس 1984ء کے سیکشن 236 کے تحت شیئرز ہولڈرز کے شیئرز کا جدول ان کتاب کے ساتھ منسلک ہے۔

## آؤٹرز

مالیاتی 2017ء کے لئے کمپنی کے آئینی آؤٹرز کا انتخاب کرنا ہے اور ساتھ ہی اُن کے معاضدہ کو طے کرنا، ہمارے آؤٹرز میسرز گرانٹ تھورنٹن انجم رٹن چارٹرڈ اکاؤنٹینٹس مدت پوری ہونے پر ریٹائر ہونے کے بعد دوبارہ اس ذمہ داری کے خواہاں ہیں اور ان کو آؤٹ کمیٹی کے تجویز پر 2017ء کے لئے کمپنی کے آؤٹرز کے طور پر دوبارہ تقرری کے لئے سفارش پیش کر دی گئی ہے۔

## کمپنی کے شیئرز ہولڈنگ کا جدول

کمپنی آرڈیننس کی شق نمبر 236 کے تحت کمپنی کے شیئرز ہولڈنگ کے بیان رپورٹ میں شامل ہیں۔

## اظہار تشکر

کمپنی کی جملہ حکمت عملی پر اپنے قابل قدر مشورے کے لئے اور ان کے کردار کے لئے ہم اپنے مقرر کردہ ایجنٹوں کے مشکور و ممنون ہیں۔ ہم اپنے ری انشورنسز کے بھی ممنون اور شکر گزار ہیں جنہوں نے آپ کی کمپنی کو مکمل حمایت فراہم کرنا جاری رکھا۔

## مستقبل پر نظر

- 2017ء اور اس کے بعد کمپنی اپنے منافع بنانے کی صلاحیت کو بڑھائے گی اور اس کے لئے اپنے انضباطی صلاحیت کو استعمال کرتے ہوئے اخراجات اور کلیم میں کمی کرے گی۔
- اس کے علاوہ کمپنی کے پربیم کو بڑھانے کے لئے اقدامات کئے جائیں گے۔ ان تمام مقاصد کے لئے مندرجہ ذیل اقدامات اٹھانے کا فیصلہ کیا گیا ہے تاکہ مارکیٹ میں اپنا ایک مقام بنایا جائے۔
- کمپنی کے تمام مارکیٹنگ فورسز بشمول گروپ لائف اور ہیلتھ کی از سر نو تشکیل کرنی ہے۔ اس کے علاوہ تجزیہ کاری کے عمل کو کمپنی کے انچارج کے ساتھ مل کر ایسی حکمت عملی بنانی ہے تاکہ کمپنی کے کاروباری صلاحیت میں اضافہ کیا جاسکے۔
- کمپنی کے اخراجات کو اس طرح کنٹرول میں رکھنا ہے کہ افراط زر کی اثر کے بعد بھی اخراجات میں اضافہ نہ ہو۔ اور اخراجات 2017ء اور اس کے بعد بھی کم ہی ہوں۔
- کمیشن کا جو موجودہ پیکج عمل پیرا ہے گا تاکہ 2017ء میں اس کے ثمرات حاصل کئے جاسکیں۔
- کاروباری لاگت کو کنٹرول کرنے کے لئے تمام مارکیٹنگ فورسز کو یکطرفہ کرنا ہے۔
- Bancassurance کے لئے جدوجہد کرنی ہے تاکہ اس کامیاب چینل کے ذریعے کمپنی کے پربیم میں اضافہ کیا جاسکے۔
- انشورنس کی نئی لائن Micro Insurance پر کام کرنا ہے۔ انشورنس کی اس نئی پروڈکٹ سے کمپنی کے کاروبار میں اضافہ ہوگا۔
- کمپنی کی افرادی قوت میں اضافہ کرنا ہے۔ اس مقاصد کے لئے افرادی قوت کے کمپنی کے ساتھ مل کر نئے جذبے سے بھرے ہوئے افراد کی بھرتی کرنا ہے تاکہ تجربہ کار، پڑھے لکھے اور ہنرمند افراد کمپنی کے تمام شعبوں میں بھرتی کئے جائیں۔ جو یہی افراد کمپنی کی ترقی میں اہم کردار ادا کریں گے۔
- کمپنی کے تمام شعبوں میں نئی بھرتیاں، ان کی دوبارہ تشکیل نو، اور بہترین روابط کے لئے ذریعے کمپنی کے اندرونی معاملات کو مؤثر کرنا ہے۔
- کمپنی کے سرمایہ کاری کی کمپنی کے کردار کو مزید مؤثر بنانا ہے تاکہ مارکیٹ میں موجود سرمایہ کاری کے مواقعوں سے زیادہ سے زیادہ فائدہ اٹھایا جاسکے۔
- ان تمام اقدامات کے بعد 2017ء میں (کمپنی کے 25 ویں سال) میں کمپنی اپنے پربیم میں اضافہ کر سکے گی۔
- کمپنی کے بہتری کے لئے کمپنی کے پربیم ریٹ۔ اس کے لگاتار پربیم کی شرح میں اضافہ کرنا ہوگا اور اخراجات میں کمی اور پالیسی ہولڈرز کو بہترین خدمات فراہم کرنا ہوں گی۔ اس سلسلے میں کمپنی کی انتظامیہ مندرجہ ذیل اقدامات پر گہری نظر رکھے ہوئے ہے۔
- Bancassurance کی نئی پالیسیاں بنا کر نئے پروڈکٹ کو مؤثر بنانا۔
- کمپنی کے جدید کمپیوٹر صلاحیت کے ذریعے کمپنی کے پالیسی ہولڈرز میں اضافہ کرنا۔
- کمپیوٹرائز ماحول کے ذریعے کمپنی کے تمام شعبوں میں بہتری پیدا کرنا۔
- کمپنی کے برانچ کے اخراجات کو کنٹرول کرنے کے لئے برانچ کی لاگت کا تجزیہ کرنا۔
- مندرجہ بالا اقدامات کے ذریعے کمپنی کی انتظامیہ بڑھ امید ہے کہ کمپنی عنقریب کامیابی کے راستے پر چل جائے گی اور بہترین معاشی ماحول اور مؤثر حکمت عملی سے کمپنی کے پالیسی ہولڈرز اور شیئرز ہولڈرز اور اسٹاف سب کی بہترین ممکن ہو سکے گی۔

ماحول پیدا کرنے کے لئے بہت اہم ہے۔

### کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

- کمپنی کی انتظامیہ کے تیار کردہ مالیاتی بیانات اس کے امور کو، اس کے آپریشنز کے نتائج، نقد رقوم کے بہاؤ اور ایکویٹی میں تبدیلیاں، واضح طور پر پیش کرتے ہیں۔
- کمپنی نے تمام تر کھاتے صحیح طور پر مرتب کئے ہیں۔
- مالیاتی بیانات کی تیاری میں مناب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے مناسب اور محتاط فیصلے پر مبنی ہیں۔
- بین الاقوامی اکاؤنٹنگ اسٹنڈرڈز، جیسے ان کا اطلاق پاکستان میں ہوتا ہے، مالیاتی بیانات کے تیاری میں ان پر عمل کیا گیا ہے اور اگر کسی باعث کہیں ان سے اختلاف ہوا ہے تو اس کو مناسب طور پر عیاں کروایا گیا ہے۔
- داخلی کنٹرول کا سسٹم اپنے ڈھانچے کے اعتبار سے کافی متوازن ہے اور مؤثر طور پر اطلاق شدہ اور زیر نگرانی ہے۔
- کمپنی کو یہ کاروبار جاری رکھنے کے لئے اس کی قابلیت کے متعلق کوئی واضح شکوک و شبہات نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین طریقہ کار سے، جن کی تفصیل ریگولیشنز میں دی گئی ہے، کہیں بھی کوئی مادی اختلاف نہیں کیا گیا ہے۔
- پچھلے چھ سالوں کا کلیدی آپریشننگ اور مالیاتی مواد منسلک ہے۔
- 13 دسمبر 2016 کو غیر آڈٹ شدہ کھاتوں کی بنیاد پر، پروڈیٹ فنڈز کی سرمایہ کاری 7.33 ملین رہی۔
- چیف ایگزیکٹو، ڈائریکٹرز، چیف فنانس آفیسر، کمپنی سیکریٹری، ان کے زوج اور اطفال اور حقیقی حصص کنندگان کی جانب سے حصص کی کوئی خرید و فروخت نہیں کی گئی۔

### ڈائریکٹرز کی میٹنگز

سال کے دوران ڈائریکٹروں کی چھ (6) میٹنگز ہوئی ہیں جن کی حاضری کی صورت حال درج ذیل ہے۔

نمبر شمار	ڈائریکٹرز کا نام	میٹنگ میں حاضری کی تعداد
01	چیف جسٹس (ریٹائرڈ) میاں محبوب احمد	06 میں سے 06
02	جناب مابین پونس (چیف ایگزیکٹو آفیسر)	06 میں سے 04
03	جناب امید انصاری	06 میں سے 06
04	جناب محسن علی کالج والا	06 میں سے 05
05	جناب نوید پونس	06 میں سے 06
06	جناب پرویز پونس	06 میں سے 06
07	جناب جاوید پونس	06 میں سے 06
08	جناب عمر پی۔ پونس	06 میں سے 06
	(جناب شبیر علی کالج والا، متبادل ڈائریکٹر)	06 میں سے 06

جو ڈائریکٹرز غیر حاضر ہیں ان کی غیر حاضری کی چھٹی منظور ہو گئی ہے۔



کمپنی کے غیر اطمینان بخش نتائج کا اثر کسی حد تک کلیم اور اخراجات میں ہونے والی کمی نے پورا کیا ہے۔ جبکہ پالیسی ہولڈرز 3۔ مہداری کی رقم اور ٹیکس کی رقم سے کمپنی کے نقصان کو کم کیا ہے۔ کمپنی کی انتظامیہ نے اپنی مارکیٹنگ حکمت عملی کو تبدیل کرنے کا فیصلہ کیا ہے تاکہ 2016ء میں پرییم کی کمی کو پورا کیا جاسکے۔ اس کے علاوہ کمپنی کے ایجنٹوں کی رقم کے ساتھ مل کر ایک ایسی حکمت عملی بنائی جائے تاکہ پرییم کی سطح کو بلند کیا جاسکے۔

## مالیاتی کارکردگی

2016ء اور 2015ء کے مالیاتی کارکردگی کا موازنہ نیچے دیا گیا ہے۔

فیصد تبدیلی	2015	2016	
-76%	Rs. 4,630,776	Rs. 1,111,975	پہلے سال کا لائف پرییم
-32.2%	Rs. 1,854,629	Rs. 1,257,332	دوسرے سال کا لائف پرییم
-32.8%	Rs. 73,712,032	Rs. 49,515,706	خالص کلیم
-49.2%	Rs. 99,226,086	Rs. 50,398,620	ناخالص کلیم
-4.26%	Rs. 55,029,350	Rs. 52,684,408	خالص انتظامی اخراجات
-24.2%	Rs. 41,099,891	Rs. 31,119,153	آئینی فنڈز کے اخراجات
54.8%	Rs. 13,929,459	Rs. 21,565,255	ٹیکسز ہولڈرز فنڈز کے اخراجات
49.2%	Rs. 8,476,395	Rs. 4,299,932	کاروبار (کمیشن) لاگت
-14.9%	Rs. 305,099,242	Rs. 259,525,658	سرمایہ کاری
24.1%	Rs. 32,378,885	Rs. 40,209,125	سرمایہ کاری کی آمدنی

- پہلے سال کے پرییم میں 76% کی کمی ہوئی ہے اور یہ کمی پچھلے دو سال سے ہو رہی ہے۔
- دوسرے سال کی پرییم میں 32.2% کی کمی ہے اور کمپنی نے 27% کی متواتر پرییم کی شرح ہے۔
- کمپنی کے کلیم اور اخراجات میں سخت پالیسی اپنانے کی وجہ سے 33% کی کمی ہوئی ہے جو کہ 2011ء میں 49.515 ملین ہے جبکہ 2015ء میں 73.712 ملین تھا۔
- کمپنی کے ناخالص کلیم میں 49.2% کی کمی ہوئی ہے۔ جو کہ کمپنی کے کلیم افسران کی بہترین کارکردگی کا نتیجہ ہے۔
- کمپنی کے خالص کلیمز میں 32.8% کی کمی ہے جو 2015ء میں 73.7 ملین تھے جبکہ 2016ء میں 49.51 ملین ہیں۔
- کمپنی کے اخراجات میں 4.26% کی کمی ہوئی ہے جو کہ 2015ء میں 55.02 ملین تھے اور 2016ء میں 52.684 ملین تھے۔
- کمپنی کے آئینی فنڈز کے اخراجات میں 24.2% کی کمی ہے۔ جو کہ 2016ء میں 31.11 ملین ہیں۔ جبکہ 2015ء میں 41.099 ملین تھے۔
- کمپنی کے پرییم کم ہونے کی وجہ سے کمیشن کے اخراجات میں 49.2% کی کمی ہوئی ہے۔ جو کہ 2015ء میں 84.76 ملین تھے اور 4.29 ملین کی کمی ہوئی ہے۔
- کمپنی کی سرمایہ کاری کی آمدنی میں 24.1% کا اضافہ ہوا ہے جو کہ 2015ء میں 32.3 ملین تھا اور 2016ء میں 402 ملین تھے۔ یہ کمپنی کے بہترین سرمایہ کاری کی پالیسی کو ظاہر کرتا ہے۔

اس موقع پر سیکوریٹی اور ایجنٹ کمیشن آف پاکستان کے متواتر اور بہترین رہنمائی کا شکریہ ادا کرتے ہیں۔ اُن کا کردار پوری صنعت میں ایک مؤثر

## ممبران کو ڈائریکٹرز کی رپورٹ

آپ کو کمپنی کے ڈائریکٹرز، آپ کو کمپنی کی سالانہ رپورٹ برائے سال 2016ء جس کا اختتام 31 دسمبر 2016ء کو ہوا۔ پیش کرنے میں مسرت محسوس کرتے ہیں۔

### کمپنی کی بنیادی صلاحیت

کمپنی کا بنیادی کاروبار لائف اور ہیلتھ انشورنس ہے اور کمپنی انفرادی اور اجتماعی طور پر لائف، ایکسڈنٹ اور ہیلتھ کی انشورنس پورے پاکستان میں فروخت کر رہی ہے۔

### کاروبار کی کارکردگی

2016ء میں کمپنی کا نقصان 10.095 ملین سے کم رہا جو کہ 2015ء کے اختتام پر 32.2 ملین تھا اور یہی نقصان 2016ء میں 22.11 ملین ہے۔ اس نقصان کی بنیادی وجہ پریمیم اور سرمایہ کاری کی آمدنی میں 6% سے زائد کی کمی ہے اور 42% سے زائد کی کمی پریمیم میں ہے۔ جبکہ گروپ کا کاروبار کا پریمیم 68% سے کم ہوا ہے یہ بہت اہمیت رکھتا ہے کہ کمپنی کے کلیم اور اخراجات میں 20% سے زائد کی کمی ہے۔ جو یہ ظاہر کرتا ہے کہ کمپنی کو اپنی حکمت عملی کا پھل مل رہا ہے۔ جبکہ پالیسی ہولڈرز ذمہ داری کی رقم اور ٹیکس کی رقم سے کمپنی کے نقصان کو کم کیا ہے۔

2016ء اور 2015ء کے کچھ اعداد کا موازنہ نیچے ظاہر کئے گئے ہیں۔

جنوری سے دسمبر		
2015ء	2016ء	
(دو بارہ تہینہ)		
31,583,733	20,081,316	آمدنی کے ذرائع
32,378,885	40,209,125	خالص پریمیم
63,962,618	60,290,441	سرمایہ کاری کی آمدنی
		کل آمدنی
73,712,032	49,515,706	اخراجات و ادائیگیاں
55,029,350	52,684,408	خالص کلیم
128,741,382	102,200,114	خالص اخراجات
(64,778,764)	(41,909,673)	کل کلیم و اخراجات
33,650,944	19,958,724	اخراجات سے زائد آمدنی
(31,127,820)	(21,950,949)	پالیسی ہولڈرز کی ذمہ داری کا حساب
(1,084,891)	(166,006)	ٹیکس سے قبل خسارہ
(32,212,711)	(22,116,955)	ٹیکس
		ٹیکس کے بعد خسارہ



## ***Fly** without **Worries***

Everybody agree that efficient, skillful and cooperative efforts of both employer and employees are essential for the growth and profitability of any business operation. Satisfied employees, assured of a secure financial future of their families, tend to be more loyal to the organization and apply fully and devotedly to the work entrusted to them.

Our **Group Life** and **Health** insurance policies are ideal to manage employee growth. Being generous and customizable, our policies are the preferred choice for the corporate client interested in providing the best cover to the employees and their families.



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