



LATE MR. UNUS KHAN
Founder Chairman, East West Insurance Company Ltd.

Our founder Chairman, 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 also associated with the field of insurance in the Middle East. He returned to Pakistan in 1982 and founded East West Insurance Company Ltd, in 1983. Throughout the remaining years of his life, he remained dedicated to the development of this Company. 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 the Almighty Allah gifted him with such an outstanding success that the Company not only became one of the largest Insurance Companies of Pakistan during his life time but even thereafter a befitting tribute to the memorable accomplishment of its founder the Company continued making tremendous strides, always surpassing the achievements of the preceeding year. Today, by the Grace of Allah, East West Insurance Company Limited has become a symbol of security for its thousands of insured and of livelihood for its hundreds of hard-working personnel.

Mr. Unus Khan was endowed with piety, simplicity, sincerity, diligence and affection. He will always be remembered for his selfless devotion to cause of combining the profound cultural values of the EAST with the modern technological developments of the WEST. In order to give perpeturity to our late Chairman, 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. Aameen!

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East West I nsurance Company Limited appeared on the horizon of I nsurance I ndustry in Pakistan in 1983, founded by late IVIr. Unus K han who was its first Chairman. Over the years the Company, with the help of its adroit management and diligent staff, has successfully accomplished the essential task of gaining the good will and confidence of its policyholders as one of the leading insurance Companies with a vast network of branches all over the country.

Besides transacting traditional I nsurance business like Fire, Marine & Motor, East West I nsurance underwrites specialized portfolios for which it has created specialized divisions within the company namely, Engineering, Crops, Livestock Divisions, and Group Hospitalization. The Company business is thus well diversified and provides coverage to a wide range of agricultural, industrial and commercial business activities.

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Quality services, innovative solutions and comprehensive risk cover





To be amongst most trusted insurance security of the country by providing protection to our insureds in a most effective manner ensuring prosperity for its stakeholders and growth with human resource.

[Long term commitment to our valued clients]

OUR MISSION



- To ensure most effective management for sustained growth of the company.
- To provide reliable & secure protection for the policyholders.
- To retain sound position of the company in the industry while working with dedication & innovation.
- To maintain continuous pursuit for cost effectiveness, enhanced productivity for ensuring financial health of the organization, to take care of shareholder's aspiration continuously.
- To inculcate value added system all cross the organization for ensuring trustworthy relationship with its clients as well as shareholders.

Our team professionals ensure that quality is never compromised



BOARD OF DIRECTORS



Chairman:

Chief Justice (R) Mian Mahboob Ahmad

Managing Director and Chief Executive Officer:

Naved Yunus

Directors

Javed Yunus
Pervez Yunus
Maheen Yunus
Umeed Ansari
Ahsan Mehmood Alvi, FCA (England & Wales)
Engr. Kazim Raza, B. Sc. (Engineering, UET)

Company Secretary

Shabbir Ali Kanchwala

Legal Advisor

Khalid Law Associates

Auditors

BDO Ebrahim & Company (Chartered Accountants)

Tax Advisor

Afnan Tax Consultants

Shares Registrar

THK Associates (Pvt.) Ltd. 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi.

Registered Office:

27, Regal Plaza, Jinnah Road, Quetta.

Head Office:

401-404, Block 'B', 4th Floor, Lakson Square Building No.3, Sarwar Shaheed Road, Karachi.

IFS Rating: A+ (A Plus) Stable Outlook

We b site: www.eastwest in surance.com.pk

Bankers:

Allied Bank Limited
Askari Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited

National Bank of Pakistan Limited NIB Bank Limited Summit Bank Limited The Bank of Punjab Limited United Bank Limited The Karakuram Co-operative Bank Limited

COMMITTEES

BOARD COMMITTEES

Executive Committee:

NAVED YUNUS Chairman
JAVED YUNUS Member
PERVEZ YUNUS Member
ENGR. KAZIM RAZA Member

SHABBIR ALI KANCHWALA Member / Secretary

Audit Committee:

AHSAN MEHMOOD ALVI, FCA (England & Wales)

JAVED YUNUS

UMEED ANSARI

ENGR. KAZIM RAZA

Member

JOHRY LAL, FCCA (UK)

Chairman

Member

Member

Secretary

Ethics, Human Resource & Remuneration Committee:

AHSAN MEHMOOD ALVI, FCA (England & Wales)

UMEED ANSARI

SHABBIR ALI KANCHWALA

Member

ADIL HUSSAIN Member / Secretary

Investment Committee:

NAVED YUNUS Chairman
AHSAN MEHMOOD ALVI, FCA (England & Wales) Member
SHABBIR ALI KANCHWALA Member

MUHAMMAD SAEED AHMED Member / Secretary

MANAGEMENT COMMITTEES

Underwriting Committee:

PERVEZ YUNUS Chairman SAJJAD ZAFFAR Member SALIM NAWAZ Member

MUHAMMAD SHAREEF Member / Secretary

Claims Settlement Committee :

NAVED YUNUS Chairman
JAVED YUNUS Member
SHABBIR ALI KANCHWALA Member

MAZHARUDDIN Member / Secretary

Reinsurance & Co-insurance Committee:

NAVED YUNUS Chairman ENGR. KAZIM RAZA Member SALIM NAWAZ Member

SYED ARSHAD ALI Member / Secretary

Risk Management & Compliance Committee:

ENGR. KAZIM RAZA Chairman
AHSAN MEHMOOD ALVI, FCA (England & Wales) Member
SALIM NAWAZ Member

MUHAMMED HUSSAIN Member / Secretary

BOARD OF MANAGEMENT



Managing Director and Chief Executive Officer:

NAVED YUNUS

Executive Director (Marketing):

JAVED YUNUS

Executive Director (Operation):

PERVEZ YUNUS

Director Finance / Chief Financial Officer (CFO):

SHABBIR ALI KANCHWALA

Director Operations:

ENGR. KAZIM RAZA, B. Sc. (Engineering, UET)

Regional Directors:

SAJJAD ZAFFAR
IFTIKHAR HUSSAIN
MUHAMMAD FAYYAZ KHOKHAR
JAN MUHAMMAD

General Managers:

SALIM NAWAZ
FAWAD AHMED KHOKHAR
JAWAD FAYYAZ KHOKHAR
IBRAR ELLAHI QURESHI
AQEEL ANSARI
MIR MUFFAKHAR ALI
CH. M. JAWAD SADIQ ALI
WAHEED-UL-HAQ SIDDIQUI
MUHAMMAD ARIF ALI
M. YASIN SAJID
MRS. ROBINA SHAHEEN
TASAWAR ELLAHI AWAN
SYED SAJID ALI NAQVI
AWAIS IFTIKHAR

Deputy General Managers:

TARIQ MAHMOOD BUTT MUNIR AHMED SHAKIR GEORGE JOHN

Assistant General Managers:

SHAHZAD AQEEL MUHAMMAD AAMIR KHAN MUHAMMAD NAEEM AAMIR

Chief Managers:

SYED AZHAR AMIN HASHMI RANA NAVEED-UR-REHMAN

Regional Managers:

MUHAMMAD SHARIF ASHIQ HUSSAIN SOOMRO MALIK MUHAMMAD SALEEM MOOSA IBRAHIM

Senior Managers:

MAZHARUDDIN
SYED ARSHAD ALI
MUHAMMAD HUSSAIN
SHAFIQ-UL-HASSAN
SYED SHAHZAD ALAM
NAIM S. SHAZIB
ANEES AHMED
MUHAMMAD AZEEM

Manager & Zonal Managers:

MAQBOOL-UR-REHMAN
ZAHOOR AHMED
KASHIF FAROOQ BUTT
MUHAMMAD RIAZ
KHURRAM SHAHZAD
MUHAMMAD TANVEER AHMED

Executive Vice President:

RAJA M. IQBAL AHMED SYED SAFDAR ALI SHAH

Senior Vice President:

DR. SHAHERYAR AHMED

Vice President:

AZHAR MAHMOOD ZEESHAN FAISAL

Assistant Vice President:

NAVEEN FELIX

NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that the 34th Annual General Meeting of East West Insurance Company Limited will be held on Monday, April 17, 2017, at 1:00 P.M at the Registered Office of the Company located at 27, Regal Plaza, Jinnah Road, Quetta, to transact the following business:

ORDINARY BUSINESS:

- 1. To confirm the minutes of Extraordinary General Meeting of the Company held on March 31, 2017.
- 2. To receive, consider and adopt the Audited Financial Statements of the Company together with the Directors' and Auditors' report thereon for the year ended December 31, 2016.
- 3. To consider the appointment of Auditors for the year ending December 31, 2017 and fix their remuneration. Messrs BDO Ebrahim & Co. Chartered Accountants, being eligible have offered themselves for appointment.
- 4. To approve the interim dividend as final distribution for the year ended December 31, 2016 announced on October 28, 2016 and already paid to the shareholders @ 12.5% that is Rupees 1.25 per ordinary share of rupees ten (10) each.
- 5. To approve the interim bonus issue as final distribution for the year ended December 31, 2016 announced on October 28, 2016 and already issued to the shareholders in the proportion of 1.25 ordinary shares for every ten ordinary shares held i.e. 12.5%.

Other Business

6. To consider other business with the permission of the chair.

By the order of the board

Shabbir Ali Kanchwala

Company Secretary Karachi: 21st March, 2017.

Notes:

- 1. The Share Transfer Books of the company will be closed from April 11, 2017 to April 17, 2017, (both days inclusive). Transfers received in order at Company's Share Registrar, M/s.THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi, at the close of business on April 10, 2017 will be considered in time to attend and vote at the meeting.
- A member entitled to attend and vote at the General Meeting is entitled to appoint another member as proxy to attend and vote in respect of him. Form of proxy must be deposited at the Company's Registered Office not later than 48 hours before the time appointed for the meeting.
- 3. CDC Account holders are advised to follow the following guidelines of Securities Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of individuals, the account holder and or sub- account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.
- In case of corporate entity, the Board's 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.

B. For appointing proxies

- a. In case of individuals, the account holder and or sub- account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.
- b. The proxy form shall be witnessed by two persons whose names, address and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the meeting.
- e. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the company.
- 4. Members are requested to notify / submit the following, in case of book entry securities in CDC to respective CDC participants and in case of physical shares, to the Company's Share Registrar, if not earlier provided / notified:
 - a. Change in their address;
 - b. Valid and legible photocopies of Computerized National Identity Card (CNIC) for Individuals and National Tax Number (NTN) both for individual & corporate entities.

5. Submission of Valid CNIC (Mandatory)

As per SECP directive the dividend warrants of the shareholders whose valid CNIC, are not available with Share Registrar could be withheld. All shareholders having physical shareholding are advised to submit a photocopy of their valid CNICs immediately, if not provided, to the Company's Share Registrar at the following address, M/s.THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi without any further delay.

6. Placement of Financial Statements

The Company placed the annual Audited Financial Statements for the year ended December 31, 2016, along with the Auditors and Directors Reports on the website: www.eastwestinsurance.com.pk

7. Mandate for DIVIDENDS (Optional) / E-DIVIDEND

Under section 250 of the Companies Ordinance, 1984 shareholders, if they so desire, may elect to have their cash dividend warrants deposited directly in their bank mandate. The shareholders holding physical can request to the Company for direct deposit of their dividend warrants into their bank accounts by submitting their request to the Company's Registrar on the Bank Mandate Form placed on the Company's website and can be emailed. CDC Account holders are required to kindly contact their Participants / Brokers / Investor Account Service department for record of Bank Mandate.

8. Circulation of annual financials through e mail:

The Securities and Exchange Commission of Pakistan vide SRO 787(1)/2014 dated September 08, 2014 has allowed companies to circulate annual balance sheet, profit & loss account, auditor's report and director report along with notice of Annual General Meeting to its members through e-mail. Members who wish to avail this facility can give their consent on the Standard Request Form available on Company's website.

9. Deduction of Withholding Tax on the Amount of Dividend

Pursuant to SECP directives vide Circular No. 19/2014 dated October 24, 2014, SECP has direct all companies to inform shareholders about changes made in the section 150 of the Income Tax Ordinance, 2001, we hereby advise shareholders as under;



The Government of Pakistan through Finance Act, 2016 has made certain amendments in section 150 of the Income Tax ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies.

a. For filers of income tax returnsb. For non-filers of income tax returns20%

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website.

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence as the case may be.

FINANCIAL HIGHLIGHTS

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	2011	2012	2013	2014	2015	2016
Gross Premium Written	673.32	855.72	1,124.30	1,419.87	1,767.74	2,066.83
Net Premium	387.69	467.72	622.57	760.24	870.24	981.29
Investment & Deposits	278.08	391.18	580.54	774.05	897.92	1,071.79
Investment Income	31.36	36.78	100.91	97.17	33.14	187.51
Total Assets Book Value	713.96	835.35	1,075.99	1,398.95	1,575.27	2,335.79
Paid Up Capital	301.65	331.82	365.00	401.50	451.69	508.15
Share Holder Equity	398.04	466.10	559.29	664.91	756.01	981.70
Underwriting Profit	81.80	112.96	116.90	139.47	147.11	181.26
Profit before tax	47.87	84.25	148.58	171.77	183.89	297.01
Profit for the year	35.00	68.06	126.37	142.13	131.25	282.15
Break up value per share	13.21	14.05	15.32	16.56	16.74	19.32
Earning per share - basic and dile	uted 1.05	1.86	3.15	3.15	2.58	5.55
Investment and Other Income	35.73	40.95	105.394	108.77	105.72	202.49
Dividend Paid	-	-	33.18	36.5	40.15	56.46
Bonus Shares Issued	25.14	30.17	33.18	36.5	50.19	56.46

CHAIRMAN'S REVIEW



It gives mean immense pleasure to avail an opportunity to address this gathering on behalf of the Board of Directors of East West Insurance Co., Ltd. And to present Annual Accounts for year ending 31st December, 2016. I welcome you all on the occasion of the 34th Annual General Meeting of our company and extend sincere gratitude to respected shareholders, valued clients and regulators at Securities & Exchange Commission of Pakistan for their cooperation and continuous support in managing the affairs of the company. I would also like to thank and convey my gratitude to the members of the BOD of the company for extending their whole hearted support and their valuable contribution in the company.

GLOBAL ECONOMIC OUTLOOK

In 2015, global economic activity remained subdued. As evident that global growth accounting for above 70 percent in emerging market and developing market declined for the 5th consecutive year, while a modest recovery continued in advanced economies. Three key transitions continue to influence the global outlook: Firstly the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services, secondly lower prices for energy and other commodities, and lastly a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery as several other major advanced countries central banks continued to ease monetary policy.

Growth in advanced economies is projected to rise by 0.2 percentage point in 2016 to 2.1 percent, and hold steady in 2017. Overall activity remains resilient in the United States, supported by still easy financial conditions and strengthening housing and labor markets, but with dollar strength weighing on manufacturing activity and lower oil prices curtailing investment in other sectors.

ECONOMY OF PAKISTAN

The growth accelerated in Pakistan in Fiscal Year 2016 on the cumulative impact of the government's macroeconomic and structural reform program, sharply lower oil prices and improved security, out priced the earlier growth forecasts despite the failure of a major crop. Inflation and current account deficit were also lower than expected, while foreign exchange reserves strengthened and budget deficit also shrank. The projection for growth in 2017 is encouraging. Although it edges up the forecasts for inflation and current account deficit, however, it forecasts rate of 5.2 percent for the year 2017.

The China Pakistan Economic Corridor is the future of Pakistan. Its timely completion is priority of the government. CPEC once completed would generate employment opportunities across the country and lead to enhancement in trade and poverty reduction. Hence it is a phase changer for the entire country in terms of economic developments. CPEC projects include transportation infrastructure, energy, Gwader Portend industrial development. Most of the projects of transportation infrastructure and energy sector are in advance stages of completion and passing its due share to the insurance industry.

FOREIGN DIRECT INVESTMENT

Encouraged by the major investment of China in CPEC, foreign investors are taking keen interest in mega projects worth billions of dollars. Central Asian States are also seeking the advantage of land route via Afghanistan for various imports from Middle East generating revenue for Pakistan. France is setting up an auto manufacturing plant in Pakistan creating job opportunities for skilled workers in the large manufacturing sector. China is investing in Karachi Electric buying major share in the management of the company. So opportunities are at our doors and will gate crash as soon as the menace of terrorism is completely eradicated. Mega investors are shrewd in calculating risks associated with their projects and once confident that terrorism has completely waned, they would invest in multibillion projects.

Foreign Direct Investment is also coming through the stock market as Chines consortium bought 40% share of Pakistan Stock Exchange during the 1st quarter of 2017. Resultantly, windows of various investments opened for us in 2016 and with improved macroeconomic fundamentals will provide a big opportunity for the government.

INSURANCE INDUSTRY OUTLOOK

Industry of Pakistan comprises of 38 non-life insurance companies as per SECP. The business of this industry is steadily growing around 10% to 15% yearly depending on geopolitical, security hazards and economic activities of the country. Though the growth rate is satisfactory yet a vast potential remains untapped primarily due to lack of awareness, increased cost of living, low savings and high inflation. However if proper attention is given to this industry, non-life insurance could contribute materially to the economic growth by improving the investment climate.

The size of our industry is also relatively small compared to its peers in the region. Insurance penetration and density is also extremely low as compared to developed countries. This ratio is around 0.9% as against 3.9% in India. However SECP in this regard is playing an important role in guiding the insurance industry to enhance their yearly growth.

The gross premium income of non-life insurance companies was around PKR 68 Billion in 2015. The statistics for 2016 are yet to be finalized. However, it is expected that the growth would be 8% to 12% in the year 2016.

OUR PERFORMANCE

East West Insurance Company Limited was incorporated in 1983 in relatively under developed province of Baluchistan and today it is in 35th year of operation. The company made tremendous growth under the leadership of our founder chairman Late Unus Khan and emerged as one of the leading insurers within a short span of five years. Today the company is in its 35th year of operations and is recognized as a symbol of security of sound and prudent reputation.

Despite facing challenges in the present market every year we are regularly increasing our premium income. During 2015 we had earned gross premium income of PKR 1.76 Billion whereas at the closing of year 2016, we have surpassed our target of PKR 2 Billion thus showing a growth of approximately 17% compared with last year. Our total assets have also registered 48.28% growth and today stand at PKR 2.34 billion.

It may be pertinently mentioned that the year 2016 remained under geopolitical and economic turmoil. The information leaked through Panama is still posing a moral and political pressure on Prime Minister Nawaz Sharif and his government. The hearing is still in the process by a larger bench of the Supreme Court of Pakistan. Despite the seriousness of this matter, the economic growth of Pakistan has shown encouraging results and international rating agencies have upgraded the rating with due consideration of remarkable stability. It may also be noted that despite the challenges highlighted above, the Pakistan stock market is trading at historic increase crossing index of nearly fifty thousand points. This increase is partly owing to the merger of regional stock exchanges into Pakistan Stock Exchange and partly due to its potential in investment attracting foreign buyers.

SOUND AND PRUDENT MANAGEMENT

Securities and Exchange Commission of Pakistan introduced regulations for Sound and Prudent Management in 2012 in order to promote sound corporate governance to encourage the Board of Directors and management for effectively utilizing their respective authorities. The rules were applicable to Chief Executive Officer, Principal Officers, directors and key personnel of insurance companies. Since the company pays special attention in compliance with the law and the legal system, the management formed various management committees which include the HR Committee, Underwriting Committee, Claims Committee, Reinsurance Committee, Audit Committee and Executive Committee who regularly convene meetings to monitor the performance in respective areas of operations.

INVESTMENT PORTFOLIO

Prudent investment also plays a significant role in the earning of an insurance company. However, it requires a professional team to monitor this portfolio in order to take the best utilization through an investment in profitable ventures. Earlier in 2013 the management of the company introduced investment policy with the



approval of the Board of Directors. Investment Committee now frequently hold meetings to review the status of the investment portfolio in accordance with the laid down principles in various sectors including government securities, corporate TFC's, mutual funds and reputable stocks in accordance with the guidelines and rules/regulations permitted under the law. It is encouraging to note that during the year 2016 the equity/investment ratio of the company has incredibly improved with an investment income of PKR 185 million.

BENEFITS TO SHAREHOLDERS

The benefits of profitable results are also passed on to the valued shareholders in terms of dividend and/or bonus shares with the approval of the Board of Directors. In closing of half yearly accounts for the year 2016, 12.5% cash dividend and 12.5% bonus shares were offered to the shareholders. I hope this gesture had been appreciated and endorsed by the shareholders.

ACKNOWLEDGMENT

The most important role in driving our business is played by our employees and business partners in building our book of business to deliver value to our customers. I thank all of them for their significant support and patronage. I also thank our customers for their continued confidence reposed in our company to make 2016 also as a successful year of the company. In this regard my sincere gratitude is for the Managing Director, Fellow Directors and members of senior management of the company for their tireless dedication, devotion and efforts to continually improve the performance of the company.

I also take the opportunity to express my appreciation to our discerning customers, business associates for their support and inspiration. I would also like to convey my deepest acknowledgment to our shareholders for their continued support and trust which has strengthened the company to its present glory.

Before I close, I would like to place on record my deep appreciation and gratitude for the positive and cordial patronage, we have received from the Insurance Division of SECP, Karachi Stock Exchange, Insurance Association of Pakistan, Banks and Financial Institutions and last but not the least our numerous stakeholders.

With this in mind, I anticipate that Inshallah the company will successfully face the challenges ahead bringing prospective improvement in overall business results in the year 2017.

Allah may bestow upon us all the choicest blessings (Aamin).

Chief Justice (Retd.) Mian Mahboob Ahmad

Chairman

Karachi Dated: 21st March, 2017

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DIRECTOR'S REPORT

All praises to Almighty Allah the most gracious and merciful.

On behalf of the Directors of your company I have the pleasure in presenting the 34th Annual Report and audited financial statements for the year ending December 31st, 2016.

Honorable shareholders, respected members of the BOD and my dependable colleagues, Assalam Allaikum.

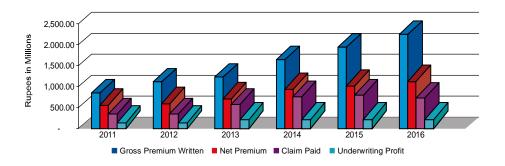
I welcome you all on 34th Annual General Meeting of the company and express my humble gratitude to Almighty Allah for helping me in successful closing of annual accounts for the year 2016 despite pitfalls and challenges. This year East West Insurance Company Limited has successfully completed 34 years of its journey which has been possible only because of the continuous support of our chairman, members of the BOD, shareholders, valued clients and distinguished patrons. I cordially thank all them and look forward for their guidance to steer the affairs of the company in future.

Our industry faces stiff competition and un-healthy race in cutting down the premium rates. Although the interest rates have also reduced gradually by the State Bank of Pakistan yet overall investment income has tremendously increased with boom in stock market giving appreciable support to the insurance industry.

We also focused on strengthening and enhancing our management culture and render vigorous initiatives for excellent support of our customers. Despite facing various challenges of the market, East West Insurance Company Limited is progressing with a good name and fame ensuring that we are trusted house of insurance. We also emphasize on clients need to be embedded with good governance at every echelon of management. When it comes to shareholders, our strategy is to offer them highest possible return on equity.

OUR PERFORMANCE:

Your company's gross written premium grew to PKR 2.07 billion from PKR 1.76 billion in the previous year, which shows an increase of gross premium of approximately 17%. The net earned premium in the year 2016 was PKR 981.284 million as against PKR 870.24 million in the previous year thus showing a growth of approximately 13%. The combined ratio of losses and expenses stood at 81.53% in a market which is highly competitive marred by natural catastrophes indicate the viable combined ratio vindicating strong underwriting focus and cost management skills.



Despite challenges, the management of East West Insurance Company Limited, its employees and its marketing team focused on its underwriting strengths and emerged as one of the leading underwriters of Pakistan. Based on its financial, East West Insurance Company Limited is considered financially sound and stable company to effectively manage its liabilities without compromising on quality. Moreover, constant innovations of products, superior customer service, prudent risk assessment norms place East West Insurance Company Limited amongst strong underwriting companies in the insurance industry.

On the claims front, limited number of losses under the treaty highlights the maturity of the company reflecting the prudent underwriting practice. Despite accommodating losses to net account, your company had been able to record satisfactory performance in terms of premiums and profits, demonstrating its ability to absorb losses without impairing financial security to maintain solvency margin well over the minimum requirement of regulators.



FIRE/PROPERTY INSURANCE

The company wrote gross premium of PKR 713.75 million under fire/property portfolio showing increase of approximately 14% compared to last year. After keeping provision for reinsurance, claims, commission andmanagement expenses the company earned underwriting profit of PKR 85.2 million.

MARINE INSURANCE

Gross premium underwritten in Marine portfolio including Marine Hull was PKR 257.33 million. After provisioning for reinsurance, claims, commission and management expenses, the company has earned an underwriting profit of PKR 36.91 million.

MOTOR INSURANCE

The company wrote a premium of PKR 247.06 million against motor insurance including third party and comprehensive protection. The third party insurance has tremendous potential of generating premium for the insurance industry. However, due to ineffective administrative control of regulators, there is a big drain of legitimate income of insurance companies due to un-healthy practice of unknown and unregistered insurance companies who offer fake coverage on nominal premium. This situation needs to be reviewed by the concerned authorities all over Pakistan for protection of public against liability claims.

ENGINEERING INSURANCE

Insurance companies are providing protection against accidental losses during execution of development projects. Our company is duly registered with Pakistan Engineering Council and various other government authorities for providing insurance cover to ongoing development projects. In this regard, we have extremely cordial relations with contractors of national and international repute who normally approach us for seeking insurance on their projects. Beside insurance of projects, we also provide Professional Indemnity insurance to reputed consultants for their design, planning and construction supervision of proposed projects. During 2016 we have underwritten gross premium of PKR 458.24 million through direct and facultative insurance in this class of business.

MISCELLANEOUS ACCIDENT

The deteriorating law & order situation in the country in general and in metropolitan cities in particular has resulted in increased demand for Insurance. As a result, people tend to insure themselves against a variety of risks which includes Personal Accident, Household Insurance, Burglary Insurance, Public liability, Cash in Safe and Transit Insurance & Workmen Compensation. In the year 2016, we have underwritten gross premium of PKR 35.25 million in this portfolio.

TRAVEL AND HEALTH INSURANCE

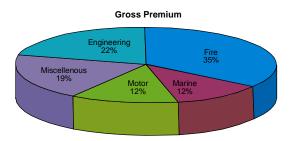
The East West Insurance Company is also underwriting Travel and Health insurance through its designated offices in Lahore, Islamabad and Regional Office (South) Karachi. This portfolio is robustly growing due to countrywide network of panel hospitals. In addition, we are also supporting various travelers who require travel insurance for processing VISA by foreign missions in Pakistan. Incidentally, we are enlisted on the panel of various embassies/consulates who accept our insurance policies to process VISAS for travelers. In 2016, we have underwritten gross premium of PKR 207.61 million for Travel and Health.

AGRICULTURE INSURANCE

Your company is pioneer in Agriculture insurance, which includes Crop & Live Stock along with tractors, tubewells, and implements. During the period under review the company did not demonstrate aggressive underwriting in the year 2016, however, for the year 2017 the company is planning to tap the entire resources of various commercial and private banks to underwrite the premium under this portfolio. Negotiations are already in progress with National Bank of Pakistan who promotes the crop scheme through a large exclusive fund. Negotiations are also in progress with other banks who provide financial support to farmers as directed by the State Bank of Pakistan.

Livestock is also a part of the agricultural industry of Pakistan and plays a significant role in the rural economy of Pakistan. Livestock produce is rapidly growing in the country as its demand is increasing with the increasing growth of our population. East West Insurance is proud to have been involved with Livestock insurance right from the beginning and is one of the leading insurers with valuable experience in this field. The company provides comprehensive all risks insurance cover for animals against disease or accidental loss of life due to fire, lightening, snakebite and calving. In the year 2016, we have underwritten gross premium of PKR 57.78 million for Agriculature insurance.





CREDIT RATING

You will be pleased to know that our IFS-Rating has been upgraded to 'A+' (A Plus) with stable outlook for the year 2017 by PACRA after considering the following salient features:

- Appreciable growth in premium income.
- Strong financial reserves/base.
- Prudent management strategy.

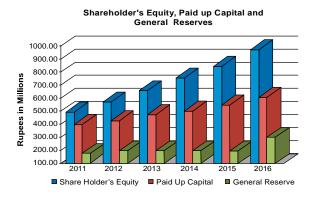
- Enhanced liquidity to equity ratio.
- Strong risk absorption capacity

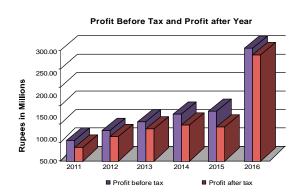
REINSURANCE ARRANGEMENTS

Since 2013 we have maintained non-proportional treaties keeping reasonable retention on our own account. The results during the last four years had been extremely positive for the reinsurers as most of the claims paid by the company were under our net account. However, in the year 2016 we faced two major claims, including one in fire and other in engineering portfolios respectively. Both claims are outstanding in our books as the investigations are still ongoing by reputed surveyors. Once finalized by loss adjusters they are likely to expose our XOL treaties. Despite timely intimation to reinsures about these claims, we have successfully renewed our underwriting treaties for the year 2017 under the lead of 'A' rated reinsurer.

CAPITAL, SOLVENCY & SHAREHOLDER'S FUND

Shareholder equity of the company stood at PKR 981.70 million as on December 31st, 2016. Although we had adequate capital without a further infusion of capital, yet the company offered 12.5% bonus shares during the year 2016 thus raising the capital to PKR 508.15 million. You would be pleased to know that company continues to be an efficient and modest user of capital in the private sector as measured by the ratio of gross premium written to capital infused and/or gross premium written to shareholder's equity.



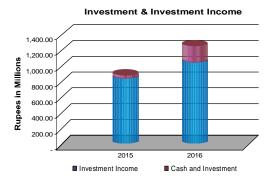


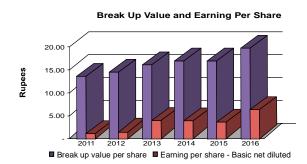
INVESTMENT & INVESTMENT INCOME

The assets under the management represented by cash and investments as of December 31st, 2016 stood at PKR 1.08 billion showing an increase of 18.70% compared to last year. Total investment income for the year 2016 has appreciably increased to PKR 187.51 million after a record set by the index of the Pakistan Stock Exchange.

RETURN ON EQUITY

The return on average equity of the Company was 28.74% as against 17.36% in the previous year. The return on equity has reasonably increased compared to last year.







EARNING PER SHARE

Due to higher return during the year the earning per share has also enhanced to PKR 5.55 showing an increase of 115% compared to restated EPS of PKR 2.58 for both basic and diluted EPS for the year 2015.

PROSPECTS FOR 2017

The Company believes that in addition of its constantly improved operational and financial result in conventional general insurance product, it should enter into Window Takaful insurance business, for which it has already started the proceedings to acquire the license. It is believed that 2017 will be a progressive and diversified year for the Company.

BOARD COMMITTEES

Your Company maintains following four Board committees:

AUDIT COMMITTEE

The Board is responsible for effective implementation of sound internal control systems including compliance with control procedures. The Audit Committee is assisted by the Internal Auditor in reviewing the adequacy of operational controls and in monitoring and managing risks so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Company and to add value and improve the Company's operations by providing independent and objective assurance. The principle responsibility of the Internal Auditors is to conduct periodic audits to ensure adequacy in operational controls, consistency in the application of policies and procedures, compliance with laws and regulations.

INVESTMENT COMMITTEE

The investment portfolio of your company is actively monitored under the supervision of qualified staff. Keeping duration of liabilities, your company's investment philosophy is based on strong cash generation, backed by prudent investment of surplus funds with due consideration of timely payment of claims as they arise.

The Company has a Board level investment committee that meets on a monthly basis to review the investment portfolio. The committee is also responsible for developing the investment policy for the Company.

ETHICS, HUMAN RESOURCE AND REMUNERATION COMMITTEE

The requirement of the Code of Corporate Governance set out by the regulatory authorities have been duly complied with. In addition, of the above Committees, the Board formed Ethics, Human Resource & Remuneration Committee previously Human Resource Committee, which now responsible for recommending to the Board about the introduction and changes to the human resource management policies of the Company as well as the selection, evaluation and compensation of key officers of the Company.

MANAGEMENT COMMITTEES

As part of the Corporate Governance, your Company maintained following four Management committees which meet at least once in every quarter;

UNDERWRITING COMMITTEE

The underwriting committee formulates the underwriting policy of your Company. It sets out the criteria for assessing various types of insurance risks and determines the premium policy of different insurance covers. The committee regularly reviews the underwriting and premium policies of the Company with due regard to accumulation of risk on the basis of region & business sectors and other relevant factors.

CLAIMS SETTLEMENT COMMITTEE

This committee devises the claims settling policy of the Company. It oversees the claims position of the Company and ensures that adequate claims reserves are maintained. Particular attention is paid to significant claims cases or events, which give rise to a series of claims. The Claims Settlement Committee determines the circumstances under which the claims dispute to be brought to its attention and decides how to deal with such disputes. It also oversees the implementation of the measures for combating fraudulent claims cases. The Committee also oversees the newly established Grievance Functions of the Company.

REINSURANCE AND COINSURANCE COMMITTEE

This committee ensures that adequate reinsurance arrangements are made for the company's businesses. It peruses the proposed reinsurance arrangements prior to their execution, reviews the arrangements from time to time and subject to the consent of the participating reinsurers, makes appropriate adjustments to those arrangements in the light of the market development. It also assesses the effectiveness of the reinsurance program for future reference.

RISK MANAGEMENT AND COMPLIANCE COMMITTEE

The risk management and compliance committee shall oversee the activities of the risk management function of the Company and makes appropriate recommendations to the Board to mitigate probable risks falling within the purview of the risk management function.

Your company perceives risk management as a means of value optimization. The company also recognizes the importance of internal control and risk management in sustaining the business continuity and considers it essential component of the business culture which is exposed to multi natured risks arising from with internal and external sources.

The committee is also responsible for monitoring the compliance with the laws applicable to it as well as the internal policies and procedures.

	PKR in '000
APPROPRIATIONS	
Profit before tax	297,013
Less: taxation	(14,866)
Profit for the year	282,147
Balance at commencement for the year	204,324
Interim cash dividend 2016: 12.5% (2015: 10%)	(56,461)
Transfers to general reserve	(100,000)
Interim bonus shares for the year 2016: 12.5% (2015: 12.5%)	(56,461)
Balance accumulated at the end of the year	273,549

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- a) The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- b) Proper books of accounts have been maintained by the Company.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
- d) The International Financial Reporting Standards (IFRS) as Applicable in Pakistan, have been followed in preparation of financial statement and any departure from there has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- h) The key operating and financial data for the last six years is annexed.
- i) The value of investments of provident fund based on their un-audited accounts as of December 31, 2016 was approximately PKR 25 million.
- j) The statement of the pattern of shareholding in the Company as at 31 December, 2016 is included with the Report.



Board / Sub-Committee Members / Secretary	Board Meetings	Audit Committee	Reinsurance Committee	Claims Committee	Investment Committee	Underwriting Committee	H.R. Committee
No of Meeting held	06	04	04	04	12	04	04
			ГА	TENDANCE			
Chief Justice (R) Mian Mahboob Ahmad	05	_	-	-	_	-	_
Mr. Naved Yunus	06	-	04	03	12	-	-
Mr. Javed Yunus	06	03	-	03	-	-	-
Mr. Pervez Yunus	04	-	-	03	-	04	-
Mr. Maheen Yunus	03	-	Ī	-	-	-	-
Mr. Umeed Ansari	05	03	04	01	-	04	04
Mr. Ahsan Mehmood Alvi	06	04	ı	_	12	_	04
Engr. Kazim Raza	06	04	04	-	_	04	_
Mr. Shabbir Ali Kanchwala	-	-	-	04	12	-	04
Mr. Johry Lal	ı	04	ı	-	-	-	-
Mr. Mazhar uddin	-	_	-	04	_	-	~
Syed Arshad Ali	1	_	04	_	_	_	_
Mr. Muhammad Shareef	_	-	-	-	_	04	-
Mr. Adil Hussain	_	_	_	_	_	_	04
Mr. M. Saeed Ahmed	-	-	-	-	12	-	-

Leave of absence granted to directors and members who cannot attend the meetigns.

AUDITORS

The present auditors M/s BDO, Ebrahim & Co., Chartered Accountants retire and being eligible, have offered themselves for reappointment. The external auditors hold satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) as required under their Quality Control Review Program. As suggested by the Audit Committee, the Board of Directors recommends the appointment of BDO Ebrahim & Co., Chartered Accountants as auditors of the company for the year 2017 at a fee to be mutually agreed.

APPRECIATION AND ACKNOWLEDGEMENT

We thank our valued clients and shareholders for their continued support and confidence which enabled us to progressively increase our market penetration in order to generate sizeable premium revenue. We also thank our reinsurers and brokers for the valuable support in performing our responsibilities.

We would also like to record our appreciation for the cooperation and professional support by the Insurance Division of Securities Exchange Commission of Pakistan. Finally, we also acknowledge the hard-work and dedication of our member of marketing teams, officers and operational staff members for achieving the desired goals and objectives of the company and look forward for their continued support in the year 2017.

For and on behalf of the Board of Directors.

NAVED YUNUS

Managing Director & Chief Executive Officer

Karachi Dated: March 21, 2017

STATEMENT OF COMPLIANCE

WITH THE CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016 FOR THE YEAR ENDED DECEMBER 31, 2016

This statement is being presented to comply with the Code of Corporate Governance for Insurers, 2016 for the purpose of establishing a framework of good governance, whereby an insurer is managed in compliance with the best practices of corporate governance.

The insurer has applied the principles contained in the Code in the following manner:

 The insurer encourages the representation of independent non-executive directors and directors representing minority interest on its board of directors. At present the Board includes:

Category	Names
Independent Directors	Mr. Ahsan Mahmood Alvi
Executive Directors	Mr. Naved Yunus, Mr. Javed Yunus, Mr. Pervez Yunus and Mr. Kazim Raza
Non-Executive Directors Chief Justice (R) Mian Mahboob Ahmad, Mr. Umeed Ansari and Mr. Maheen Yunus	

The independent director meets the criteria of independence as laid down under the Code of Corporate Governance for Insurers, 2016.

- 2. The directors have confirmed that none of them is serving as a director in more then seven listed companies including this company.
- 3. All the resident directors of the company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
- 4. No casual vacancy occurred in the Board of Directors during the year.
- 5. The company has prepared a "Statement of Ethics and Business Practice" as Code of Conduct and 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 insurer. A complete record of particular 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 duly exercised and decisions on material transactions, including the appointment and determination of remuneration and terms and condition of employment of the Chief Executive Officer, other executive and the key officers, have been taken by the Board.
- 8. The meetings of the Board were presided 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 meeting along with the agenda and working paper were circulated at least seven days before the meeting. The minutes of the meeting were appropriately recorded and circulated.
- 9. The Board has established a system of sound internal control, which effectively implemented at all levels within the insurer. The insurer has adopted and complied with all the necessary aspects of internal control given in the Code.
- 10. Board of directors comprised of eight directors out of which four directors have obtained "Orientation Course" organized by ACCA Pakistan Institute of Corporate Governance and four directors are experienced and educated enough that exempted them from certification course.
- 11. There was no new appointment of Chief Financial Officer (CFO) & Company Secretary or Head of Internal Audit during the year. The Board had, however, approved the remuneration of CFO & Company Secretary and Head of Internal Audit, including their remuneration terms and conditions of employment.
- 12. The director's report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance for Insurer, 2016 and fully describes the salient matters required to be disclosed.
- 13. The financial statements of the company were endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
- 14. The Directors, Chief Executive Officer and other executives do not hold any interest in the shares of the company other than disclosed in the pattern of shareholding.
- 15. The Company has complied with all the corporate and financial reporting requirements of the Code.
- 16. The Board has formed the following Management Committees:



Underwriting Committee:

Name of the MemberDesignationCategoryMr. Pervez YunusExecutive DirectorChairmanMr.Sajjad ZaffarReginal DirectorMemberMr Salim NawazG.M. Financial InstitutionMember

Mr. Muhammad Shareef Regional Manager Member / Secretary

Claim Settlement Committee:

Name of the MemberDesignationCategoryMr. Naved YunusManaging DirectorChairman

& Chief Executive
Mr. Javed Yunus Executive Director Member
Mr. Shabbir Ali Kanchwala Director Finance Member

Mr. Mazharuddin Senior Manager Member / Secretary

Reinsurance & Co-insurance Committee:

Name of the Member
Mr. Naved YunusDesignation
Managing Director
& Chief ExecutiveCategory
Chairman

Mr Kazim Raza Executive Director Member
Mr Salim Nawaz G.M. Financial Institution Member

Mr. Syed Arshad Ali Senior Manager Member / Secretary

Risk Management & Compliance Committee:

Name of the MemberDesignationCategoryMr. Kazim RazaExecutive DirectorChairmanMr. Ahsan Mahmood AlviIndependent DirectorMemberMr. Salim NawazG.M. Financial InstitutionMember

Mr. Muhammad Hussain Senior Manager Accounts Member / Secretary

17. The Board has formed an Audit Committee. It comprises of five members, of whom one is non-executive director. The chairman of the audit committee is an independent director / non executive director. The composition of the Audit Committee is as follows.

Audit Committee:

Name of the Member Designation Category Mr. Ahsan Mahmood Alvi Independent Director Chairman Mr. Javed Yunus Executive Director Member Mr.Umeed Ansari Non-Executive Director Member Mr Kazim Raza **Executive Director** Member Mr. Johry Lal Head of Internal Audit Secretary

18. The Board has formed the following Board Committees:

Ethics, Human Resource & Remuneration Committee:

Name of the MemberDesignationCategoryMr. Ahsan Mahmood AlviIndependent DirectorChairmanMr. Umeed AnsariNon-Executive DirectorMemberMr. Shabbir Ali KanchwalaDirector FinanceMember

Mr. Adil Hussain Admin Officer Member / Secretary

Investment Committee:

Name of the MemberDesignationCategoryMr. Naved YunusManaging Director
& Chief ExecutiveChairman

Mr. Ahsan Mahmood Alvi Independent Director Member Mr. Shabbir Ali Kanchwala Director Finance Member

Mr. Muhammad Saeed Ahmed Accountant Member / Secretary

Executive Committee:

Name of the MemberDesignationCategoryMr. Naved YunusManaging DirectorChairman

& Chief Executive

Mr. Javed Yunus Executive Director Member

Mr. Pervez Yunus Executive Director Member

Mr. Kazim Raza Executive Director Member

Mr. Shabbir Ali Kanchwala Director Finance Member

- 19. The meetings of Committees were held at least once every quarter prior to approval of interim and final results of the Company and as required by this Code. The terms of reference of the Committees have been formed and advised to the committees for compliance. No meeting of Risk Management & Compliance Committee was conducted as it was formed on March 21, 2017.
- 20. The Board has set up an effective internal audit department which comprises of suitably qualified and experienced staff for the purpose and are conversant with the policies and procedures of the Company and are involved in the internal audit function on a regular basis.
- 21. The Chief Executive officer, Chief Financial Officer, Compliance officer and the Head of Internal Audit possess such qualification and experience as is required under this code.

Name of Person	<u>Designation</u>
Mr. Naved Yunus	Chief Executive Officer
Mr. Shabbir Ali Kanchwala	Chief Financial Officer & Head of Grievance Function
Mr. Johry Lal, FCCA	Head of Internal Audit
Mr. Salim Nawaz	Head of Risk Management Function
Mr. Muhammad Hussain	Compliance Officer
Mr. Mazharuddin	Head of Claims
Syed Arshad Ali	Head of Reinsurance
Mr. Muhammad Shareef	Head of Undrwriting

- 22. The statutory auditors or the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditor have confirmed that they have been given satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountant of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC guidelines on Code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
- 23. The statutory auditors or the persons associated with them have not been appointed to provide other services and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 24. The Company has an Investment Policy, however the Company will align the policy with the requirements of new Code of Corporate Governance for Insurers, 2016 within the prescribed timeline.
- 25. The Company has set up risk Management function. The task of new Risk Management and Compliance function as covered under new Code of Corporate Governance for Insurers, 2016 Approved on March 21, 2017.
- 26. The Company has been rated by PACRA the rating agency on March 13,2017 is A+ (A Plus) with stable Outlook...
- 27. The Company set up Grievance function on March 21, 2017 in Compliance with the requirements Code of Corporate Governance for Insurers, 2016.
- 28. The 'closed period', prior to the announcement of interim/final result, and business decisions, which may materially affect the market price of the company's securities, was determined and intimated to directors, employees and stock exchange.
- 29. Material/price sensitive information has been disseminated among all market participants at once through Pakistan Stock Exchange.
- 30. The Company has not obtained any exemption(s) from the Securities and Exchange Commission of Pakistan in respect of the requirements of the Codes of Corporate Governance for Insurers, 2016 as at the end of year 2016.
- 31. We confirm that all other material principles contained in the Code of Corporate Governance have been complied with except for the following towards which reasonable progress is being made by the Company to seek compliance by the end of the next accounting year;

The Company has four executive directors out of eight elected directors, which exceed the allowable proportion of executive directors on the Board of Directors as required by the Code.

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NAVED YUNUS
Managing Director & Ch

Managing Director & Chief Executive Dated: March 21, 2017.

REVIEW REPORT



REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of East West Insurance Company Limited (the Company) for the year ended December 31, 2016 to comply with the requirements of Listing Regulations of Pakistan Stock Exchange (formerly Karachi Stock Exchange) 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 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 Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corportate 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 carrried 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 the approval of the 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:

S.No.	Reference	Description
1	Regulation No. 35(i)(b) of listing regulations	"Executive director shall not be more than one third of the elected directors, including Chief Executive".
		However, the Company has four executive directors out of eight elected directors, which exceed the proportion of executive directors in the BOD as prescribed by the said regulation, which result in non-compliance of said regulation.

BDO Ebrahim & Co., Chartered Accountants Engagement Partner: Zulfikar Ali Causer

Karachi Dated: 21st March, 2017

STATEMENT OF COMPLIANCE

with the Best Practices on Transfer Pricing

The Company has fully complied with the best practices on Transfer Pricing as continued in the Listing Regulations of the respective Stock Exchange.

NAVED YUNUS

Managing Director & Chief Executive Officer

Karachi Dated: March 21, 2017

We offer a wide range of general insurance cover to clients all over Pakistan

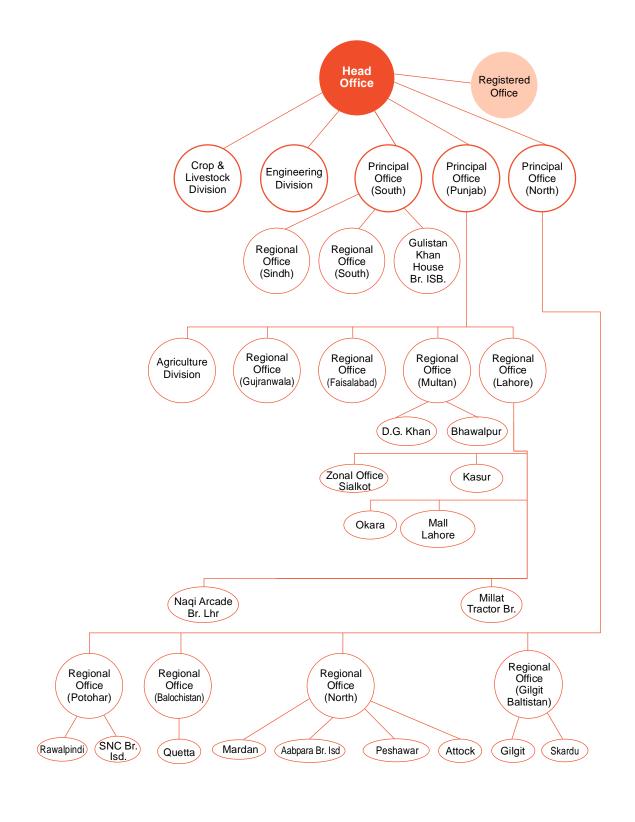
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ORGANIZATIONAL SET-UP



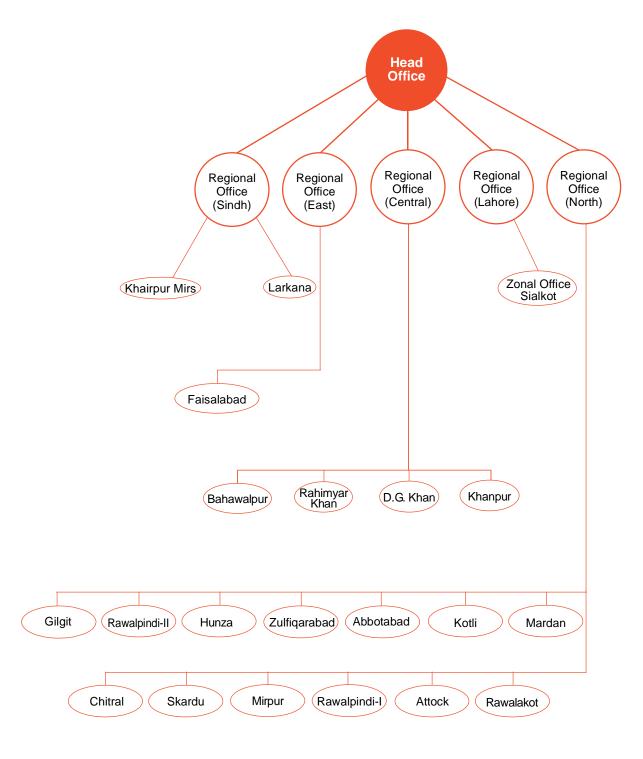
- A. Company Offices & Branch Network
- B. Agencies Network

COMPANY OFFICES & BRANCH NETWORK

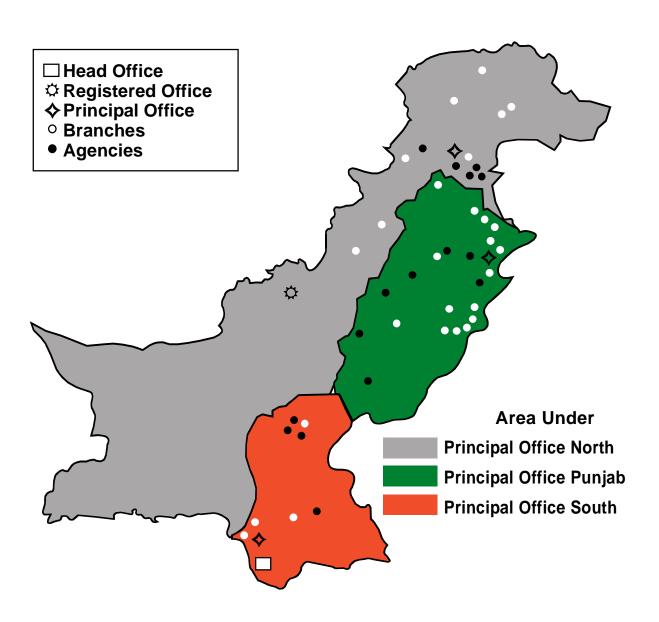


AGENCIES NETWORK





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COMPANY OFFICES & BRANCHES



27, Regal Plaza, Jinnah Road, Quetta. Tel : (081) 2822913, 2821397 Telefax: (081) 2821460 **REGISTERED OFFICE**

HEAD OFFICE

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DIVISION

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BRANCH

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REGIONAL OFFICE (SINDH)

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Cell: 0301-3527060

Sindh (Except Sindh) Hyderabad, Tando Jam Muhammad, Matiari

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PRINCIPAL OFFICE (NORTH)

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Quetta Chaman

Ziarat, Khuzdar

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Tel : (042) 36306573, 36375553, 36370703

Fax : (042) 36361479, 36368841

Mobile: 0321-4684047

MILLAT TRACTOR BRANCH

Millat Tractor Limited,

Lahore

Sheikhupura Road,

Lahore.

Tel : (042) 37910319 Mobile : 0321-4680436

UAN : 111-200-786 Ext. 446

SQA BRANCH (LHR)

1st Floor, Naqi Arcade, 71-Shahrah-e-Qaid-e-Azam,

Lahore.

Tel : 042-36306573, 89, 3637553, 36370703

Fax : 042-36361479, 36368841

Mobile : 0323-4451055

MALL BRANCH (LHR)

1st Floor, Naqi Arcade, 71-Shahrah-e-Qaid-e-Azam,

Lahore.

Tel : 042-36306573, 89, 3637553, 36370703

Fax : 042-36361479, 36368841

Mobile: 0321-4781111

KASUR Opp. Jamia Masjid Noor,

Railway Road,

Kasur

Tel : (0492) 770732 Mobile : (0300) 6599688

OKARA M.A. Jinnah Road,

Okara.

Tel : (0442) 550324, 522388 Fax : (0442) 522388

Mobile: 0321-6950324

REGIONAL OFFICE: Trust Plaza Block "C", G.T. Road,

GUJRANWALA Gujranwala.

Tel : (055) 3846106 Fax : (055) 3846107

SIALKOT AI-Rehman Centre,

Defence Road, Sialkot.

Tel : (052) 3240271-3 Fax : (052) 3240270 Mobile: 0301-8624101

REGIONAL OFFICE FAISALABAD

3rd Floor, Sona Bazar Plaza, Inside Circular Road, Faisalabad. Tel : (041) 2413043, 4011231 Mobile : 0300-7624798

REGIONAL OFFICE MULTAN

Ghaffar Plaza, Bohra Street,

Multan Cantt. Tel : (061) 4512502, 4587112, 4514300

Fax : (061) 4514859 Mobile : 0336-0092631

BAHAWALPUR 02-Rainbow Shopping Centre,

Chowk Sraiki, Bahalwalpur.

Tel : (062) 2875183 Mobile : (0300) 6825874 Chunain Bhai Pheru Pattoki Raiwand Kahra

Kasur

Depalpur Basirpur Renala Khurd

Gujranwala

Wazirabad

Lalamusa Kamoke

Guirat

Sialkot

Faisalabad

Jaranwala

Samundri

Gojra Jhang

Dorka Navowal Shakar Garh

Southern Punjab

Multan Khanewal Muzaffargarh Layyah

Bahalpur Ahmedpur East Yazman

Lodhran Duniyapur



AGENCIES UNDER PRINCIPAL OFFICE (SOUTH), KARACHI

KHAIRPUR MIRS 524, Mohallah Tappali Street

Khairpur Mirs.

Tel: (0243) 552275

Ranipur, Kotdigi Pacca Chang, Nara Thari Mirwah Mehrabpur

Larkana, Jacobabad,

Shahdad Kot, Kandh Kot,

Kamber, Warrah, Thul,

Khairpur Mirs, Gambat

LARKANA Near Lal Bungalow,

Farooq Ali Street, Dari Mohalla, Larkana. Tel : (074) 4045582, 4045753

Miro Khan, Naukot,

Mob : 0300-3411750 Naudero

AGENCIES UNDER PRINCIPAL OFFICE (NORTH), ISLAMABAD

ABBOTTABAD Dr. Sher Afzal Plaza Abbottabad

The Mall, Abbottabad. Mansehra CeII : 0301-8704094 Kohistan

ATTOCK Attock, Fateh Jang F-37, Sheikh Zafar Plaza,

Madni Chowk, Attock City. Pindi Gheb.

Tel: (057) 2611726

Chitral **CHITRAL** Shahi Qila Road, Chitral

Khyber Pakhutunkhula.

GILGIT Gilgit Zulfiqarabad

> Jutial Gilgit Diamer Skardu.

Aliabad, Main Bazar, Hunza **HUNZA**

Hunza.

ISLAMABAD Flat No. T/6, 3rd Floor, Islamabad Arshad Shareef Plaza, Capital

G-II Markaz, Islamabad. Tel : (051) 2361125 Territory

Fax : (051) 2361126

H.No.157/C, Lane No.5D, KOTLI (A.K) Kotli (A.K)

Lalazar, Kotli (A.K)

MARDAN Bank Road, Mardan

Mardan.

Tel: (0937) 867639

92-G-I, Part Hall Road, MIRPUR (A.K) Mirpur (A.K)

Mirpur (A.K)

MUZAFFARABAD Village Kamar Bandi, Muzafarbad.

Muzafarbad (A.K.)

RAWALPINDI-I Plaza No.98, 2nd Floor, Islamabad Near Bank Al-Falah, Rawalpindi

Civic Centre, Bahria Town, Rawalpindi.

Cell: 0331-5565484

RAWALPINDI-II 55/A, Malik Plaza, Islamabad Rawalpindi

Room # 8, 2nd Floor, Bank Road,

Rawalpindi Cantt. Tel: (051) 5564173 Cell: 0333-5583342

RAWALAKOT RAWALAKOT BAGH C/o. Manager, (AZAD JAMMU & SME Bank Limited POONCH

KASHMIR) Near G.P.O. CMH Road, Rawalakot (A.J.K.) Tel: (058710) 43681

Near Yadhar Chowk, Skardu SKARDU-I

Skardu.

SKARDU - II Jawad Glass House Skardu.

New Bazar, Skardu

ZULFIQARABAD Goner Farm, Teh. Challas Zulfiqarabad

Distt. Diamir, Gilgit.

AGENCIES UNDER PRINCIPAL OFFICE (PUNJAB), LAHORE.

BAHAWALPUR 02-Rainbow Shopping Centre, Bahawalpur Ahmedpur East Chowk Sraiki,

Bahalwalpur. Yazman : (062) 2875183 Lodhran Mobile: (0300) 6825874 Duniyapur

D.G.KHAN House No. 389-C, Khyaban-e-Sarwar. D. G. Khan

Dera Ghazi Khan Taunsa Sharif, Alipur, TeI : (0642) 470671 Jampur, Rajanpur, Mobile: (0333) 6477885 Kot Mithan

44-Old Ghallah Mandi, **KHANPUR** Khanpur

Khanpur. Liaquatpur

: (068) 72834, 71236 Sadiqabad, R.Y. Khan

RAHIM YAR KHAN 28/A, Block-X, Rahim Yar Khan

Scheme # 3, Gulshan-e-Igbal,

Rahim Yar Khan,

Mobile: 0331-7533210

ZONAL OFFICE Al-Rehman Centre. Sialkot

SIALKOT Defence Road, Sialkot.

: (052) 3240271-3 Tel Fax : (052) 3240270

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INDEPENDENT AUDITORS' REPORT



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. cash flow statement;
- vi. statement of premiums;
- vii. statement of claims;
- viii. statement of expenses; and
- ix. statement of investment income.

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

It is the responsibility of the Company's Board of Directors / management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved International 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 misstatement. 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 up 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;
- 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, its comprehensive income, its cash flows and changes in equity for the year then ended in accordance with the approved International 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) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deuducted by the Company and deposited in the central Zakat Fund established under Section 7 of that Ordinance.

The financial statements of the Company for the year ended December 31, 2015 were audited by another firm of chartered accountants who had expressed an unqualified opinion thereon vide their report dated March 28, 2016.

BDO Ebrahim & Co., Chartered Accountants Engagement Partner: Zulfikar Ali Causer

BALANCE SHEET

CONTINGENCIES AND COMMITMENTS

AS AT DECEMBER 31, 2016

		(Rupees	in '000)
	Note	2016	2015
EQUITY AND LIABILITIES			
Share Capital and Reserve			
Authorised share capital	6.1	750,000	500,000
Issued, subscribed and paid-up capital	6.2	508,151	451,690
Retained earnings	0.2	273,549	204,324
Reserves	7	200,000	100,000
Total Shareholders equity		981,700	756,014
UNDERWRITING PROVISONS			
Provision for outstanding claims (including IBNR)		544,125	256,922
Provision for unearned premium		568,001	368,922
Commission income unearned		86,315	42,587
		1,198,441	668,431
DEFERRED LIABILITIES			
Deferred taxation	8	20,386	34,247
CREDITORS AND ACCRUALS			
Premium received in advance	9	1,823	1,776
Amount due to other insurers / reinsurers	10	9,873	14,840
Taxation - net of provision	11	51,839	44,229
Others creditors and accruals	12	69,349	45,648
		132,884	106,493
OTHER LIABILITIES			
Due to directors - unsecured and interest free	13	2,374	10,085
Total Liabilites		1,354,085	819,256
TOTAL EQUITY AND LIABILITIES		2,335,785	1,575,270

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FORM GA



(Ru	pees	in	(000)
-----	------	----	-------

	Note	2016	2015
ASSETS			
CASH AND BANK DEPOSITS			
Cash and other equivalents		10	4
Current and other accounts		11,653	14,840
Deposits maturing in 12 months		58,000	52,100
	15	69,663	66,944
INVESTMENTS	16	1,013,791	845,817
INVESTMENT PROPERTIES	17	48,040	50,568
Current assets - others			
Premium due but unpaid - net	18	108,605	41,928
Amount due from other insurers / reinsurers	19	61,470	35,050
Accrued investment income	20	1,884	1,969
Reinsurance recoveries against outstanding claims		394,593	116,419
Deferred commission expense		129,644	36,394
Prepaid reinsurance premium ceded		323,669	224,774
Advances, deposits and other receivables	21	57,703	33,515
Prepayment and other assets	22	646	307
		1,078,214	490,356
FIXED ASSETS	23		
Tangible			
Office premises		59,745	58,122
Furniture and fixtures		13,548	10,916
Electric fittings and equipments		12,456	12,813
Computers		1,491	1,684
Office equipment		2,539	2,726
Vehicles		34,159	32,923
		123,938	119,184
Intangible			
Computer software		1,434	51
Capital work in progress		705	2,350
TOTAL ASSETS		2,335,785	1,575,270

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

Chairman

Malle and Ochman

Managing Director & Chief Executive Officer

Director

Sh ? aliambrahalae Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2016

	Note	Fire and property damage	Marine, aviation and transport	Motor
Revenue account Net premium revenue Net claims Management expenses Net commission	24	332,407 (148,230) (56,641) (42,354)	119,942 (48,028) (20,422) (14,579)	185,299 (92,137) (19,606) (35,374)
Underwriting results		85,182	36,913	38,182

Rental income 26 Other income 27 General and administrative expenses 28 Workers Welfare Fund

Profit before tax

Investment income

Provision for taxation 29

Profit after tax

PROFIT AND LOSS FOR THE YEAR ENDED

Profit and loss appropriation account

Balance at commencement of the year

Profit after tax for the year

Interim cash dividend: 12.5% (2015: 10%)

Transfers to general reserve

Bonus shares for the year: 12.5% (2015: 12.5%)

Balance accumulated at the end of the year

Earnings per share - basic and diluted (Restated)

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

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FORM GB



(Rupees in '000)

Miscellaneous	Treaty	Aggregate 2016	Aggregate 2015 (Restated)
343,637	-	981,285	870,242
(180,639)	-	(469,034)	(378,315)
(67,350)	-	(164,019)	(184,856)
(74,667)	-	(166,974)	(159,957)
20,981	-	181,258	147,114
		187,510	33,141
		8,377	6,595
		6,607	65,987
		(80,677)	(64,823)
		(6,062)	(4,120)
		115,755	36,780
		297,013	183,894
		(14,866)	(52,642)
		282,147	131,252

APPROPRIATION ACCOUNT DECEMBER 31, 2016

204,324	163,410
282,147	131,252
(56,461)	(40,150)
(100,000)	-
(56,461)	(50,188)
273,549	204,324
5.55	2.58

Chairman

Managing Director & Chief Executive Officer

Director

Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2016

(Rupees in '000)

2016

2015

Profit for the year

282,147

131,252

Other comprehensive income

131,252

Total comprehensive income for the year

282,147

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

Chairman

Managing Director & Chief Executive Officer

Sr I ahombrahalae

STATEMENT OF CHANGES IN EQUITY



FOR THE YEAR ENDED DECEMBER 31, 2016

(Rupees in '000)

Issued, subscribed and paid-up capital Retained and paid-up capital 100,000 664,912		(itapeco iii coo)				
Profit after tax Other comprehensive income Total comprehensive income for the year Total comprehensive income for the year Transfer to general reserve Issuance of bonus shares at the rate of 12.5% Cash dividend at the rate of 10% Balance as at December 31, 2015 Balance as at December 31, 2015 Profit after tax Other comprehensive income Total comprehensive income Transation with owners Issuance of bonus shares at the rate of 12.5% Cash dividend at the rate of 10% December 31, 2015 As 1,690 As 282,147 Condition of the year Total comprehensive income Transfer to general reserve Condition of the year Transfer to general reserve Security Condition of the year Transation with owners Issuance of bonus shares at the rate of 12.5% Cash dividend at the rate of 12.5% Cash dividend at the rate of 12.5% (56,461)		and paid-up			shareholders'	
Profit after tax Other comprehensive income Total comprehensive income for the year Total comprehensive income for the year Transfer to general reserve Issuance of bonus shares at the rate of 12.5% Cash dividend at the rate of 10% Balance as at December 31, 2015 Balance as at December 31, 2015 Profit after tax Other comprehensive income Total comprehensive income Transation with owners Issuance of bonus shares at the rate of 12.5% Cash dividend at the rate of 10% December 31, 2015 As 1,690 As 282,147 Condition of the year Total comprehensive income Transfer to general reserve Condition of the year Transfer to general reserve Security Condition of the year Transation with owners Issuance of bonus shares at the rate of 12.5% Cash dividend at the rate of 12.5% Cash dividend at the rate of 12.5% (56,461)						
Other comprehensive income - </td <td>Balance as at January 01, 2015</td> <td>401,502</td> <td>163,410</td> <td>100,000</td> <td>664,912</td>	Balance as at January 01, 2015	401,502	163,410	100,000	664,912	
Transfer to general reserve Transactions with owners Issuance of bonus shares at the rate of 12.5% Cash dividend at the rate of 10% 50,188 (50,188) (40,150) (40,150) - (40,150) Balance as at December 31, 2015 451,690 204,324 100,000 756,014 Profit after tax Other comprehensive income - 282,147 - 282,147 - 282,147 Total comprehensive income for the year - (100,000) 100,000 - 282,147 Transation with owners - (56,461) - (56,46			131,252		131,252	
Suance of bonus shares at the rate of 12.5% Cash dividend at the rate of 10% 50,188	Total comprehensive income for the year	-	131,252	-	131,252	
Issuance of bonus shares at the rate of 12.5% Cash dividend at the rate of 10% 50,188 -	Transfer to general reserve	-	-	-	-	
Cash dividend at the rate of 10% - (40,150) - (282,147	Transactions with owners					
Balance as at December 31, 2015 451,690 204,324 100,000 756,014		50,188	1 1		- (40,150)	
Profit after tax Other comprehensive income Total comprehensive income for the year - 282,147 - 282,147 - 282,147 Transfer to general reserve - (100,000) 100,000 - Transation with owners Issuance of bonus shares at the rate of 12.5% Cash dividend at the rate of 12.5% 56,461 - (56,461) - (56,461) - (56,461) - (56,461)		50,188	(90,338)	-	(40,150)	
Other comprehensive income	Balance as at December 31, 2015	451,690	204,324	100,000	756,014	
Transfer to general reserve - (100,000) 100,000 - Transation with owners Issuance of bonus shares at the rate of 12.5%		-	282,147	-	282,147	
Transation with owners Issuance of bonus shares at the rate of 12.5% Cash dividend at the rate of 12.5% 56,461 - (56,461) 56,461 (112,922) - (56,461)	Total comprehensive income for the year	-	282,147	-	282,147	
Issuance of bonus shares at the rate of 12.5% Cash dividend at the rate of 12.5% 56,461 - (56,461) - (56,461) 56,461 - (56,461)	Transfer to general reserve	-	(100,000)	100,000	-	
Cash dividend at the rate of 12.5% - (56,461) - (56,461) - (56,461)	Transation with owners					
		56,461	1 ' '	-	(56,461)	
Balance as at December 31, 2016 508,151 273,549 200,000 981,700		56,461	(112,922)	-	(56,461)	
	Balance as at December 31, 2016	508,151	273,549	200,000	981,700	

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

Chairman

Managing Director & Chief Executive Officer Su ? ahombrahalae Director

Director

STATEMENT OF CASH FLOWS

FORM GC

FOR THE YEAR ENDED DECEMBER 31, 2016

		(Rupees in '000)		
	Note	2016	2015	
Operating Cash Flows				
a) Underwriting activities				
Premium received		2,000,206	1,732,646	
Reinsurance premium paid		(1,016,754)	(828,279)	
Claims paid		(603,924)	(502,858)	
Reinsurance and other recoveries received		143,919	192,894	
Commission paid		(473,792)	(349,228)	
Commission received		257,296	171,798	
Underwriting payments		(212,062)	(250,847)	
Net cash generated from underwriting activities		94,889	166,126	
b) Other operating activities				
Income tax paid		(21,111)	(19,563)	
Other operating (payments) / receipts		(24,528)	15,217	
Net cash used in other operating activities		(45,639)	(4,346)	
Net cash generated from all operating activities		49,250	161,780	
INVESTING ACTIVITIES				
Profit/return received		10,987	14,491	
Dividend received		21,296	4,696	
Other income received		13,168	63,351	
Payment for investments		(1,690,064)	(1,500,797)	
Proceeds from disposal of investments		1,677,401	1,348,145	
Fixed capital expenditure	23	(20,635)	(84,831)	
Purchase of investiment property		-	(748)	
Proceeds from disposal of fixed assets	23.1	5,918	14,123	
Net cash generated from/(used in) investing activities		18,071	(141,570)	
FINANCING ACTIVITIES				
Interim Dividends paid		(56,461)	(40,150)	
Loan received from directors		3,424	127,594	
Loan repaid to directors		(11,565)	(123,191)	
Net cash used in financing activities		(64,602)	(35,747)	
Net cash increase / (decrease) in cash and cash equiva	lent	2,719	(15,537)	
Cash and cash equivalent at the beginning of the year		66,944	82,481	
Cash and cash equivalent at the end of the year	15	69,663	66,944	

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

Chairman

Managing Director & Chief Executive Officer

alimentar Director

FORM GC



		(Rupees	in '000)
	Note	2016	2015
Reconciliation to profit and loss account			
Operating cash flows		49,250	161,780
Depreciation expense		(17,093)	(14,510)
Profit on disposal of fixed assets	23.1	4,344	11,857
Investment income		10,987	14,491
Dividend income		21,296	4,696
Gain on disposal of investment securities		155,312	13,763
Other income		13,168	63,351
Increase / (Decrease) in assets other than cash		587,858	(43,365)
Increase in operating liabilities		(542,975)	(80,811)
Profit for the year		282,147	131,252

Definition of cash

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

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

Cash and other equivalents		10	4
Current and other accounts		11,653	14,840
Deposits maturing within 12 months		58,000	52,100
	15	69,663	66,944

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

Chairman

Managing Director & Chief Executive Officer

Director

Director

STATEMENT OF PREMIUMS

FORM GD

FOR THE YEAR ENDED DECEMBER 31, 2016

Business underwritten inside Pakistan

(Rupees in '000)

		Prem	ium		Reinsurance					Net premium
	Unearned pren		nium reserve			Prepaid reinsurance premium ceded			Net premium	
Class of business	Premium written	Opening	Closing	Premium earned	Reinsurance ceded	Opening	Closing	Reinsurance expense	revenue 2016	revenue 2015
Direct and facultative										
Fire and property damage	713,747	135,790	212,780	636,757	371,449	71,936	139,035	304,350	332.407	310,568
Marine, aviation and transport	257,333	26,277	33,742	249,868	139,748	10,866	20,688	129,926	119,942	113,855
Motor	247,064	41,272	62,073	226,263	37,894	15,082	12,012	40,964	185,299	159,097
Miscellaneous	848,692	165,583	259,406	754,869	436,276	126,890	151,934	411,232	343,637	286,722
Sub-total	2,066,836	368,922	568,001	1,867,757	985,367	224,774	323,669	886,472	981,285	870,242
Treaty - proportional	-	-	-	-	-	-	-	-	-	-
Grand-total	2,066,836	368,922	568,001	1,867,757	985,367	224,774	323,669	886,472	981,285	870,242

Note: The Company does not underwrite business outside Pakistan

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

Managing Director & Chief Executive Officer

Sr II. ahambunhalae

STATEMENT OF CLAIMS

FORM GE



FOR THE YEAR ENDED DECEMBER 31, 2016

Business underwritten inside Pakistan

(Rupees in '000)

			ims		Reinsurance / recoveries					
		Outstand	ing claims	Claims	und other	Recoveries in respect of outstanding claims		Reinsurance and other	Net	Net
Class of business	Claims								claims expense	claims expense
	paid		Closing	expense		Opening	Closing	recoveries revenue	2016	2015
Direct and facultative										
Fire and property damage	173,764	47,342	345,907	472,329	51,700	20,961	293,360	324,099	148,230	100,317
Marine, aviation and transport	58,295	26,149	21,239	53,385	11,934	11,500	4,923	5,357	48,028	47,410
Motor	85,943	18,482	28,846	96,307	3,642	3,516	4,044	4,170	92,137	84,726
Miscellaneous	285,922	164,949	148,133	269,106	76,643	80,442	92,266	88,467	180,639	145,862
Total	603,924	256,922	544,125	891,127	143,919	116,419	394,593	422,093	469,034	378,315
Treaty - proportional	-	-	-	-	-	-	-	-	-	-
Grand-total	603,924	256,922	544,125	891,127	143,919	116,419	394,593	422,093	469,034	378,315

Note: The Company does not underwrite business outside Pakistan

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

Chairman

Managing Director & Chief Executive Officer

Director

Dimenter

STATEMENT OF EXPENSES

FORM GF

FOR THE YEAR ENDED DECEMBER 31, 2016

Business underwritten inside Pakistan

(Rupees in '000)

		Com	mission					Net underwriting	
		Deferred Commission			Other	Under-	*Commission	expense	
Class of business	Commission paid or payable	Opening	Closing	Net Commission expense	management expenses	writing Expenditure	from reinsurance (Note 25)	2016	2015
Direct and facultative									
Fire and property damage	151,827	12,883	39,946	124,764	56,641	181,405	82,410	98,995	134,998
Marine, aviation and transport	55,776	5,930	13,292	48,414	20,422	68,836	33,835	35,001	31,550
Motor	49,002	4,574	10,126	43,450	19,606	63,056	8,076	54,980	50,299
Miscellaneous	217,187	13,007	66,280	163,914	67,350	231,264	89,247	142,017	111,665
Sub-total	473,792	36,394	129,644	380,542	164,019	544,561	213,568	330,993	328,512
Treaty - proportional	-	-	-	-	-	-	-	-	-
Grand Total	473,792	36,394	129,644	380,542	164,019	544,561	213,568	330,993	328,512

Note: The company does not underwrite business outside Pakistan

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

Chairman

Managing Director & Chief Executive Officer

alimhuntulae Director

^{*} Commission from reinsurers is arrived after taking impact of opening and closing unearned commission.

STATEMENT OF INVESTMENT INCOME FORM GG



FOR THE YEAR ENDED DECEMBER 31, 2016

	(Rupees in '000)		
	2016	2015	
Income from trading investments			
Held-for-trading			
Gain on sale of investments	86,733	24,787	
Unrealized gain / (loss) on revaluation of investments	25,039	(11,969)	
Dividend income	21,296	4,696	
	133,068	17,514	
Income from non trading investments			
Available for sale			
Gain on sale of investments	43,540	944	
Return on government securities	7,735	7,442	
Return on other fixed income securities and deposits	5,084	7,266	
Amortization of premium and discount - net	(609)	713	
	55,750	16,365	
Less: Investment related expenses	(1,308)	(738)	
Investment income	187,510	33,141	

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

Chairman

Mable of when I want

Managing Director & Chief Executive Officer

Sp ?! ahambunhalae Director

Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

1. STATUS AND NATURE OF BUSINESS

East West Insurance Company Limited (the Company) was incorporated as a Public Limited Company in the year 1983 under the Companies Act, 1913. The shares of Company are quoted on the Pakistan Stock Exchange. The Company is engaged in the general insurance business and operates through 3 (2015: 3) principal offices and 24 (2015: 24) branches in Pakistan. The registered office of the Company is situated at 27, Regal Plaza, Jinnah Road, Quetta. The principal place of business is situated at B401-404, 4th Floor Lakson Square Building-3 R.A Lines, Karachi.

2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with the prescribed format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through Securities and Exchange Commission (Insurance) Rules, 2002 [SEC (Insurance) Rules, 2002], vide S.R.O. 938 dated December 12, 2002.

2.1 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, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case requirements differ the provisions or directives issued under Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules 2002 shall prevail.

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 investments". 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. Subsequent valuation to the initial recognition at cost, of "available for sale investments" is done accordance with S.R.O 938 issued by SECP as mentioned in note 5.8.1.

2.2 Functional and presentation currency

The financial statements are prepared and presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Amendments that are effective in current year but not relevant to the Company

The Company has adopted the amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard:

Effective date

		(annual periods beginning on or after
IFRS 10	Consolidated Financial Statements - Amendments regarding application of the consolidation exception	January 01, 2016
IFRS 11	Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation	January 01, 2016
IFRS 12	Disclosure of Interests in other Entities - Amendments regarding the application of the consolidation exception	January 01, 2016
IAS 1	Presentation of Financial Statements - Amendments resulting from the disclosure initiative	January 01, 2016
IAS 16	Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortization and amendments bringing bearer plants into the scope of IAS 16	January 01, 2016
A: op	parate Financial Statements (as amended in 2011) - mendments reinstating the equity method as an accounting tion for investments in subsidiaries, joint ventures and sociates in an entity's separate financial statements	January 01, 2016



Effective date
(annual periods
beginning on or
after

IAS 28 Investments in Associates and Joint Ventures - Amendments regarding the application of the consolidation exception

January 01, 2016

IAS 38 Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortization

January 01, 2016

IAS 41 Agriculture - Amendments bringing bearer plants into the scope of IAS 16.

Other than the amendments to standards mentioned above, there are certain annual improvements made to IFRS that became effective during the year:

Annual Improvements to IFRSs (2012 - 2014) Cycles:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

IFRS 7 Financial Instruments: Disclosures

IAS 19 Employee Benefits

IAS 34 Interim Financial Reporting

3.2 Amendments not yet

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

IFRS 2 Share-based Payment - Amendments to clarify the classification and measurement of share-based payment transactions

January 01, 2018

IFRS 4 Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9

January 01, 2018

IFRS 10 Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture

Deferred indefinitely

IAS 7 Statement of Cash Flows - Amendments resulting from the disclosure initiative

January 01, 2017

IAS 12 Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealized losses

January 01, 2017

IAS 28 Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture

Deferred Indefinitely

IAS 40 Investment Property - Amendments to clarify transfers or property to, or from, investment property

January 01, 2018

The Annual Improvements to IFRSs that are effective from the dates mentioned below against the respective standard are as follows:

Annual Improvements to IFRSs (2014 – 2016) Cycle:

IFRS 1First-time Adoption of International Financial ReportingJanuary 01, 2018IFRS 12Disclosure of Interests in Other EntitiesJanuary 01, 2017IAS 28Investments in Associates and Joint VenturesJanuary 01, 2018

3.3 Standards or interpretations not yet effective

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 First Time Adoption of International Financial Reporting Standards
- IFRS 9 Financial Instruments
- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases

The effects of IFRS 15 - Revenues from Contracts with Customers and IFRS 9 - Financial Instruments are still being assessed, as these new standards may have a significant effect on the Company's future financial statements.

The Company expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

4 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except that certain investments are stated at lower of cost and market value.

The financial statements have been prepared following the accrual basis of accounting except for the cash flow information.

4.1 Use of judgments and estimates

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

Estimates

The areas where assumptions and estimates are significant to the financial statements or judgment was exercised in application of accounting policies, are as follows:

	Note
- Provision for unearned premiums	5.2.2
- Premium due but unpaid - net	5.2.3
- Provision for outstanding claims (including IBNR)	5.3.1
- Premium deficiency reserve	5.7
- Useful life of fixed assets	5.10
- Taxation (current and deferred)	5.17
- Impairment in the value of investment	5.21
- Commission income unearned	5.6.2
- Reinsurance recoveries against outstanding claims	5.5
- Prepaid reinsurance premium ceded	5.4.2
- Deferred commission expense	5.6.1
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Judgments

In the process of applying the Company's accounting policies, management has made following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Classification of investments

As the Company's objective is to maintain an investment portfolio that can generate a constant return in terms of dividend and capital appreciation and not for the purpose of making short term profit from market volatility, all other debt, investment funds, and equity investment securities are classified as available-for-sale

The Company treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. In addition, the Company evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Insurance contracts

Insurance contracts are those contracts under which the Company as insurer has accepted insurance risk from the insurance contract holder (insured) by agreeing to compensate the insured if a specified uncertain future event (the insured event) adversely affects the insured. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its tenure, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.



Insurance contracts are classified into the following main categories, depending on the nature and duration of risk and whether or not the terms and conditions are fixed.

- Fire and property
- Marine, aviation and transport
- Motor
- Miscellaneous

These contracts are provided to individuals as well as commercial organizations with various tenures according to the nature and terms of the contract and the needs of the insured.

The Company also accepts insurance risk pertaining to insurance contracts of other insurers as reinsurance inward. The insurance risk involved in these contracts is similar to the contracts undertaken by the Company as insurer.

The Company neither issues investment contracts nor does it issue insurance contracts with discretionary participation features (DPF).

Fire and property damage

Fire and property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities.

Marine, aviation and transport

Marine insurance covers the loss or damage of vessels, cargo, terminals, and any transport or property by which cargo is transferred, acquired, or held between the points of origin and final destination.

Motor insurance provides protection against losses incurred as a result of theft, traffic accidents and against third party liability that could be incurred in an accident.

Miscellaneous

Other various types of insurance are classified in miscellaneous which mainly includes engineering, bond, hospitalization, accident and health insurance and travel insurances etc.

5.2 Premium

5.2.1 Premium income earned

Premium written (direct or facultative) under a policy is recognized as income over the period of insurance from the date of issue of the policy to which it relates to its expiry as follows:

- a) for direct business, evenly over the period of the policy;
- b) for proportional reinsurance business, evenly over the period of underlying reinsurance policies; and
- c) for non-proportional reinsurance business, on inception of the reinsurance contract in accordance with the pattern of reinsurance service.

Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of incidence of risk.

Where premiums for a policy are payable in installments, full premium for the duration of the policy is recognized as income at the inception of the policy and a related asset is set up in respect of the premium receivable, notwithstanding the fact that some installments may not, by agreement between the insurer and the insured, be payable until later.

5.2.2 Provision for unearned premiums

Provision for unearned premiums represents the portion of premium written relating to the unexpired period of coverage, and is recognized as a liability. The liability is calculated as follows:

- a) in the case of marine, aviation and transport business, as a ratio of unexpired period to the total period of the policy applied on the gross premium written.
- b) for the other classes/line of business, by applying the twenty-fourth method as specified in the SEC (Insurance) Rules, 2002, as majority of the remaining policies are issued for a period of one year.

5.2.3 Premiums due but unpaid - net

Premiums due but unpaid is recorded as receivable when it is due, at the fair value of consideration receivable less provision for doubtful debts, if any. If there is objective evidence that receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognizes that impairment loss in profit and loss account.

5.3 Claims expense

General insurance claims include all claims occurring during the year, whether reported or not, including external claims handling costs that are directly related to the processing and settlement of claims, reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years. Claims are charged to profit and loss account as incurred based on estimated liability for compensation owed under the insurance contracts.

5.3.1 Provision for outstanding claims (including IBNR)

The Company recognizes liability in respect of all claims incurred upto the balance sheet date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in an insurance contract. The liability for claims includes amounts relating to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

Provision for IBNR is based on the management's best estimate which takes into account the past trends net of exceptional claims.

5.4 Reinsurance contracts

Contracts (treaty and facultative) entered by the Company under which the Company cedes insurance risks assumed during normal course of its business and according to which the Company is compensated for losses on insurance contracts issued by the Company are classified as reinsurance contracts held.

5.4.1 Reinsurance expense

Reinsurance ceded (treaty and facultative) is recognized as an expense over the period of reinsurance from inception to which it relates to its expiry as follows:

- a) for proportional reinsurance business, evenly over the period of the underlying policies.
- b) for non-proportional reinsurance business, evenly over the period of indemnity.

Where the pattern of incidence of risk varies over the period of the policy, reinsurance premium is recognized as expense in accordance with the pattern of incidence of risk.

5.4.2 Prepaid reinsurance premium ceded

The portion of reinsurance premium ceded not recognized as an expense as at year end is recognized as prepaid reinsurance premium ceded. Unrecognized portion is determined in the same manner as for provision for unearned premiums.

5.5 Reinsurance recoveries against outstanding claims

Claims recoveries receivable from reinsurers are recognized as an asset at the same time as and when the claims which give rise to the right of recovery are recognized as a liability and are measured at the amount expected to be received.

5.6 Commission

5.6.1 Commission Expense

Commission expense incurred in obtaining and recording policies is deferred and is recognized in the profit and loss account as an expense in accordance with the pattern of recognition of premium revenue.

5.6.2 Commission Income

Commission and other forms of revenue (apart from recoveries) from reinsurers are deferred and recognized as liability and recognized in the profit and loss account as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates.

5.7 Premium deficiency reserve

As per SEC (Insurance) Rules, 2002 where the cumulative unearned premium reserve for any classes of business is not adequate to meet the expected future liability, after reinsurance from claims and other supplementary expenses, including reinsurance expenses, commissions and other underwriting expenses, expected to be incurred after the balance sheet date in respect of unexpired policies in that class of business in force at balance sheet date, a premium deficiency reserve is recognized as a liability to meet the deficit. The movement in premium deficiency reserve is recorded as an expense / income in the profit and loss account for the year. The Company determines adequacy of liability of premium deficiency by carrying out analysis of its loss ratio of expired risk. In management's opinion, there is no need to carry premium deficiency reserve in these financial statements.



5.8 Investments

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs. Subsequently, these are recognized and classified into the following categories:

5.8.1 Available-for-sale

The financial assets that are intended to be held for an indefinite period of time and may be sold in response to the need for liquidity are classified as available-for-sale.

Subsequent to the initial recognition at cost, these are stated at the lower of cost or market value (market value being taken as lower if the fall is other than temporary) in accordance with the requirements of the S.R.O 938 issued by the SECP in December, 2002. The Company uses latest stock exchange quotations in an active market to determine the market value of its listed investments. In case of fixed income investments redeemable at a given date where the cost is different from the redemption value, such difference is amortized uniformly over the period between the date of acquisition and the date of maturity in determining cost at which these investments are stated as per the requirements of the SEC (Insurance) Rules, 2002.

5.8.2 Fair value through profit or loss - held for trading

Investments which are acquired with the intention to trade by taking advantage of short term market/interest rate movements are considered as held for trading. After initial recognition, these are measured at fair values with any resulting gains or losses recognized directly in the profit and loss account, for the period in which it arises. Subsequent to initial recognition these are measured at fair value by reference to quoted market prices.

a) Trade and settlement date accounting

All 'regular way' purchases and sales of financial assets are recognized on the trade date, i.e. the date on which commitment to purchase / sale is made by the Company. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market place.

b) Derecognition

All investments are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

c) Impairment

Available-for-sale

The company considers that available-for-sale investments is impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance.

5.9 Employee benefits

Defined contribution plan

The Company operates an approved 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 of the employees.

5.10 Fixed assets and depreciation

5.10.1 Owned assets

These are stated at cost less accumulated depreciation and impairment loss, if any.

Depreciation/amortization is charged to profit and loss account on reducing balance method using the following rates:

3	
- Office premises	5%
- Furniture and fixture	10%
- Electric fittings and equipments	10%
- Computers	33.33%
- Office equipment	10%
- Vehicles	20%
- Computer software	30%

Full month's depreciation/amortization is charged in the month, when assets become available for use and no depreciation is charged in the month of disposal.

The assets' residual values, useful life and method of depreciation/amortization are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Subsequent costs are included in the asset's carrying amount or recognized as a separate part, as appropriate, only when it is possible that future economic benefit 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 profit and loss account.

Gains or losses on disposal are included in profit and loss account.

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment, in respect of item of fixed assets and intangible assets. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior years. Reversal of impairment loss is restricted to the original cost of the asset.

5.10.2 Capital work-in-progress

Capital work-in-progress is stated at cost. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These expenditures are transferred to relevant category of fixed assets or intangibles as and when the assets start operation.

5.11 Investment properties

Property held for the purpose of rental income and long-term capital appreciation is classified as investment property.

5.11.1 Initial recognition

Investment property is initially recognized at cost which is equal to the fair value of consideration paid at the time of acquisition or construction of the asset.

5.11.2 Measurement subsequent to initial recognition

Subsequent to initial recognition, investment property is carried at historical cost less accumulated depreciation and accumulated impairment losses, if any.

5.11.3 Depreciation

Depreciation is charged to profit and loss account in the same manner as owned fixed assets (refer 5.10)

5.12 Investment and other income & expenses

5.12.1 Dividend income and bonus shares

Dividend income is recognized when the right to receive the same is established.

Entitlement of bonus shares is recognized when the right to receive the same is established.

5.12.2 Interest income

Interest income is recognized on time proportion basis that takes into account effective yield on the assets.

5.12.3 Rental income

Rental income on investment properties is recognized as income on accrual basis.

5.13 Segment reporting

The Company's operating business is organized and managed separately according to the nature of the services provided with each segment representing a strategic business unit that serves different markets.

The Company has four major segments namely fire and property damage, marine, aviation and transport, motor and miscellaneous.

The Company accounts for segment reporting are prepared in the format prescribed under the Insurance Ordinance 2000 and the SEC (Insurance) Rules, 2002 and provide required information at appropriate level of detail.



5.13.1 Fire and property damage

The perils covered under this segment include damages by fire, riot and strike, explosion, earthquake, atmospheric damages, floods, electrical fluctuation impact and other coverage.

5.13.2 Marine, aviation and transport

Marine insurance provides coverage against cargo risk, war risk and damages occurring in inland transport.

5.13.3 Motor

Motor insurance provides comprehensive vehicle coverage and indemnity against third party loss.

5.13.4 Miscellaneous

Miscellaneous insurance provides cover against burglary, loss of cash in safe and in transit, personal accident, engineering losses and other coverage.

5.14 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company losses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on the derecognition of the financial assets and liabilities is included in the net profit or loss account for the period in which it arises.

Financial instruments carried in the balance-sheet include cash and bank deposits, investments, premiums due but unpaid, amounts due from other insurers/reinsurers, advances, deposits and receivables, accrued investment income, reinsurance recoveries against outstanding claims, provision for outstanding claims, amounts due to other insurer/reinsurers, other creditors and accruals and due to directors.

5.15 Off setting of financial asset and financial liabilities

Financial assets and financial liabilities are off-set and the net amount is reported in the financial statements when there is a legally enforceable right to set-off the recognized amount and the Company intends either to settle on net basis, or realize the assets and to settle the liabilities simultaneously.

5.16 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Company to do so.

5.17 Taxation

5.17.1 Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if entered. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessment finalized during the current year for such years .

5.17.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in statement of comprehensive income.

5.18 Foreign currencies

Transactions in foreign currency, if any, are converted into Pak rupees at the rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into Pak rupees at the rate of exchange prevailing at the reporting date. Exchange difference are taken to profit and loss account.

5.19 Management expenses

Management expenses are allocated to all classes of business in proportion to the net premium income of the year. Underwriting expenses have been allocated to various classes of business on a basis deemed equitable by the management. Provision for bad debts is based on review of outstanding amounts as at balance sheet date. Bad debts are written off to the profit and loss account when identified. Expenses not allowable to the underwriting business are charged to General and Administration expenses

5.20 Creditors, accruals and provisions

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

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

5.21 Impairment

The carrying amounts of the Company's assets are reviewed annually to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized in the profit and loss account.

5.22 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.23 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash and bank deposit.

5.24 Dividend and bonus shares

Dividend to shareholders is recognized as liability in the year in which it is approved. Similarly, reserve for issue of bonus shares is recognized in the year in which such issue is approved.

5.25 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

5.26 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

			(Rupees	in '000)
6	SHARE CAPITAL	Note	2016	2015
6.1	Authorized share capital 75,000,000 (2015: 50,000,000) ordinary shares of 6.1.1	=	750,000	500,000
6.2	6.1.1 Authorized share capital has been increased to meet required under section 28 of Insurance Ordinance 20 Issued, subscribed and paid-up share capital		ı paid-up capital re	equirement as
	2016 2015			

2016 Number	2015 of Shares			
6,354,899	6,354,899	Ordinary share of Rs.10 each fully paid in cash	63,549	63,549
44,460,265	38,814,136	Ordinary share of Rs.10 each issued as fully paid	444,602	388,141
50,815,164	45,169,035		508,151	451,690



			(Rupee	s in '000)
		Note	2016	2015
7	RESERVES			
	General reserve	7.1	200,000	200,000
7.1	The movement of general reserve is as follows:			
	Balance as at January 01 Transfer from unappropriated profit		100,000 100,000	100,000
	Balance as at December 31		200,000	100,000
8	DEFERRED TAXATION			
	Deferred tax liabilities / (assets) arising in respect of: - accelerated depreciation on fixed assets - investments - provision for doubtful debts		16,697 3,756 (67)	16,642 18,209 (604)
			20,386	34,247
8.1	Balance at beginning of the year Charge during the year		34,247	13,073
	in respect of effect of change in tax ratein respect of temporary differences arising during the year		1,038 (14,899)	397 20,777
			(13,861)	21,174
	Balance at end of the year		20,386	34,247
9	PREMIUM RECEIVED IN ADVANCE			
7	Premium received in advance	9.1	1,823	1.776
9.1	This includes cash margin (Bond) received from policy holders million).		<u> </u>	
10	AMOUNT DUE TO OTHER INSURERS / REINSURERS			
10	Foreign reinsurers Local reinsurers / coinsurers		9,613 260	12,057 2,783
			9,873	14,840
11	TAXATION-NET		<u> </u>	
	Provision for income tax Less: Advance tax		57,542 (5,703)	48,889 (4,660)
			51,839	44,229
12	OTHER CREDITORS AND ACCRUALS			
	Sundry creditors Commission payable Workers Welfare Fund Federal excise duty Withholding tax Federal insurance fee Unclaimed dividend		16,460 26,323 19,348 4,053 2,815 347 3	26,682
13.	DUE TO DIRECTORS	13.1	2,374	10,085

13.1 This amount represent unsecured and interest free loan obtain from directors of the Company and is payable on 1 January 2017.

14 CONTINGENCIES AND COMMITMENTS

There are no contingencies or committements as at the balance sheet date (2015: Nil).

			(Rupee	s in'000)
		Note	2016	2015
15	CASH AND BANK DEPOSITS			
	Cash and other equivalents			
	Cash in hand		5	4
	Policy stamps in hand		5	
			10	4
	Current and other account			
	Current accounts and others	15.1	11,653	14,840
	Deposits with banks maturing within 12 months	15.2	58,000	52,100
			69,663	66,944
			69,663	66,94

- **15.1** These include interest bearing accounts carrying interest rates ranging from 5% to 10% (2015: 5% to 10%) per annum.
- **15.2** These represents Term Deposit Receipts (TDRs) in local currency carrying interest rates ranging from 3.5% to 6% per annum (2015: 3.5% to 6% per annum).

	to 6% per a	ınnum (2015: 3.5°	% to 6% per annum).			
					2016	2015
16	INVESTM	ENTS				
	Available-					
	Marketab	le securities		16.1.1	5,619	17,348
	Governme	ent securities		16.2	101,667	99,728
		nce certificates -		16.5	7,289	51,241
	Net capita	alization of discou	unt/(amortization of premium)	16.2	254	64
					109,210	151,033
		ue through profit	or loss	4/40	000.040	(77.40/
	- Held-for-t	rading		16.1.2	898,962	677,436
					1,013,791	845,817
16.1	Marketab	le securities				
	16.1.1 Ava	ilable for sale				
	2016	2015			2016	2015
	No. of s	hares / units	-		С	ost
	302,569	302,569	Agritech Limited		3,834	3,834
	178,521	1,351,400	East West Life Assurance			
			Company Limited	16.1.1.1	1,785	13,514
					5,619	17,348
	16.1.1.1 Th	nis represent inve	estment in Associated undertak	cing.		
	16.1.2 At f	air value throu	gh profit and loss - Held for	rtrading		
	2016	2015			2016	2015
	No. of s	hares / units			Marke	t Value
	-	1,526,096	JS Large Capital Fund		-	163,567
	-	300,000	PSO Company Limited		-	97,731
2	2,892,630	792,666	National Investment Trust		253,221	50,250
	480,952	480,954	HBL Money Market Fund		50,007	49,967
	483,327	380,811	JS Cash Fund		50,865	40,134
	494,325	291,323	MCB Cash Management Fu	ina	50,891	30,040



			(Rup	ees in'000)
	16 2015		2016	2015
N	o. of shares / u	nits	Mar	ket Value
205,300	205,300	Oil and Gas Development Co. Ltd.	33,946	24,090
193,887	193,397	PICIC Cash Fund	20,009	20,016
194,296	193,280	First Habib Cash Fund	20,013	20,006
1,974,119	1,940,485	ABL Cash Fund	20,329	20,006
9,972,363	1,975,055	Nafa Money Market Fund	100,990	20,004
3,155,302	-	Nafa Islamic Asset Allocation Fund	58,697	-
388,294	387,302	Pakistan Cash Management Fund	20,009	20,004
493,984	192,819	Askari Sovereign Cash Fund	50,831	20,003
-	388,206	AKD Cash Fund	-	20,003
-	96,376	Faysal Money Market Fund	-	10,015
99,489	97,003	UBL Liquid Plus Fund	10,250	10,011
19,786	19,256	ATLAS Money Market Fund	10,179	10,003
39,984	19,431	Alfalah GHP Cash Fund	20,326	10,002
487,670	-	Faysal Saving Growth Fund	50,386	-
641,849	-	Meezan Balanced Fund	11,714	-
176,643	-	Al Ameen Islamic Assets Allocation Fund	22,331	-
243,360	-	JS Islamic Fund	35,309	-
-	80,000	Pakistan Petroleum Limited	-	9,745
-	25,000	Pakistan Oilfield Ltd.	-	6,701
-	200,000	Bank Alfalah Limited	-	5,764
45,000	45,000	Fauji Fertilizer Co. Ltd.	4,697	5,309
-	35,000	DG Khan Cement Ltd.	-	5,166
-	25,018	Habib Bank Limited	-	5,007
2,100,000	2,100,000	Silk Bank Limited	3,885	3,822
500	500	Kot Addu Power Co. Limited	39	41
841	841	Fauji Cement Company Limited	38	31
24,783,901	11,991,119	16	898,962	677,436

16.2 Government securities		2016 Amorti	2015 zed Cost
Pakistan Investment Bonds		51,513	49,477
GOP Ijara Sukuk		50,154	50,251
Impact of net amortization of discount	16	101,667	99,728
	16	254	782
		101,921	100,510

16.3 The fair value of total investment classified as available for sale investments is Rs.118,056,429 (2015: Rs.173,572,402). Available for sale investments are stated at lower of cost or market value (market value being taken as lower if the reduction is other than temporary) as required by the SEC Rules, 2002. However, IAS-39 "Financial Instruments: Recognition and Measurement" requires that these instruments should be measured at fair value. Had these investments been measured at fair value, their carrying values as at December 31, 2016 would have been higher by Rs.3,226,505 (2015: Rs.4,473,000) and consequently shareholder's equity higher by the same amount.

(Rupees in '000)

Amortized Cost

16.4 Maturities and Amortized cost of government securities are as follows:

			Amorti	zea Cost
Tenure	Maturity	Coupon Percentage	2016	2015
10	May, 2016	10%	-	9,837
10	May, 2016	10%	-	9,843
10	August, 2021	12%	4,068	4,077
10	August, 2021	12%	958	952
10	April, 2026	8.75%	20,960	-
5 5	August 2016	11.5%	· <u>-</u>	4,968
5	July, 2018	11.5%	4,966	4,945
5	July, 2018	11.5%	9,891	9,826
5 5 5	July, 2022	12%	4,870	4,853
5	December, 2018	9.25%	1,041	1,055
3	April, 2019	7%	5,117	· •
3	June, 2017	7.98%	20,050	20,154
3	December, 2018	5.89%	30,000	30,000
		16.	2 101,921	100,510

16.4.1 Pakistan Investment Bond (PIB's) and Ijara Sukuk having a face value of Rs.51 million (2015: Rs.60 million) are placed with State Bank of Pakistan in compliance with Section 29 of the Insurance Ordinance, 2000 except one Ijara Sukuk and one PIB those are placed with JS Bank Limited and United Bank Limited.

16.5 Term Finance Certificate - Listed

Term			Amortized	
Finance Certificate	Tenure	Rate of Return	2016	2015
Bank Al-Habib	10 years	15%	-	39,457
Bank Al-Falah	9 year	15%	7,289	11,784
			7,289	51,241

16.5.1 Payment of profit from above TFCs is received semi annually. TFCs of Bank Alfalah will mature in 2017.

17. INVESTMENT PROPERTIES

				2016					
		D-4-		COST		DEF	RECIATION	Written	
PARTICULARS	Note	Note Rate	As at January 01, 2016	Additions	As at December 31, 2016	As at January 01, 2016	Charge for the year	As at December 31, 2016	Down Value as at December 31, 2016
Office premises	-	5	68,068	-	68,068	17,500	2,528	20,028	48,040

				2015					
	Note	D. I.		COST		DEF	PRECIAT	ION	Written
PARTICULARS		ote Rate	As at January 01, 2015	Additions/ (Disposal) / Transfer in	As at December 31, 2015	As at January 01, 2015	For the year Transfer in/ (Disposal)	As at December 31, 2015	Down Value as at December 31, 2015
Office premises	21.1 21	5	61,893	748 (2,155) 7,582	68,068	11,744	2,625 (1,401) 4,532	17,500	50,568

- 17.1 Revaluation was carried out by Company on December 31, 2016. The valuable exercise was carried out by independent valuers M/s.Al-Shahbaz Surveyors (Private) Limited and M/s.Salam Associates (Private) Limited and revalued market value is estimated at Rs.174.29 million (2015: Rs.174.29 million).
- 17.2 Rental income from investment property amounting to Rs.10.91 million (2015: Rs.9.22 million) and has been recorded net of depreciation in profit and loss account i.e. Rs.8.38 million (2015: Rs.6.59 million).



			(Rupees in	'000)
18	PREMIUM DUE BUT UNPAID - Net	Note	2016	2015
	Considered good Considered doubtful	18.1	108,605 218	41,928 1,888
	Provision for doubtful		108,823 (218)	43,816 (1,888)
			108,605	41,928
18.1	Movement of provision for bad debts			
	Opening balance Reversal during the year Charge during the year		1,888 (1,888) (218)	- - 1,888
			(218)	1,888
19.	AMOUNTS DUE FROM OTHER INSURERS / REINSURERS			
	Unsecured Considered good			
	- Foreign reinsurers		591	1,550
	- Local reinsurers/co-insurers		60,879	33,500
			61,470	35,050
20.	ACCRUED INVESTMENT INCOME			
	Term Deposite Receipts		28	14
	Government securities		1,773	1,816
	Term Finance Certificates		83	139
			1,884	1,969
21.	ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
	Advances		47,473	23,531
	Deposits		5,997	5,510
	Other receivables		4,233	4,474
			57,703	33,515
22.	PREPAYMENTS AND OTHER ASSETS			
	Prepaid rent		330	10
	Others		316	297
			646	307

23. FIXED ASSETS - TANGIBLE & INTANGIBLE

(Rupees in '000)

								` '		•
			201	6						
			Owne				Total			
PARTICULARS			Tangi				tangible	Computer	Work in	Total fixed
	Office Premises	Furniture and fixture	Electric fitting and equipment	Computers	Office equipment	Vehicles	assets	software	Progress	assets
COST	110111303	una mitaro	and equipment	ļ .	oquipinioni				-	
			0.4.050	47.400		445.040	054.077			
As at January 1, 2016	61,681	25,902	24,259	16,102	8,374	115,048	251,366	92	2,350	253,808
Additions	4,550	4,012	996	460	93	10,524	20,635	-	-	20,635
Disposal)	-	-	(58)	-	-	(11,359)	(11,417)	-	-	(11,417)
Transferred in /out	-	-	-	-	-	-	-	1,645	(1,645)	-
As at December 31, 2016	66,231	29,914	25,197	16,.562	2 8,467	114,213	260,584	1,737	705	263,026
ACCUMULATED DEPRECIATION										
As at January 1, 2016	3,559	14,987	11,446	14,418	5,647	82,126	132,183	41	-	132,224
Charge for the year	2,927	1,379	1,340	653	281	7,725	14,305	262	-	14,565
Disposal	-	-	(45)	-	-	(9,797)	(9,842)	-	-	(9,842)
As at December 31, 2016	6,486	16,366	12,741	15,071	5,928	80,054	136,646	303	-	136,949
Written down value as at										
December 31, 2016	59,745	13,548	12,456	1,491	2,539	34,159	123,938	1,434	705	126,077
Rate of depreciation & amortization	5%	10%	10%	33.33%	10%	20%		30%		

			201	5						
			Own				Total	Intar	Intangible	
PARTICULARS			Tangi	ble			tangible	Computer	Work in	Total fixed
	Office Premises	Furniture and fixture	Electric fitting and equipment	Computers	Office equipment	Vehicles	assets	software	Progress	assets
COST										
As at January 1, 2015	13,374	20,952	18,211	15,063	8,199	106,262	182,061	92	-	182,153
Additions	56,484	4,950	6,048	1,039	175	13,785	82,481	-	2,350	84,831
Disposal	(594)	-	-	-	-	(4,999)	(5,593)		-	(5,593)
Transferred out	(7,583)	-	-	-	-	-	(7,583)	-	-	(7,583)
Transferred in										
(Trasnsfer out)	-	-	-	-	-	-	-	-	-	-
As at December 21, 2015	/1 /01	25 002	24.250	1/ 100	0.274	115 040	251.277	00	2.250	252.000
As at December 31, 2015	61,681	25,902	24,259	16,102	8,374	115,048	251,366	92	2,350	253,808
ACCUMULATED										
DEPRECIATION										
As at January 1, 2015	6,544	14,066	10,418	13,793	5,355	78,758	128,934	19	-	128,953
Charge for the year	1,826	921	1,028	625	292	7,171	11,863	22	-	11,885
Disposal	(279)	-	-	-		(3,803)	(4,082)		-	(4,082)
Transferred out	(4,532)	-	-	-	-	-	(4,532)	-	-	(4,532)
As at December 31, 2015	3,559	14,987	11,446	14,418	5,647	82,126	132,183	41		132,224
							·			
Written down value as at										
December 31, 2015	58,122	10,915	12,813	1,684	2,727	32,922	119,184	51	2,350	121,585
Rate of depreciation										
& amortization	5%	10%	10%	33.33%	10%	20%		30%		
	0.0			55.5576				5570		



23.1 Detail of disposal of fixed assets and investment properties

(Rupees in '000)

S. No.	Particular of asset	Cost	Accumulated depreciation	Book value	Sale proceed	Profit / (Loss) on disposal	Mode of disposal	Particular of purchaser
	VEHICLES							
1	NISSAN SUNNY	281	267	14	110	96	Netotiations	Mr. Muhammad Siddique
2	SUZUKI CULTUS	647	451	194	485	291	Negotiations	Mr. Sikander Ali Khan
3	SUZUKI ALTO	366	266	101	310	209	Negotiations	Mr. Muhammad Khalid Umar
4	SUZUKI	213	209	4	70	66	Negotiations	Mr. Atiq ur Rehman
5	SUZUKI KHYBER	231	225	6	80	74	Negotiations	Mr. Atiq ur Rehman
6	TOYOTA COROLLA	1,051	914	137	510	373	Negotiations	Mr. Khurram Shahzad
7	TOYOTA COROLLA	1,140	982	158	510	352	Negotiations	Mr. Khurram Shahzad
8	SUZUKI MEHRAN	723	659	64	255	191	Negotiations	Mr. Khurram Shahzad
9	SUZUKI MEHRAN	677	645	32	255	223	Negotiations	Mr. Khurram Shahzad
10	SUZUKI MEHRAN	350	335	14	255	241	Negotiations	Mr. Khurram Shahzad
11	SUZUKI MEHRAN	105	97	8	255	247	Negotiations	Mr. Khurram Shahzad
12	HONDA CITY	964	816	149	500	351	Negotiations	Mr. Aamir Sadique Chughtai
13	TOYOTA COROLLA	1,225	1,001	224	600	376	Negotiations	Mr. Aamir Sadique Chughtai
14 15	SUZUKI VAN	160	159	1	200	199	Negotiations	Mr. Muhammad Abbas
15	TOYOTA COROLLA	1,080	943	137	500	363	Negotiations	Mr. Aamir Sadique Chughtai
16	HONDA CIVIC	1,199	1,043	156	650	494	Negotiations	Mr. Syed Azmat Hussain
17	COURE	650	497	153	300	147	Negotiations	Mr. Syed Azmat Hussain
18	SUZUKI	13	13	-	4	4	Negotiations	Mr. Rizwan Ahmed
19	SUZUKI	45	45	-	4	4	Negotiations	Mr. Rizwan Ahmed
20	SUZUKI	39	39	-	4	4	Negotiations	Mr. Rizwan Ahmed
21	HONDA 13F	39 72	38	1 8	7	6 17	Negotiations	Mr. Rizwan Ahmed
22 23	HONDA 125	72 30	64 30		25 10	17 10	Negotiations	Mr. Syed Azmat Hussain Mr. Syed Salman Ali
23 24	HONDA HONDA	59	59	-	9	9	Negotiations	Mr. Amnat Ali
24							Negotiations	IVII . AITIITAL ATI
	Sub Total	11,359	9,797	1,561	5,908	4,347		
	ELECTRIC APPLIAN	· ·		IPMENT				
25	Air Conditioner	58	45	13	10	(3)	Negotiations	Mr. Muhammad Essa
	Sub Total	58	45	13	10	(3)		
	Grand Total	11,417	9,842	1,574	5,918	4,344		
	2015	7,748	5,483	2,266	14,123	11,857		
24 I	MANAGEMENT E	XPENS	ES		N	lote	2016	2015
:	Salaries and allowa	nces					71,665	53,386
	Repairs and mainte						8,091	
	Petrol reimburseme						28,989	
	Travelling and conv	eyance					21,598	
	Utilities						7,557	
	Medical Allowance						5,518	
	Printing and station	nery					4,218	
	Office rent Entertainment						3,274 4,592	
	Extra duty payment	c					2,879	
	Postage and telegra						2,631	
	Advertisement and						302	
	Provident fund emp		ntribution				1,554	
	Brokerage and comr						-	1,280
	Newspapers and pe						-	704
1	Employees' old-age	Benefits					730	718
(Contribution to Sin	dh Emplo	oyees' Social	Security I	nstitute		-	59
,	√ehicle tax	•		-			30	
	Tracker security sys	stem					34	
I	Miscellaneous						357	6,650
							164,019	184,856

25 COMMISSION FROM REINSURERS

Commission received or receivable

Unearned Commission

Closing

Opening

(Rupees in '000)

2015

2016

		receivable	Opening	Closing		
	Fire and property damage	101,866	12,475	31,931	82,410	68,683
	Marine, aviation and transport	37,309	2,920	6,394	33,835	20,839
	Motor	7,462	2,916	2,302	8,076	12,872
	Miscellaneous	110,659	24,276	45,688	89,247	90,869
	_	257,296	42,587	86,315	213,568	193,263
	=	237,270	42,367	00,313	213,300	173,203
26	RENTAL INCOME			Note	2016	2015
	Rental income				10,905	9,220
	Less: Depreciation				(2,528)	(2,625)
	Less. Depi eciation			_	(2,320)	(2,023)
27	OTHER INCOME			=	8,377	6,595
21				23.1	4 244	11 057
	Profit on disposal of fixed assets Reversal of bad debts provision			23.1	4,344 1,888	11,857
	Proceeds for vacating premises				1,000	_
	Others				375	52,724
				-	6,607	65,987
				=		
28	GENERAL AND ADMINISTR	ATIVE EXPE	INSES			
	Salaries and allowances				22,216	29,530
	Directors remuneration			28.2	14,100	3,654
	Office rent				3,330	1,536
	Rent, rates and taxes				-	13
	Advertisement and publicity			0.0	-	611
	Depreciation & amortization			23	14,565	11,885
	Office maintenance Subscription and membership				2,763	3,755
	Legal and professional charges				6,830 1,384	3,909 2,259
	Provident fund employer's contri	hution			830	2,165
	Provision for bad debts	battori		18	218	1,888
	Auditor's remuneration			28.1	2,013	1,592
	Conference meeting			20.1	870	410
	Bank charges				360	359
	Property taxes				392	358
	Employees' Old-age Benefits Ins	titution			492	-
	Contribution to Sindh Employee		ty Institute		78	-
	Medical allowance		,		1,630	-
	Extra duty payments				281	-
	Petrol reimbursements				4,810	-
	Utilities				1,582	-
	Newspaper and periodicals				305	-
	Tracker security system				154	-
	Inspection fee				29	-
	Zakat			10	198	-
	Bad debts written off - premium:	S!+		18	108	-
	Bad debt written off - security de	eposit			715	300
	Coolie and cartage				36	234
	CDC charges				221 166	213 141
	Share registrar fees Insurance				100	141
	madrance					
					80,677	64,823
28.1	AUDITOR'S REMUNERATIO	N				
_0.	Audit fee				750	712
	Half yearly review				150	111
	Other services				383	156
	Out of pocket expenses				730	612
	o. positor experience				2,013	1,591
						1,071
_						



28.2 DIRECTORS' REMUNERATION

(Rupees in '000)

LOTORS REMORERATION	J14					
	Chief E	xecutive	Dire	ctors	Exe	cutive
	2016	2015	2016	2015	2016	2015
Managerial remuneration	3,312	912	6,130	1,169	11,612	7,768
House rent	1,488	408	3,410	720	9,797	7,332
Meeting fee	-	20	545	455	-	-
	4,800	1,340	10,085	2,344	21,409	15,100
Number of Persons	1	1	7	7	12	10

28.2.1 In addition to the above, the Chief Executive, Directors and Executives of the Company are provided with Company maintained cars and medical reimbursment at actual up to a maximum of one basic salary, where applicable.

28.3 Employee Provident Fund	Note	2016 Unaudited	2015 Audited
- Size of the fund		45,393	44,419
- Number of members		122	122
- Cost of investment made		25,005	32,903
- Percentage of investment made		55%	74%
- Fair value of investment		25,005	32,891

28.3.1 Investments out of provident fund has been made in accordance with the requirements of section 227 of the Companies Ordinance, 1984 and rules made there under.

29 PROVISION FOR TAXATION

Current

for the yearfor prior yearDeferred tax expense	29.1	57,542 (28,814) (13,862)	48,888 (17,420) (21,174)
		14,866	52,642

29.1 The income tax assessments of the Company are finalized on self assessment basis. The return of income upto tax year 2016 have been submitted to the authorities. Amount of Rs.28,140 million (2015: Rs.17.419 million) represents excess liability recorded in the books of the Company as compared to tax return.

29.2 Relationship between accounting profit and tax expense is as follows

Provision for taxation	14,866	52,642
- effect of prior year reversal	(28,814)	(17,420)
- effect of dividend income	(3,407)	(915)
- effect of exempt income / capital gain	(20,844)	(4,374)
- effect of deductions not allowed	(24,143)	16,506
- Tax at the above rate	92,074	58,846
Applicable tax rate	31%	32%
Accounting profit before tax	297,013	183,894

29.3 The Finance Act, 2015 introduced a tax on every public company at the rate of 10% of such undistributed reserves which exceeds the amount of its paid-up capital. However, this tax shall not apply in case of a public company which distributes cash dividend equal to at least either 40% of its after tax profits or 50% of its paid-up capital whichever is less, within the prescribed time after the end of the relevant tax year.

The amount of the Company's undistributed reserves does not exceed that amount of its paid-up capital. Accordingly no provision of income tax in this respect has been made in the financial statements.

30. FINANCIAL INSTRUMENTS

Financial instruments consist of financial assets and financial liabilities.

Financial assets of the Company include cash and bank deposit, advances, deposits and receivables and investments. Financial liabilities of the Company include payales, accrued liabilities (to policy holders, insurance and reinsurance companies and other parties).

The carrying values of all financial assets and liabilities reflected in the financial statements are approximate to their fair values; except for non-trading investments, which are stated at cost.

2016

(Rupees in '000)

				201	6			(Rupe	es in '000)
		Effective	Interes	t / mark-up	bearing	Non	interest be	aring	
	Note	yield / Interest rate	Maturity upto one year	Maturity after one year	Sub Total	Maturity within one year	Maturity after one year	Sub Total	Total
Financial assets									
Cash and other equivalents	15	3.5% - 10%	58,000	_	58,000	11,663	_	11,663	69,663
Investments	16	5.89% - 12%	20,050	89,160	109,210	904,581	_	904,581	1,013,791
Premium due but unpaid	18	-		-	-	108,605	_	108,605	108,605
Amount due from other insurers / re-insurers	19	-	_	_	_	61,470	_	61,470	61,470
Reinsurance recoveries agt outstanding claims	• •	-	_	_	_	394,593	_	394,593	394,593
Accrued Investment income	20	-	_	_	_	1,884	_	1,884	1,884
Advance, deposits and receivables	21	-	-	-	-	57,703	-	57,703	57,703
			78,050	89,160	167,210	1,540,499	-	1,540,499	1,707,709
Financial liabilities									
Due to directors	13	-	-	-	-	2,374	-	2,374	2,374
Provision for outstanding claims		-	-	-	-	544,125	-	544,125	544,125
Amount due to other insurers / re-insurers	10	-	-	-	-	9,873	-	9,873	9,873
Other creditors and accruals	12	-	-	-	-	43,133	-	43,133	43,133
			-	-	-	599,505	-	599,505	599,505
On balance sheet gap	-		78,050	89,160	167,210	940,994	-	940,994	1,108,204
				201	E				
			Intoros	t / mark-up		Non	intorest he	orina	
	N	Effective Yield /				1	interest be	aring	
	Note	Interest rate	Maturity upto one year	Maturity after one year	Sub Total	Maturity within one year	Maturity after one year	Sub Total	Total
Financial assets									
Cash and bank deposit	15	3.5% - 10%	52,100	-	52,100	14,844	_	14,844	66,944
Investments	16	5.89% - 14%	24,648	126,385	151,033	694,783	-	694,783	845,816
Premium due but unpaid	18	-		-	-	41,928	_	41,928	41,928
Amount due from other insurers / re-insurers	19	-	-	-	-	35,050	_	35,050	35,050
Reinsurance recoveries agt outstanding claims		-	-	-	-	116,419	_	116,419	116,419
Accrued Investment income	20	-	_	_	_	1,969	_	1,969	1,969
Advance, deposits and receivables	21	-	-	-	-	33,515	-	33,515	33,515
			76,748	126,385	203,133	938,508	-	938,508	1,141,641
Financial liabilities									
	13	-	-	-	-	10.085	_	10.085	10.085
Due to directors	13	-	-	-	-	10,085 256,923	-	10,085 256,923	10,085 256,923
Due to directors Provision for outstanding claims		- - -		- -	- -	256,923		256,923	256,923
Due to directors	13 10 12	: : :	- - -	- - -	- - -				

327,496

611,012

76,748 126,385 203,133

327,496

611,012

327,496

814,145

On balance sheet gap



31 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, entities under common control, entities with common directors, major shareholders and key management personnel of the Company. Transactions with related parties are carried out at arm's length prices determined under arms length. Transactions with related parties including remuneration to key management personnel are as follows:

Nature of Transaction	Related with	(Rupees in '000)		
ratal o or Transaction	the Company	2016	2015	
Loan received from directors				
Javed Yunus	Director	1,553	3,960	
Naveed Yunus	Director	1,221	123,204	
Pervez Yunus	Director	650	-	
Maheen Yunus	Director	-	395	
Umeed Ansari	Director	-	5	
Ahsan Mahmood Alvi	Director	-	30	
Loan repaid to directors				
Javed Yunus	Director	1,989	3,979	
Naveed Yunus	Director	8,139	119,212	
Pervez Yunus	Director	658	-	
Maheen Yunus	Director	779	-	
Purchase of shares				
East West Life Assurance Co., Ltd.	Associated Undertaking	1,785	13,514	
Issue of cash dividend				
East West Life Assurance Co., Ltd	Associated Undertaking	3	2	
Chief Justice (R) Mian Mahboob Ahmad	Director	2	2	
Naved Yunus	Director	4,174	2,968	
Ambreen Naved Yunus	Other related party	4,539	3,228	
Javed Yunus	Director	4,363	3,102	
Rubina Javed Yunus	Other related party	2,797	1,989	
Pervez Yunus	Director	4,312	3,067	
Samina Pervez Yunus	Other related party	2,819	2,005	
Maheen Yunus	Director	4,747	3,375	
Shamiala Maheen Yunus	Other related party	3,625	2,578	
Samad Maheen Yunus	Other related party	2,470	1,756	
Anum Maheen Yunus	Other related party	2,545	1,810	
Umeed Ansari	Director	1	1	
Ahsan Mahmood Alvi	Director	1	1	
Kazim Raza	Director	1	-	
Tulu Javd Yunus	Other related party	-	3,074	

Nature of Transaction	Related with	(Rupees in '000)		
Tatal 5 of Transaction	the Company	2016	2015	
Issue of bonus shares				
East West Life Assurance Co., Ltd	Associated Undertaking	3,400	3	
Chief Justic (R) Mian Mahboob Ahmad	Director	2,280	2	
Naved Yunus	Director	4,174	3,710	
Ambreen Naved Yunus	Other related party	4,539	4,035	
Javed Yunus	Director	4,363	3,878	
Rubina Javed Yunus	Other related party	2,797	2,486	
Pervez Yunus	Director	4,312	3,833	
Samina Pervez Yunus	Other related party	2,819	2,506	
Maheen Yunus	Director	4,747	4,224	
Shamiala Maheen Yunus	Other related party	3,625	3,222	
Samad Maheen Yunus	Other related party	2,470	2,195	
Anum Maheen Yunus	Other related party	2,545	2,262	
Umeed Ansari	Director	1	1	
Ahsan Mahmood Alvi	Director	1	1	
Kazim Raza	Director	1	1	
Tulu Javed Yunus	Other related party	-	3,837	
Remuneration Paid				
Naveed Yunus	Director	4,800	1,304	
Javed Yunus	Director	3,600	1,215	
Pervez Yunus	Director	3,600	1,215	
Chief Justic (R) Mian Mahboob Ahma	d Director	245	100	
Umeed Ansari	Director	130	60	
Ahsan Mahmood Alvi	Director	170	120	
Kazim Raza	Director	2,340	2,226	
Shabbir Ali Kanchwala	Key management personnel	2,400	2,280	

32 MANAGEMENT OF INSURANCE AND FINANCIAL RISK

The risks involved with financial instruments and the Company's approach to managing such risks are discussed below.

32.1 Insurance risk

The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The principal risk that the Company faces under such contracts is that the occurrence of the insured events and the severity of reported claims. The Company's risk profile is improved by diversification of these risks of losses to a large portfolio of contracts as a diversified portfolio is less likely to be affected by an unexpected event in single subset.

The Company principally issues the general insurance cover. Risks under these policies usually cover a twelve month duration. For general insurance contracts the most significant risks arise from fire.

Underwriting limits and retention policies and procedures precisely regulate who is authorized and accountable for concluding insurance and reinsurance contracts and at what conditions. Compliance with these guidelines is regularly checked and developments in the global, regional and local markets are closely observed, reacting where necessary with appropriate measures that are translated without delay into underwriting guidelines if required.

The primary risk control measure in respect of the insurance risk is the transfer of the risks to third parties via reinsurance. The reinsurance business ceded is placed on a proportional and non proportional basis with retention limits varying by lines of business.

Reinsurance is used to manage insurance risk. Although the Company has reinsurance arrangements, it does not, however, discharge the Company's liability as primary insurer and thus a credit risk exposure remains with respect to reinsurance ceded to the extent that any reinsurer may be unable to meet its obligations under such reinsurance arrangements. The Company minimizes such credit risk by entering into reinsurance arrangements with reinsurers having good credit ratings, which are reviewed on a regular basis. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract.



(Rupees i	in '000)
2016	2015

Claims Development		
Estimate of ultimate claims costs		
as recognized till year end	891,127	551,403
Current estimate of cumulative claims	256,922	208,378
Cumulative payments to date	(603,924)	(502,858)
Liability recognized in the balance sheet		256,923

Sensitivity Analysis

The insurance claims provision is sensitive to the above key assumptions. The analysis below is performed for reasonably possible movements in key assumptions with all other assumptions held constant showing the impact on liabilities and revenue account.

December 31, 2016	Change in claims assumption	Impact on gross liabilities	Impact on revenue account	
Current claims	+10%	89,113	(89,113)	
	-10%	(89,113)	89,113	

32.2 Reinsurance risk

Rating	Amount due from reinsurers	Reinsurance recoveries against outstanding claims	Other reinsurance assets	
A or above (including PRCL)	61,470	394,593	323,669	
BBB and others	-	-	-	

32.3 Credit risk

Credit risk is the risk that the counter party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements.

Exposure to credit risk

The maximum exposure to credit risk before any credit enhancements as at December 31, 2016 is the carrying amount of the financial assets as set out below:

	2016	2015
Nature of financial assets		
Cash and bank deposits	69,663	66,944
Term finance certificate	7,289	51,242
Premiums due but unpaid	108,605	41,928
Amounts due from other insurers/reinsurers	61,470	35,050
Reinsurance recoveries against outstanding claims	394,593	116,419
Advances, deposits and receivables	57,703	33,515
Accrued investment income	1,884	1,969
	701,207	347,067

Concentration of Credit Risk

Concentration of risks arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. Provision for impairment is made for doubtful receivables according to the Company's policy. The remaining past due balances were not impaired as they relate to a number of policy holders and other insurers / reinsurers for whom there is no history of default. The credit quality of the banks with which Company has balances including TDR's can be assessed with reference to external credit ratings as follows:

(Rupees in '000)

	Rati	ng	Rating	2016	2015
Name of banks	Short term	Long term	agency		
Allied Bank of Pakistan	A1+	AA+	PACRA	709	143
Askari Bank Limited	A1+	AA+	PACRA	30	133
Al Baraka Bank (Pakistan) Ltd	A1	Α	PACRA	5	6
Bank Alfalah Limited	A1+	AA	PACRA	2	2
The Bank of Punjab	A1+	AA	PACRA	273	86
Dubai Islamic Bank	A-1	A+	JCR-VIS	4	28
Faysal Bank Limited	A1+	AA	PACRA	3,458	6,021
Habib Metropolitan Bank	A1+	A1+	PACRA	43	863
Habib Bank Limited	A-1+	AAA	JCR-VIS	1	20
MCB Bank Limited	A1+	AAA	PACRA	3	1,933
National Bank of Pakistan	A1+	AAA	PACRA	94	90
Samba Bank Limited	A-1	AA	JCR-VIS	-	-
Soneri Bank Limited	A1+	AA-	PACRA	1,712	1,042
Summit Bank Limited	A-1	A-	JCR-VIS	4,138	3,531
Sindh Bank Limited	A-1+	AA	JCR-VIS	1	1
United Bank Limited	A-1+	AAA	JCR-VIS	471	649
The Punjab Provincial Bank	-	-	-	78	-
JS Bank Limited	A1+	AA-	PACRA	44	16
NIB Bank Limtied	A1+	AA-	PACRA	8	8
The Karakoram Cooperative Bank	-	-	-	579	268
				11,653	14,840

Name of Banks

	Rati	ng	Rating	2016	2015
Term deposit certificates	Short term	Long term	agency		
JS Bank Limited	A1+	AA-	PACRA	1,000	1,000
Summit Bank Limited	A-1	A-	JCR-VIS	50,150	38,600
Dubai Islamic Bank	A-1	A+	JCR-VIS	-	10,000
MCB Bank Limited	A1+	AAA	PACRA	550	-
Faysal Bank Limited	A1+	AA	PACRA	2,500	2,500
The Karakoram Cooperative Bank	-	-	-	3,800	
				58,000	52,100

32.4 Impaired assets

The impairment provision is written-off when the Company expects that it cannot recover the balance due. During the year, receivables of Rs.217,693 (2015: 1,887,848) were further impaired and provided for. The movement in provision for doubtful debts account is shown in note 16.1.



32.5 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 difficulty 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 stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. In the case of the Company, the liquidity level remained on satisfactory level during the year and Company did not face any difficulty in generation of liquidity.

The following are the contractual maturities of financial liabilities including estimated interest payments on an undiscounted cashflow basis:

			2016	(Ru	pees in '000)
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Over one year
Non-derivative					
Financial liabilities					
Creditors and accruals	43,133	43,133	22,467	3,589	17,077
Provision for outstanding claim					
(including IBNR)	544,125	544,125	339,700	50,723	153,702
Due to directors	2,374	2,374	1,961	101	312
	589,632	589,632	364,128	54,413	171,091
			2015		
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Over one year
Non-derivative					
Financial liabilities					
Creditors and accruals	45,648	45,648	30,131	2,569	12,948
Provision for outstanding claim					
(including IBNR)	256,923	256,923	140,094	46,622	70,207
Due to directors	10,085	10,085	2,530	3,330	4,223
	312,656	312,656	172,755	52,521	87,378

32.6 Market risk

The risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activites, supply and demand of securities and liquidity in the market.

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company manages the market risk by monitoring exposure on related securities by following internal risk management policies.

Primarily, the Company's equity investments are exposed to market risk. Market risk is limited by diversification of the portfolio and active monitoring of capital markets.

The table below summarizes the Company's equity price risk as of December 31, 2016 and 2015 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse in Company's equity investment portfolio because of the nature of equity markets.

(Rupees in '000)

	Fair value	Hypothetcal price change	Estimated fair value after hypothetical change in price	Hypothetical increase / (decrease) in shareholder's equity*	Hypothetical increase / (decrease) in profit / (loss) before tax*	
December 31, 2016	898,962	10% increase 10% decrease	988,858 809.066	62,028 (62,028)	89,896 (89,896)	
December 31, 2015	677,436	10% increase 10% decrease	745,179 609,692	46,066 (46,066)	67,744 (67,744)	

^{*} As per requirements of S.R.O. 938 issued by the SECP, available for sale equities are stated at lower of cost or market value . Therefore change in market value does not affect shareholders' equity and profit and loss account.

The Company's policy is to manage price risk through diversification and selection of financial instruments within specified limits.

32.7 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. Majority of the interest rate exposure arises from TDRs and TFC's. At the balance sheet date, the interest rate profile of the Company's interest - bearing financial instruments is:

	Carrying amount			
	2016	2015		
Fixed rate instruments Financial assets	51,872	102,457		
Financial liabilities	-	-		
Variable rate instruments				
Financial assets	115,339	100,677		
Financial Liabilities	-	_		

Sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates would have increased the profit and loss by the amounts shown below. Reduction in interest rates by 100 basis points would have a vice versa impact. This analysis assumes that all variables remain constant. The analysis is performed on the same basis for the comparative period.

·	Profit be	fore tax	Total Equity				
	100 bp	100 bp	100 bp	100 bp			
	increase	decrease	increase	decrease			
	Rupees '000						
As at Decembr 31, 2016							
Sensitivity	1,153	1,153	796	796			
As at December 31, 2015							
Sensitivity	1,007	1,007	685	685			

Above sensitivities are calculated on the assumption that all factors remain constant except interest rates and resulting variation in fair values of the investments and impact on the profit and loss. The Company monitors the interest rate environment on a regular basis and alters the portfolio mix of fixed and floating rate securities.

The Company's policy requires the management to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities.

The average effective duration of the Company's portfolio is a measure of the sensitivity of the fair value of the Company's fixed interest securities to changes in market interest rates.

The Company's policy refrains from holding interest bearing instruments that induce the average effective duration of the fixed interest portfolio to pass the benchmark of the average duration.



32.8 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistani rupees.

33. CAPITAL MANAGEMENT

The objectives, policies and processes for managing capital of the Company are as follows:

- To be an appropriately capitalized institution, as defined by regulatory authorities and comparable to the peers;
- Maintain strong rating and to protect the Company against unexpected events;
- Availability of adequate capital at reasonable cost so as to enable the Company to expand; and
- Achieve low cost of capital with appropriate mix of capital elements.

34. FAIR VALUE MEASUREMENT

IFRS 13 defines fair value as an exist price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input for which the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input for which the fair value measurement is unobservable.

Carrying amount of assets measured under historical cost convention approximate their fair value. Further, fair value of certain assets measured under present value convention is not determinable. Hierarchy of fair value levels is disclosed as under:

	(Rupees in ′000) 2016			
	Fair value measurement using			
	Level 1	Level 2	Level 3	
Fair value - amounts for disclosure purposes				
- Investment properties	-	174,290	-	
- Investment - available for sale	114,829	-	-	
	114,829	174,290	-	
Fair value - amounts for accounting purpose				
- Investment - held for trading	898,962	-	-	
		2015		
	Fair va	alue measureme	nt usina	
	Level 1	Level 2	Level 3	
Fair value - amounts for disclosure purposes				
- Investment properties	-	174,290	-	
- Investment - available for sale	168,381	-	-	
	168,381	174,290	-	
Fair value - amounts for accounting purpose				
- Investment - held for trading	677,436	-	-	

35 SEGMENT REPORTING

Each class of business has been identified as reportable segment. Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following is a schedule of class of business wise assets and liabilities:

									(Rupees	in '000)
	Fire and Property Damage				Motor		Miscellaneous		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Underwriting result	85,182	75,254	36,913	34,895	38,182	24,070	20,981	29,196	181,258	163,414
Segment assets Unallocated corporate assets	395,081	204,302	142,442	70,799	136,758	76,170	469,777	224,879	1,144,058 1,191,727	576,149 999,120
Total assets									2,335,785	1,575,269
Segment liabilities	417,900	242,917	150,669	84,181	144,657	90,567	496,911	267,382	1,210,137	685,047
Unallocated corporate liabilities									143,948	134,208
Total liabilities									1,354,085	819,255
Capital expenditure	7,035	28,924	2,760	10,418	2,500	11,570	8,340	33,919	20,635	84,831
Depreciation	5,030	4,214	1,813	1,460	1,741	1,571	5,981	4,639	14,565	11,885
						Note	20	16		2015

EARNINGS PER SHARE	Note	2016	2015 Restated
Net profit after tax for the year		282,147	131,252
		Number o	f Shares
Weighted average number of ordinary shares outstanding		50,815,164	50,815,164
Basic and diluted earning per share (Rupees)	36.1	5.55	2.58
	Net profit after tax for the year Weighted average number of ordinary shares outstanding	EARNINGS PER SHARE Net profit after tax for the year Weighted average number of ordinary shares outstanding	EARNINGS PER SHARE Net profit after tax for the year Rumber of Weighted average number of ordinary shares outstanding 282,147 Number of 50,815,164

36.1 There is no dilution effect on the basic earnings per share as the Company has no convertible dilutive potential ordinary shares outstanding on year end, consequently reported basic earnings per share is also diluted earning per share. The corresponding earnings per share has been adjusted on account of issuance of bonus shares.

37 NUMBER OF EMPLOYEES

NOWBER OF EMPLOTEES		
Number of employees at the end of the year	126	122
Average number of employees	124	123

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on March 21, 2017 by the Board of Directors of the Company.

39 GENERAL

- i) Figures have been rounded off to the nearest rupee.
- ii) Corresponding figures have been re-arranged and re-classified, where ever necesary for the purpose of comparison, significant reclassification for purposes of correct presentation, are as under:

Reclassification from component	Reclassification to component		
General administration expenses		28	16,301
·	Management expenses	24	16,301
	į.		

Chairman

Managing Director & Director

Chief Executive Officer

Director

Karachi Dated : 21st March, 2017

PATTERN OF SHARE HOLDINGS



HELD BY THE SHAREHOLDERS OF EAST WEST INSURANCE COMPANY LIMITED AS AT DECEMBER 31, 2016

No. of Shareholders	Shareholding Range		Shareholdings	Percentage
	From	То		
16	1	100	1.106	0.0022
173	101	200	20,675	0.0407
4	201	800	2,306	0.0045
3	1,001	3,000	6,642	0.0131
2	3,001	8,000	10,267	0.0202
5	8,001	10,000	47,804	0.0941
3	10,001	11,000	30,511	0.0600
7	11,001	12,000	80,465	0.1583
7	12,001	15,000	99,034	0.1949
3	15,001	19,000	53,015	0.1043
5	20,001	23,000	104,963	0.2066
4	23,001	25,000	95,031	0.1870
5	25,001	30,000	142,238	0.2799
1	30,001	61,000	61,645	0.1213
3	27,001	900,000	1,815,771	3.5733
1	1,200,001	2,000,000	1,712,453	3.3700
10	2,000,001	3,000,000	28,559,727	56.2032
3	3,000,001	3,500,000	10,154,709	19.9836
2	3,500,001	4,000,000	7,816,802	15.3828
257			50,815,164	100.0000

Categories of Shareholders	Number	Share Held	Percentage
CEO, Directors and their spouses and minor children Joint Stock Companies, Insurance Companies,	14	32,755,206	64.4595
Investment Companies & Modaraba	1	3,062	0.0060
Individual	242	18,065,896	35.5345
Total	257	50,815,164	100.0000

Information as required under the Code of Corporate Governance

Categories of Shareholders	Shareholders	Share Held	Percentage
Associated Company			
M/s. East West Life Assurance Co., Ltd.	1	3,062	0.0060
CEO, Directors, their Spouses and Minor Children			
Chief Justice (R) Mian Mahboob Ahmad	1	2,055	0.0040
Javed Yunus	1	3,926,428	7.7269
Pervez Yunus	1	3,881,051	7.6376
Naved Yunus	1	3,756,633	7.3927
Maheen Yunus	1	4,271,865	8.4067
Umeed Ansari	1	765	0.0015
Ahsan Mahmood Alvi	1	695	0.0014
Mirza Kazim Raza	1	632	0.0012
Ambreen N. Yunus	1	4,084,966	8.0389
Rubina J. Yunus	1	2,517,500	4.9542
Samina P. Yunus	1	2,537,459	4.9935
Shamaila M. Yunus	1	3,262,270	6.4199
Samad M. Yunus	1	2,222,682	4.3741
Anum M. Yunus	1	2,290,205	4.5069
Individual	242	18,056,896	35.5345
Total	257	50,815,164	100.0000

ڈائر یکٹرز جومیٹنگ میں حاضرنہیں ہو سکے رعایت دی جاتی ہے۔

Auditors

BDO آڈیٹرز ابراہیم اینڈ کمپنی چارٹرڈ اکاونٹنٹ ریٹائرڈ ہونے کے بعداُ نھوں نے دوبارہ اپوئمنٹ حاصل کرنے BDO آڈیٹرز ابراہیم اینڈ کمپنی چارٹرڈ اکاونٹنٹ Auditor کی جاری کردہ Rating کے میعار پر پورے کے لیئے پیشکش کی ہے۔ بیرونی معارض میں معار پر پورے اُئر کے لیئے بیش میں جو کہ باہمی منظوری کے ساتھ طے ہوگی سال ۲۰۱ے لئے سفارش کی گئی ہے۔

تعريف اورتسليم

ہم اپنے حصد داران اور کلائنٹ کے شکر گزار ہیں کہ اُنھوں نے ہم پہ بھروسہ رکھا ہے اور ہمیں اس قابل بنایا کہ ہم مارکیٹ میں ایک اچھا سائز کا Premium حاصل کریں۔ہم اپنے Reinsurer کرانے والے اور بروکر حضرات کا بھی معاونت کے لیئے شکر بیادا کرتے ہیں۔

ہم سیکیورٹی ایکشن کمیشن آف پاکستان کے انشورنس ڈیویژن کے تعاون اور پیشا وارا نہ جمایت کے لیئے اُن کے شکر گزار ہیں۔ بلاغرض ہم اپنی مارکیٹنگٹیم کے بھی شکر گزار ہیں۔ جن کی وجہ سے ہم نے اپنے مقاصد کمپنی کے لیئے حاصل کیئے اوراُ میدکرتے ہیں کہ وہ اپنی کوشش جاری رکھیں گے سال کا ۲۰ میں۔

بورڈ آف ڈائر یکٹر کی طرف سے

نویدیونس میخنگ ڈائر یکٹر چیف ایکز یکیوٹو کراچی ۲۰۱۷ مارچ ۲۰۱۷



انڈررائٹینگ	ہیومن	ا نویسٹمنٹ	کلیم میٹی	رى انشورنس	آ ڈٹ کمیٹی آڈٹ	بورة	بور ڈ اور میٹی ممبرز
سميثي		سميدلي		سميثي		میٹنگ	
	سمييلي						
۴	γ	11	۴	۴	~	۲	
						۵	چيف جسٹس مياں
							محبوباحمه
		15	۳	۴		٦	نو يد يونس
			۳		٣	۲	جاويد يونس
۴			٣			۴	پرویز بونس
						٣	ما بین بونس
۴	۴		1	۴	٣	۵	أميدانصارى
	۴	11			۴	٦	احسن محمو دعلوی
۴				۴	۴	4	انجينيئر كاظم رضا
	۴	11	۴				شبيرعلى كانچ والا
					~		جو ہر ی عل
			۴				مظهرالدين
				۴			ارشدعلی
۴							محمشريف
	~						عادل حسين
		11					محمد شریف عادل حسین سعیداحمد

عبوری منافع منظسمہ ۲۰۱۱ (2015 10%) عبوری منافع منظسمہ ۲۰۱۱ (12.5% (۱۵۰۰۰۰) جنرل ریز رومیں ٹرانسفر جنرل ریز رومیں ٹرانسفر بوئس شیئر اجراء ۲۰۱۹ (12.5% 12.5%) میال کا بچاہوا بیلنس

کار بوریٹ اور فائنینشل ریورٹنگفریم ورک

اے) سمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمنٹ کی تمام معلومات کوصاف شفاف انداز میں واضح کرنے کے ساتھ اس کے آپریشنز کے نتائج ،نفذ کی آمد ورفت اورا یکویٹی میں تبدیلیاں شامل ہیں۔

- بی) اکا ونٹس کی کتابیں کمپنی کی جانب سے قوائد وضوابط کے مطابق تیار کی گئی ہیں۔
- سی) موزوں اکا ونٹنگ پالیسیز پر مالیاتی اسٹیٹمنٹ اور اکا ونٹنگ تخمینہ جات کی تیاری کے لئے مستقل اپنائی جاتی ہیں جو موزوں اور مختاط اندازوں پر منصر ہوتی ہے۔
- ڈی) انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) پر،جیسا کہ پاکستان میں نافذ العمل ہے، مالیاتی اسٹیٹنٹ کی تیاری کی جاتی ہےاورکہیں اس سے انحراف کیا گیا ہوتو اس کو واضح طور پر ظاہر کر دیا جاتا ہے۔
- ای) داخلی کنٹرول کا نظام شحکم طور پرتر تیب دیا گیا ہے اور موثر طور پرعملدرآ مد کے ساتھ اس کی نگرانی بھی کی جاتی ہے۔
 - ایف) سمینی کی اس صلاحیت پرکسی قتم کے شکوک وشبہات نہیں کہ یہ چلتے رہنے والا ادارہ ہے۔
- جی) کار پوریٹ گورنینس کے بہترین طریقہ کارسے جیسا کہ لسٹنگ ریگولیشنز میں درج ہے کوئی قابل اثر اندازی انحراف نہیں کیا گیا۔
 - ایج) گزشتہ چھسال کے لیئے نمایاں آپریٹنگ اور فنانشل اعداد وشار منسلک ہیں۔
 - آئی) پراویڈنٹ فنڈ کی سرمایہ کاری کی مالیت اساد سمبر ۲۰۱۷ کے مطابق تقریباً ۲۵ ملین ہے۔
 - ج) کمپنی میں ۳۱ دسمبر ۲۰۱۷ کوشئیر ہولڈنگ کی جوصور تحال تھی اس کا اسٹیٹمنٹ رپورٹ میں شامل ہے۔



كليمز سيطامنط تمييطي

یہ کمپڑی کمپڑی کے کلیمز کونمٹانے کی پالیسی تشکیل دیتی ہے۔ یہ کپٹی کے کلیمز کی پوزیشن پرنگاہ رکھنے کے ساتھ اس امرکو بقینی بناتی ہے کہ کلیمز کے لیئے مناسب ریز روز موجود ہول ۔ خاص نوعیت کے کلیمز کے کیسز یا ایسے واقعات جن کی بدولت کلیمز کا ایک مخصوص سلسلہ شروع ہوجانے پرخصوصی توجہ دی جاتی ہے، اسے دیکھنا بھی اس کمیٹی کی ذمہ داری ہے۔ کلیمز کلیمز کا ایک مخصوص سلسلہ شروع ہوجانے پرخصوصی توجہ دی جاتی ہے، اسے دیکھنا بھی اس کمیٹی کی ذمہ داری ہے۔ کلیمز کا تنازع اس کے علم میں لایا گیا ہواور فیصلہ کرتی ہے کہ ایسے کلیمز کے تنازعات سے کس طرح نمٹا جائے۔ دھو کے پربنی کلیمز کے کیسز سے نمٹنے کے لیئے بھی اقد امات کی گرانی بھی گرانی کرتی ہے۔ کمیٹی کی گرانی بھی کرتی ہے۔ کمیٹی کے لیئے تائم شدہ گریوائنس فنکشن (Grievance Function) کی نگرانی بھی کرتی ہے۔

رى انشورنس اور كوانشورنس تميثي

یہ میٹی اس امرکویقینی بناتی ہے کہ مینی کے انشورنس کا روبار کے لیئے ری انشورنس کے لیئے مناسب انتظامات کیئے گئے میں ۔ یہ مجوزہ ری انشورنس کے معاہدوں سے قبل ان کا تقیدی نگاہ سے مشاہدہ کرتی ہے، وقیاً فو قیاً کئے جانے والے انتظامات کا جائزہ لیتی رہتی ہے اور شرکت کرنے والے ری انشوررز سے اتفاقِ رائے حاصل کرنے کی ذمہ دار ہوتی ہے اس کے علاوہ مارکیٹ کے اُتار چڑھاو کی روشنی میں ان انتظامات کے لیئے موزوں ترین اقد امات کرتی ہے ۔علاوہ ازیں مستقبل کے حوالے سے ری انشورنس پروگرام کے موثر ہونے کی جانچ بھی کرتی ہے۔

رسك مينجمنث اوركمپلائنس كميثي

رسک مینجمنٹ اور کمپلانس کمیٹی کمپنی کے رسک مینجمنٹ فنکشن (خطرات کے بندوبست) کے امور کی سرگر میول کی تگرانی کرتی ہے اور بورڈ کو خطرات کے بندوبست کے امور کے دائرے کے اندر آنے والے ممکنہ خطرات سے نمٹنے کے موزوں سفارشات پیش کرتی ہے۔

PKR 000

۲92،+۱۳

(IMAYY)

MARICZ

4+17,747

مختص رقوم اور منافع منقسمه منافع ٹیکس سے پہلے منہا ٹیکسیشن سال کا منافع شروع سال کا بیلنس معاونت حاصل ہے تا کہ کمپنی کی وقعت میں اضافہ ہواور کمپنی کے آپریشنز غیر جانبدار اور معروفی یقین دہانی میسر رہے انٹرنل آڈیٹر کی بنیادی ذمہ داری وقاً فو قاً آپریشنل کنٹرولز کی موزونیت آڈٹ کرنا پالیسیز اور طریقہ کار کا تواتر سے نفاذ جانچتے رہنا، قوانین اور ریگولشنز سے مبطابقت کو برقرار رکھتے رہنا ہے۔

انویسٹمنٹ کمپٹی

آپ کی کمپنی کا پورٹ فولیو اور اُس کی سُپر ویجن تعلیم یافتہ ہاتھوں میں ہے۔ حالات کے مدِ نظر آپ کی کمپنی کی Investment پالیسی کیش حاصل کرنے کے لیئے ہے۔ جس کے پاس اپناذا کد Fund موجود ہے جو کہ عین وقت برکلیم ادا کرنے کے لیئے مناسب ہے۔

سمینی کے پاس بورڈ کی سطح کی ایک انویسٹمنٹ سمیٹی ہے جو کہ انویسٹمنٹ بورٹ فولیوکا جائزہ لینے کے لیئے سہ ماہی بنیاد پراجلاس بُلاتی ہے۔ سمیٹی سمینی کے لیئے سرمایہ کاری کی پالیسی تیار کرنے کی بھی ذمہ دارہے۔

ضابطه ٔ اخلاق ، هیومن ریسورس اور ریمیو نیریش ممیشی

یہ میٹی بورڈ کو کمیٹی کی ہیومن ریسورس مینجمنٹ پالیسیوں کے لیئے سفارشات دینے کے ساتھ سلیکشن ، جائز ہ لینے اور کمپنی کے اہم افسران کے مشاہروں کے قین کی ذمہ دارہے۔

انتظامي كميثير

اس کےعلاوہ تمپنی کی چارا نتظامی تمیٹی بھی ہیں جو ہرتین ماہ کے بعد میٹنگ کرتی ہیں۔

انڈررائیٹنگ کمیٹی

انڈررائیٹنگ کمیٹی آپ کی کمپنی کی انڈررائیٹنگ پالیسی تشکیل دیتی ہے۔ بیانشورنس میں ممکنہ طور پر پیش آنے والے مختلف اقسام کے خطرات کا جائزہ لیتی ہے، اس کے لیئے میعار کا تعین کرتی ہے اور مختلف انشورنس کورز کی پر یمیئم پالیسی طے کرتی ہے۔ کمپنی با قاعد گی سے کمپنی کی انڈررائیٹنگ اور پر یمیئم پالیسیوں کا جائزہ، متعلقہ عناصر مثلاً کاروباری پورٹ فولیو اور مارکیٹ میں ہونے والی تبدیلیوں کو مدنظر رکھتے ہوئے لیتی ہے۔

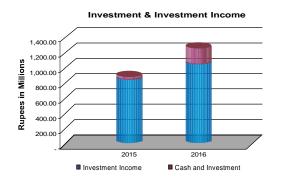


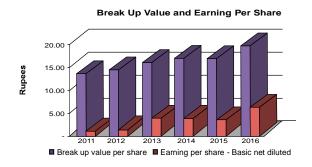
انویسٹمنٹ اورانویسٹمنٹ آمدنی

ا ٹا نہ جات زیرنگرانی انتظامیہ کے کیش اور انویسٹمنٹ ۳۱ دمبر، ۲۰۱۲، ۸۰ بلین رہی جو کہ بچھے سال کے مقابلے میں %۲۰ دیادہ ہے۔ سرمایہ کاری کی آمدنی ۵۱ ملین پنچی جو کہ ایک ریکارڈ ہے۔جس کی بنیاد پاکستان اسٹاک ایکینیج کی کارکرکردگی کی بدولت ہے۔

EQUITY پرمنافع

کمپنی کے اوسطا یکو پٹی پروائیسی گزشتہ سال کے مقابلے مین ۲۸ کے ۲۸ فیصدر ہی جو کہ ۳۱ کا فیصد پچھلے سال کے مقابلے میں بڑھ کرہے۔





في خصص آمدني

منافع بڑھنے کی وجہ سے فی خصص ۵۵ ۵ حاصل کیا جو کہ بچھلے سال ۵۸ ۲ کے مقابلے میں % ۱۱۵ بڑوھتری ہے۔

2017 کے پراس پیکٹس

کمپنی کا یقین ہے کہ اس کے علاوہ فائنیشل نتائج کی بنیاد پر کمپنی تکافل (Takaful) انشورنس کاروبار میں شرکت کرے گی،جس کے لیئے کمپنی پہلے سے ہی لائسنس حاصل کرنے کی کاوش شروع کر چکی ہے۔ یہ خیال کیا جاتا ہے کہ ۲۰۱۷ کمپنی کے لیئے ترقیاتی اور متنوع سال ہوگا۔

بورد كميثيز

سمینی کی مندرجہ ذیل چار بورڈ کمیٹیز ہیں۔

ى آ ۋ كىيىنر

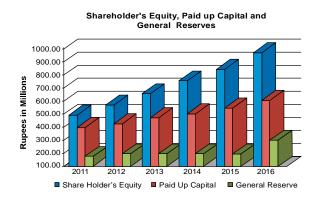
داخلی کنٹرول کے ایک مشحکم نظام کے موثر نفاذ بمثول کنٹرول کے تمام طریقہ کارپڑمل درآمد کی ذمہ داری بورڈ کی ہے۔ آڈٹ تمبیٹی کوانتظامیہ کنٹرول کی موزونیت کے جایئز ہے اور مکنہ خطرات برنظرر کھنے اوران کوسنجا لنے میں انٹرنل آڈیٹر کی

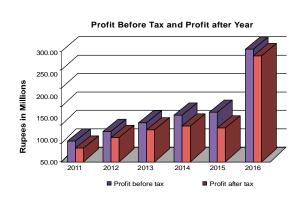
ری انشورنس کے انتظامات

۲۰۱۳ کے بعد اپنے اکاونٹ پُر مناسب معاہدے پر برقر اررکھتے ہوئے Non propotional treaty کو بہت سے نقصانات ہمارے برقر اررکھا ہے۔ جس کا نتیجہ Reinsurer کے لیئے بہت مثبت ثابت ہوا ہے کیوں کہ بہت سے نقصانات ہمارے اپنے اکاونٹ پررہے ۔ تاہم ۲۰۱۲ میں ہمیں دو بہت بڑے نقصانات اداکر نے پڑے جن میں سے ایک فائر اور دوسرا انجینیئر نگ پورٹ فولیو میں واقع ہوا ۔ دونوں کلیم ہماری اکاونٹس کی بگ میں درج کردیئے گئے ہیں جو ہمارے قابل سرویئر نے رپورٹ کیئے ہیں ۔ ایک دفعہ پھر ان کو ایڈ جسٹ کرنا اور اُس کے بعد ان کو ہماری XOL میں ظاہر کرنا ہمارے معاہدے میں شامل ہے ۔ وقت کے مطابق نقصانات کے بارے میں ہم کامیا بی سے دوسرے معاہدے کے ساتھ ہیں۔ حوکہ "A" درجہ Reinsurer کے ساتھ ہیں۔

ا يکوئڻی،Slovencyاور خصص داران کا فنڈ

صے داران کا کیپیٹل دسمبر ۲۰۱۷ میں ۲۰ ۹۸۱ ملیئن ریکارڈ کیا ہے۔اگر چہ ہمارے پاس کافی سر مایہ موجود ہے اور ہمیں مزید سر مایہ لانے کی ضرورت نہیں ہے۔ اس کے باوجود کمپنی نے حالیہ سال ۲۰۱۷ میں % ۲۰ ابونس شیئر زیبیش کیئے مزید سر مایہ لانے کی ضرورت نہیں ہے۔ آپ یہ جان کرخوش ہوں گے کہ کمپنی نے انتہائی کا میابی ہیں۔ جس سے سر مایہ استعال کیا جو کہ پرائیویٹ سیٹر میں Gross Premium کے سر مایہ استعال کیا جو کہ پرائیویٹ سیٹر میں میں اچھے تناسب سے ثابت ہوتا ہے۔ جس سے شیئر ہولڈرا کیویٹ بیٹر ہوگئی ہے۔





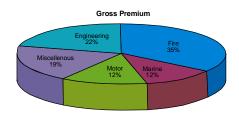


زرعی انشورنس

آ بکی کمپنی پہلی کمپنی ہے جونصل اپالتو مولیثی کی انشورنس کرتی ہے جس میں ٹریکٹر، ٹیوب ویل اور اوز ارشامل ہیں۔
اس سال اتنی ترتی نہیں ہوئی جو ہمارے زیز غور ہے۔ تاہم کا ۲۰ کے لیئے کمپنی پلاننگ کررہی ہے تا کہ مختلف کمرشل اور
پرائیوٹ بینک اس پورٹ فولیو میں آ جائیں ۔ نیشنل بینک آف پاکستان کے ساتھ بات چیت جاری ہے جونصلوں کی
اسکیم کے ایک بڑے مالی ذخائر کے ساتھ حمایت کرتا ہے۔ ایک بڑے مالی وسائل کے ساتھ ہماری بات چیت دوسر بینکوں کے ساتھ بھی جاری ہے جوکسانوں کو کمرشل سپورٹ کر سکتے ہیں جیسا کہ اسٹیٹ بینک آف پاکستان کی جانب
سے کہا گیا ہے۔

پالتومویثی پاکتان کی ذرعی صنعت کا ضروری حصہ ہے اور یہ بہت بڑا کر دارادا کرتے ہیں۔ پاکتان کی معیشت میں۔ پالتومویثی کی پیداوار ملک میں بہت تیزی سے بڑھر ہی ہے اوراس کی مانگ بھی بہت زیادہ ہے۔ کیوں کہ پاکتان کی آبادی تیزی سے بڑھ رہی ہے۔ایسٹ ویسٹ انشورنس کمپنی کو یہ فخر حاصل ہے کہ وہ پالتو مویثی کی انشورنس شروع سے لے کرآج تک اس میں شامل رہی ہے اورا یک Leading کمپنی ہے جس کا تجربہ انتہائی وسیج ہے۔کپنی پالتو مویثی کے تمام نقصانات کے لیئے انشورنس کرتی ہے، جس میں بیاری ،حادثات ، آگ ، لائمنگ اور سانپ کے کاشنے کی بھی انشورنس شامل ہے۔سال ۲۰۱۲ میں ہم نے زرعی پریمئیم ۲۸ ۔ ۵۵ ملیز یکارڈ کیا ہے۔





قرضه جات کی ریڈنگ

آپ یہ جان کرخوش ہوں گے کہ IFS کی Rating بڑھ کر (A plus) " +A " ہوگئ ہے۔ ۱۰۲ میں PACRA اس کی تمام ضروریات کود کھتے ہوئے ،اس کے مقاصد مندرجہ ذیل ہیں۔

م)۔ Equity ریشو کی بڑھاوت

۵)_مضبوط خطرے کو برداشت کرنے کی گُنجائش

ا)۔ Premium income میں برگا و صر کی۔

۲) _مضبوط ریزرو / بنیاد

س)۔ مینجمنٹ کی بلاننگ۔

موٹرانشورنس

آپ کی کمپنی نے موٹرانشورنس Protection اور Protection میں ۲۴۷.۰۱ ملین حاصل کیا ہے جس میں حفاظتی پر پمکیم اور تیسری پارٹی کا انشورنس کی گنجائش بھی رکھی گئی ہے۔تا ہم غیر موثر انتظامی کنٹرول کی وجہ سے بہت سارا نقصان آمدنی میں ہوا ہے۔جس کی وجہ غیر صحت مند آنہ طریقے کاراور غیر رجٹر ڈشدہ انشورنس کمپنیز ہیں۔جو جالی نتائج پیش کرتے ہیں۔اس صورت حال کو کنٹرول کرنے کے لیئے متعلقہ اتھارٹیز کو پورے پاکستان میں بخو بی جائزہ لینے کی ضرورت ہے تا کہ عوام کو نقصان نہ ہو۔

الجينيئر تكانشورنس

انشورنس کمپنیاں حادثات کے نقصان کو Cover کرتی ہیں۔ہماری کمپنی پاکستان انجینیئر نگ کونسل کے ساتھ رجسٹر ڈ ہے۔اس سلسلے میں ہمارے تعلقات قومی سطحہ کے کنٹر یکٹرز اور بہت سارے دوسر مے حکموں کے ساتھ بھی رجسٹر ڈ ہے۔اس سلسلے میں ہمارے تعلقات قومی سطحہ کے کنٹر یکٹرز اور بین الاقوامی سطحہ کے کنٹر یکٹر کے ساتھ اچھے ہیں۔اس کے علاوہ ہم پیش آوارانہ انشورنس بھی پیش کرتے ہیں کست نیس کرتے ہیں۔2016 میں ہمارا کنسائنٹ کواوراُن کے ڈیزائن کی پلاننگ اور تغمیری کا موں میں بھی انشورنس پالیسی پیش کرتے ہیں۔2016 میں ہمارا منافع ۴۵۸.۲۲ ملین ہے جو براہ راست برنس سے تعلق رکھتا ہے۔

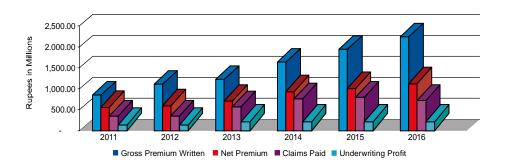
مختلف حادثات

مُلکی حالات اور Law & Order کی بہتر صورت حال اور بین القوامی شہروں کے حالات کے نتیجے میں انشورنس کی ڈیمانڈ زیادہ ہوگئی ہے، جس کا نتیجہ یہ ہے کہ لوگ مختلف خطرات اور وجو ہات کو دیکھتے ہوئے انشورنس کراتے ہیں۔ بشمول شخصی حادثات، ہاوس ہولڈ انشورنس، چوری چکاری عوام کے تحفظ کی انشورنس اور کیش کی حفاظت کے لیئے بھی انشورنس کراتے ہیں۔سال ۲۰۱۲ میں ہم نے اس مرمیں ۳۵.۲۵ ملین حاصل کیا ہے۔

سفراور صحت کی انشورنس

ایسٹ ویسٹ انشورنس کمپنی سفر اور صحت کے انشورنس بھی کرتی ہے۔ جن کے آفیسس لا ہور، اسلام آبا داور ریجنل آفیس کراچی ساوتھ میں واقع ہیں۔ بہت سارے ہیتال کے پینل کے سبب انشورنس بڑھ رہا ہے۔ اس کے علاوہ ہم سفر کرنے والوں کو بھی انشورنس کی پیش کش کرتے ہیں جو ویزے کے سلسلے میں غیرمُلکی دفتر وں میں جاتے ہیں۔ اس سلسلے میں بہت سارے سفارت خانے ہماری انشورنس پالیسی کو قبول کرتے ہیں۔ سال ۲۰۱۸ میں ہم نے ۲۱۔ ۲۰۷ ملین سفر اور صحت کے انشورنس سلسلے میں حاصل کیا ہے۔





مشکلات کے باوجودایسٹ ویسٹ انشورنس کمپنی کی انتظامیہ ملاز مین اوراس کی مارکیٹ کی ٹیم کی توجہ کمپنی کی انڈررائٹنگ کو بہتر بنانے کے لیئے ہمیشہ کوشاں رہی ہے اور ہماری کمپنی انڈررائٹنگ کے لحاظ سے ایک معروف کمپنی ثابت ہوئی ہے۔ جو کہ ہے۔ مالیات کی بناء پر ایسٹ ویسٹ انشورنس کمپنی معیار پر مجھوتہ کیئے بغیر خودسا ختہ اور مشحکم کمپنی ثابت ہوئی ہے۔ جو کہ ایپ واجبات بخوبی ادا کرتی ہے۔ اس کے علاوہ مسلسل جدت ، معیاری کسٹم زسروس اور مختاط خطرے کی تشخیص نے ایسٹ ویسٹ کمپنی کومضبوط انڈررائیٹرزی صف میں شامل کردیا ہے۔

کلیم کے نظریہ کے تحت بہت سارے نقصانات کی وجہ سے جومعاہدے کئے سے کمپنی کی مختاط نظر یئے کو ثابت کرنے کے لیئے کافی ہیں ۔ نقصانات کے باوجود ہماری کمپنی کی کارکردگی انہائی تسلی بخش رہی ہے اور ایسٹ ویسٹ انشورنس کمپنی انڈسٹری کی بہترین کمپنیوں میں سے ایک ہے ۔ ان تمام وجوہات کے ہوتے ہموئے ہماری کمپنی نے انشورنس کمپنی انڈسٹری کی بہترین کم بنیوں میں سے ایک ہے ۔ اور نقصانات کو برداشت کرنے کی صلاحیت رکھتی ہے ۔ بغیر کسی Premium اور منافع میں اپنی قابلیت کو ثابت کردیا ہے اور نقصانات کو برداشت کرنے کی صلاحیت رکھتی ہے ۔ بغیر کسی Solvency Margin کو بخوبی حاصل کیا ہے۔

Fire/جائيداد کی انشورنس

آ پی کمپنی نے (Fire Gross Premium) ۷۵. ۱۳ ملین تحریر کیا ہے جو کہ پچھلے سال کے مقابلے میں تقریباً% ۱۲ بڑھ کردعووں کمیشن اوراخراجات کے باوجود۲۔ ۸۵ ملین منافع ریکارڈ کیا ہے۔

بحرى انشورنس

آ کی کمپنی نے Marine insurance premium جس میں (Marine Hull) بھی شامل ہے میں ۱۳۳۰ کے ملین تحریر کیا۔ جو کہ دعووں ، اخراجات اور کمیشن کے باوجود ۲۰۹۱ ملین ریکارڈ کیا ہے۔

ڈائریکٹر کی رپورٹ

تمام تعیر یفیں اللہ کے لیئے ہیں، جو بہت ہی مہربان ہے۔

آپ کی کمپنی کے ڈائر مکٹر صاحبان کی طرف سے جانچ پڑتال شدہ فائنینشل اسٹیٹمنٹ اور سالانہ رپورٹ برائے سال ۳۱ دسمبر ۲۰۱۷ پیش کرر ہاہوں۔

معزز حصه داران اورمعذز بوردٌ آف ڈائر یکٹر کے ممبرز اور میرے ساتھیوں اسلام علیم!

میں اس ۳۳ سالہ اجلاس عام میں آپ کوخوش آمدید کہتا ہوں اور اللہ کی مدد سے ہم نے سال ۲۰۱۸ کے اکا ونٹس کا اختتام کیا ہے ، جس کے باوجود کچھ مشکلات جن کا سامنا ہمیں کرنا پڑا ہے ۔ اس سال ایسٹ ویسٹ انشورنس کمپنی نے کا میا بی سے اپنا ۴۳ سالا نہ سفر مکمل کیا ہے ۔ یہ اس وجہ سے ہوا کہ ہمار سے چیئر مین نے ہماری بڑی مدد کی ہے اور ممبر حضرات کا بھی کافی تعاون حاصل رہا ہے ممبر ز، بورڈ آف ڈائر یکٹر ز، حصے داران اور معذز کلائنٹ اور ہمار سے ساتھی بھی اس سال کے مبارک باد کے ستحق ہیں ۔ میں مستقبل میں اُن کی رہنمائی اور کمپنی کے معاملات کو دُرتگی سے چلانے میں مدد کی اُمیدر کھتا ہوں۔

ہماری انڈسٹری میں سخت مقابلہ ہے اور غیر صحت مندانہ دوڑ کی وجہ سے Premium کے ریٹ میں کمی ہوئی ہے اگر چہ اسٹیٹ بینک آف پاکستان نے انٹرسٹ ریٹ بھی کم کیا ہے۔اس کے باوجود کمپنی کی انویسٹمنٹ خاطر خوال مقدار سے بڑھی ہے۔اس کی وجہاسٹاک مارکیٹ میں تیزی رہی ہے جو کہ قابل تعریف ہے۔

ہماری نظمینیجنٹ کومضبوط کرنے اوراس کے کلچرکو بہتر بنانے کے لیئے بھی ہے تا کہ ہم اپنے کسٹمر زکی مدد کرسکیں۔مارکیٹ کے حالات کا مقابلہ کرتے ہوئے ایسٹ ویسٹ انشورینس کمپنی ترقی کی راہ پرگا مزن ہے،جس کا مارکیٹ میں ایک بڑانام ہے۔اس لیئے کہ ہماری کمپنی پرلوگ بھروسہ رکھتے ہیں۔ہم اپنے کلائنٹس کی ضروریات کا بے حد خیال رکھتے ہیں۔ہماری Strategy ہمارے حصہ داران کے فائدے کے لیئے استعال ہورہی ہے۔

ہماری کارکردگی

آپ کی کمپنی کا مجموعی پر یمیم (Gross Premium) پچھلے سال کے مقابلے میں بڑھ کرے۔ ۲بلین روپے ہوگیا ہے جب کہ پچھلے سال ۱۲ کا بیلین روپے تھا۔ جس کا مطلب بیہ ہے کہ ہمارا Premium (۱۷ بڑھا ہے۔ ہمارا خالص پر یمیم سال ۲۰۱۸ میں ۹۸۱ ۲۸ تھا۔ جبکہ پچھلے سال ۲۰ ۲۰ مقاجس کا مطلب بیہ ہے تقریباً % ۱۲ ابار تھا ہے ۔ جب کہ نقصانات اور اخراجات % ۱۸ سام مینی جوانتہائی سخت مقابلے کے باوجود کا میاب رہے، جس کا مطلب بیہ ہے کہ ہمارا تناسب مضبوط رہا جو کہ کوسٹ مینی مجہارت کی بنیا دیر مضبوط رہا ہے۔



پرائسی فارم

	۱۴ وان سالانه عام اجلاس
	میں/ بم
	ساکن
	بحثيت ممبر ايستُ ويستُ انشورنس كمپنى لمبيِّثُ بذريعہ بذا مسممى:
	ساكن
	کو یا انکی عدم دستیابی کی صورت میں مسممی
	٠٠
	ساكن
	۔ کو اپنی/ہماری جانب سے پر اکسی مقرر کررہا/رہی ہوں تاکہ وہ پیر ۱۷ اپریل ۲۰۱۷ بوقت ۱ بجے دوپہر منعقد ہونے
	موچھی ہماری جانب سے پر انسلی معرر شررہ اربجی ہوں اسم وہ پیر ۲۰۰۰ ہورت ۲۰۰۰ بورت درچر مسلمہ ہوئے والے ۳۴ واں سالانا اجلاس عام یا اس کے کسی بہی النواء میں میری / ہماری جگہ شرکت کرے اور ووٹ ڈالے۔ کمپنی
	رجسٹرڈ افس۲۷ ،ریگل پلازہ، جناح روڈ، کونٹہ
	1. گواه:
	دستخط
	 نام
ريونيو استيمپ	كمپيوٹر انز في قومي شناختي كار في يا پاسپورٹ نمبر
	کمپیوبراورد و می ساکنی کارد یا پاسپورات نمبر
	2. گواه:
	دستخط نام
	كمپيوثر انزڭ قومى شناختى كارڭ يا پاسپورٹ نمبر
1.**	
اراکین کے دستخط	براه مېربانی فوليو نمير کا حوالہ
	اہم نوٹ:
	پراکسی کا یہ فارم جو ہر طرح سے مکمل ہو، لازماً کمپنی کے رجسٹرڈ آفس واقع THK ایسوسی ایٹ (پرانیویٹ) لمیٹڈ،
	پہلی منزل، ۴۰۔سی، بلاک،۴۶ پی. ای. سی. ایچ. ایس کراچی میں اجلاس کے طے شدہ وقت سے کم از کم ۴۸ گہنٹے ڈا۔ کے ادارا '
	قبل جمع کرادیا جائے۔

FORM OF PROXY



34th Annual General Meeting

I/W	/e			
of_				
in t	he district of			
beiı	ng a member of E	EAST WEST INSUR	ANCE COMPAN	Y LIMITED, hereby appoint:
vot of t Off	e for me/us and he Company to	on my/our behalf at be held on Monday	the Thirty Four April 17, 2017 a	th Annual General Meeting to 1:00 p.m. at the Registered uetta and at any adjournment
Wit	ness:			
1.	Signature			
	Name			Please
	Address			affix rupee five revenue stamp
	NIC or passpo	ort No		
2.	Signature			
	Name			
	Address			
	NIC or passpo	ort N <u>o.</u>		
DI.				Signature of Member
Pie	ase quote folio n	lumber		
				y, duly completed, must
				tes (Pvt) Limited, 1st Floor, s before the time of holding
	meeting.	in the first doing flot it	are. than 10 Hou	5 55.5. 5 this time of hording