

CONTENTS

Board of Directors & Management	3
Directors' Report to the Shareholders.....	4
Statement of Compliance	5
Review Report to the Members	6
Balance Sheet.....	7
Profit & Loss Account	8 - 9
Statement of Comprehensive Income.....	10
Statement of Changes in Equity.....	11
Statement of Investment Income.....	12
Statement of Cash Flows	13 - 14
Statement of Premiums	15 - 16
Statement of Claims	17 - 18
Statement of Expenses	19 - 20
Notes to the Financial Statements.....	21 - 24

BOARD OF DIRECTORS & MANAGEMENT

CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD	...	Chairman
NAVED YUNUS	...	Managing Director & Chief Executive
JAVED YUNUS	...	Executive Director (Marketing)
PERVEZ YUNUS	...	Executive Director (Operations)
MAHEEN YUNUS	...	Director
A.K.M. SAYEED	...	Director
TULU JAVED YUNUS	...	Director
M. JAMALUDDIN	...	Consultant / Advisor
SHABBIR ALI KANCHWALA	...	Director Finance / Company Secretary
ENGR. KAZIM RAZA	...	Director Operations
UMEED ANSARI	...	Director Development
MUHAMMAD FAYYAZ KHOKHAR	...	Director Development
SAJJAD ZAFAR	...	Regional Director
IFTIKHAR HUSSAIN	...	Regional Director
AUDIT COMMITTEE		
CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD	...	Chairman
MAHEEN YUNUS	...	Member
A.K.M. SAYEED	...	Member
ENGR. KAZIM RAZA	...	Member
JOHRY LAL, FCCA (UK)	...	Secretary
KHALID LAW ASSOCIATES	...	Legal Advisor
ANJUM ASIM SHAHID RAHMAN Chartered Accountants	...	Auditors
BDO EBRAHIM & CO. AFNAN TAX CONSULTANTS	...	Tax Advisor
BEMA ASSOCIATES (PVT) LTD. 515, EFU House, M.A.Jinnah Road, Karachi.	...	Shares Registrar
IFS RATING	A (Single)-Stable Outlook
WEBSITE	...	www.eastwestinsurance.com.pk
BANKERS	...	Allied Bank Limited Askari Bank Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited National Bank of Pakistan NIB Bank Limited Summit Bank Limited The Bank of Punjab Limited United Bank Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present their report together with un-audited Half Yearly Financial Statements for the period ended June 30, 2013.

The statistic covers the annexed Financial Statements comprising:

- (i) Balance Sheet;
- (ii) Profit and loss account;
- (iii) Statment of comprehensive income;
- (iv) Statement of changes in equity;
- (v) Statement of Cash flows;
- (vi) Statement of premiums;
- (vii) Statement of Claims;
- (viii) Statement of Expenses;
- (ix) Statement of Investment Income.

We are confident that this information would adequately apprise the valued shareholders about the performance of their Company.

The working results of the company for the period ended June 30, 2013 are as under: -

	(Rupees in '000)
Profit before tax	43,529
Less: Taxation for the period	(7,500)
Prior	(92)
Profit after tax	<u>35,937</u>

Appropriation:

Balance at commencement of the year	34,280
Profit after tax	35,937
Balance accumulated at the end of the period	<u>70,217</u>

STATEMENT OF COMPLIANCE

CORPORATE AND FINANCIAL REPORTING FRAMEWORKS
(Code of Corporate Governance)

In compliance with corporate and financial reporting framework of the code of corporate governance the directors confirm the following:

- i) The financial statements, prepared by the management of the company, present fairly its statement of affairs, the result of its operation, cash flows and changes in equity;
- ii) Proper books of accounts of the company have been maintained;
- iii) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates based on reasonable and prudent judgment;
- iv) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed;
- v) The system of internal control is sound in design and has been effectively implemented and monitored;
- vi) There are no doubts upon the company's ability to continue as a going concern;
- vii) There is no material departure from the best practices of corporate governance, as detailed in the listing regulations.

On behalf of the Board of Directors



Naved Yunus
Managing Director & Chief Executive

Karachi: August 30, 2013

REVIEW REPORT TO THE MEMBERS

AUDITOR'S REPORT TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of East West Insurance Company Limited (the Company) as at June 30, 2013, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income together with selected explanatory notes forming part thereof for the six months period then ended (here-in-after referred to as the "interim financial information"). Management of the company is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan, for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account condensed interim statement of comprehensive income, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income for the three months ended June 30, 2013 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended June 30, 2013.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for six months period ended June 30, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Anjum Asim Shahid Rahman

Anjum Asim Shahid Rahman
Chartered Accountants
Muhammad Shaukat Naseeb

Karachi : August 30, 2013

CONDENSED INTERIM BALANCE SHEET FORM GA

AS AT JUNE 30, 2013

AS AT JUNE 30, 2013

		June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
(Rupees in '000)			
SHARE CAPITAL AND RESERVES			
Authorised share capital 50,000,000 (December 31, 2012: 50,000,000) ordinary shares of Rs. 10 each	Note	500,000	500,000
Issued, subscribed and paid-up share capital		331,820	331,820
Retained earnings		70,217	34,280
General reserves		100,000	100,000
Shareholders' equity		502,037	466,100
LIABILITIES			
Underwriting provisions			
Provision for outstanding claims(including IBNR)		110,214	118,926
Provision for unearned premium		174,348	186,967
Commission income unearned		23,602	11,163
Total underwriting provision		308,164	317,056
Deferred Taxation		2,879	2,879
Creditors and Accruals			
Premium received in advance		4,014	1,922
Current portion of obligation under finance lease	8	301	1,348
Amount due to other insurers / reinsurers	12	1,378	3,085
Taxation-net of provision		24,863	19,078
Others creditors and accruals		43,959	21,910
		74,515	47,343
Other Liabilities			
Due to directors - unsecured and interest free		2,930	1,974
TOTAL LIABILITIES		388,488	369,252
TOTAL EQUITY AND LIABILITIES		890,525	835,352
CONTINGENCIES AND COMMITMENTS			
9			
ASSETS			
Cash and Bank Deposits			
Cash and other equivalents		89	117
Current and other accounts		24,732	25,326
Deposits maturing in 12 months		58,636	36,761
Total cash and bank deposits	7	83,457	62,204
Investments	10	340,571	309,801
Investments properties	11	43,500	44,616
Other Assets			
Premium due but unpaid - net		42,121	36,770
Amount due from other insurers / reinsurers	12	57,638	52,554
Accrued investment income		2,454	1,862
Reinsurance recoveries against outstanding claims		94,540	94,829
Deferred commission expense		39,489	34,112
Prepaid reinsurance premium ceded		113,166	122,873
Sundry receivables		18,134	16,961
Prepayments		603	571
		368,145	360,532
Fixed Assets - Tangible			
Office Premises		7,378	7,568
Furniture & Fixtures		7,553	7,657
Electric fittings & equipments		4,528	4,566
Computers		1,553	1,622
Office equipment		2,586	2,558
Vehicles		29,319	32,079
Assets subject to finance lease		1,935	2,149
		54,852	58,199
TOTAL ASSETS		890,525	835,352

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

Muhammad Asim Shahid Rahman

CHAIRMAN

Shahid Rahman

MANAGING DIRECTOR
& CHIEF EXECUTIVE

Shahid Rahman

DIRECTOR

Muhammad Asim Shahid Rahman

DIRECTOR

Karachi : August 30, 2013

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FORM GB

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013 - UNAUDITED

(Rupees in '000)						
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Six Months Ended June 30,
						2013 Total 2012 Total
REVENUE ACCOUNT						
Net Premium Revenue	117,365	26,422	71,560	63,195	-	278,542 204,042
Net Claims	(32,940)	(13,399)	(45,736)	(18,308)	-	(110,383) (79,474)
Management Expenses	(26,037)	(5,862)	(15,875)	(14,020)	-	(61,794) (44,238)
Net Commission	(28,828)	584	(3,265)	(19,601)	-	(51,110) (33,585)
Underwriting results	29,560	7,745	6,684	11,266	-	55,255 46,745
Investment income - net						22,101 26,186
Other income						1,570 605
Gain on sale of fixed assets						- 3
General and administrative expenses						(34,509) (33,094)
Workers welfare fund (WWF)						(888) (809)
						(11,726) (7,109)
Profit before tax						43,529 39,636
Provision for taxation						
Current						(7,500) (6,500)
Prior						(92) (269)
						(7,592) (6,769)
Profit for the period						35,937 32,867
Profit and loss appropriation account:						
Balance at commencement of the period						34,280 21,388
Profit after tax						35,937 32,867
Transferred to general reserve						- (25,000)
Balance of accumulated profit at end of the period						70,217 29,255
Earnings per share - basic and diluted						1.08 0.99

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



CHAIRMAN



MANAGING DIRECTOR
& CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

Karachi : August 30, 2013

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FORM GB

FOR THE QUARTER ENDED JUNE 30, 2013 - UNAUDITED

(Rupees in '000)						
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Quarter Ended June 30,
						2013 Total 2012 Total
REVENUE ACCOUNT						
Net Premium Revenue	75,721	7,571	35,585	30,960	-	149,837 111,982
Net Claims	(25,138)	(4,372)	(23,066)	(8,222)	-	(60,798) (43,332)
Management Expenses	(17,643)	(2,062)	(8,624)	(7,522)	-	(35,851) (25,118)
Net Commission	(18,553)	1,300	(2,360)	(10,008)	-	(29,621) (19,104)
Underwriting results	14,387	2,437	1,535	5,208	-	23,567 24,428
Net investment income						15,460 14,990
Other income						1,327 (344)
Gain on sale of fixed assets						- 2
General and administrative expenses						(16,423) (15,970)
Workers welfare fund (WWF)						(888) (809)
						(524) (2,130)
Profit before tax						23,043 22,297
Provision for taxation						
Current						(4,000) (4,250)
Prior						- (269)
						(4,000) (4,519)
Profit for the period						19,043 17,779
Earnings per share - basic and diluted						0.57 0.54

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



CHAIRMAN



MANAGING DIRECTOR
& CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

Karachi : August 30, 2013

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013 - UNAUDITED

	Six months period ended		Quarter ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Profit for the period	35,937	32,867	19,044	17,779
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>35,937</u>	<u>32,867</u>	<u>19,044</u>	<u>17,779</u>

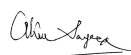
The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



CHAIRMAN



MANAGING DIRECTOR
& CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013 - UNAUDITED

	(Rupees in '000)			
	Paid-up share capital	Revenue General Reserve	Retained Earning	Total
Balance as at January 01, 2012	301,655	75,000	21,388	398,043
Total comprehensive income for the period ended June 30, 2012	-	-	32,867	32,867
Transactions with owners				
Transfer to general reserve	-	25,000	(25,000)	-
Balance as at June 30, 2012	301,655	100,000	29,255	430,910
Total comprehensive income for the period from July 01, 2012 to December 31, 2012	-	-	35,190	35,190
Transactions with owners				
Issue of bonus shares (10%)	30,165	-	(30,165)	-
Balance as at December 31, 2012	331,820	100,000	34,280	466,100
Total comprehensive income for the period ended June 30, 2013	-	-	35,937	35,937
Balance as at June 30, 2013	<u>331,820</u>	<u>100,000</u>	<u>70,217</u>	<u>502,037</u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



CHAIRMAN



MANAGING DIRECTOR
& CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

Karachi : August 30, 2013

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME FORM GG

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013 - UNAUDITED

(Rupees in '000)

	Six Months Ended		Quarter Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Income from non-trading investment				
Available-for-sale				
Dividend income	133	34	115	17
Return on government securities	3,145	2,683	1,563	1,175
Return on other fixed income securities and deposits	2,444	2,302	1,290	1,117
Amortisation of discount (net of premium)	215	(382)	101	(465)
	5,937	4,637	3,069	1,844
Gain on sale of non-trading investment				
Available-for-sale	14,137	8,211	10,204	5,551
Reversal of impairment in value of investment	2,347	13,608	2,347	7,734
Less: Investment related expenses	(320)	(270)	(160)	(140)
Net Investment Income	22,101	26,186	15,460	14,989

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



CHAIRMAN



MANAGING DIRECTOR
& CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

Karachi : August 30, 2013

CONDENSED INTERIM STATEMENT OF CASH FLOWS FORM GG

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013 - UNAUDITED

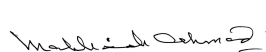
(Rupees in '000)

Note	June 30, 2013	June 30, 2012
OPERATING ACTIVITIES		
a) Underwriting activities		
Premium received	502,247	389,577
Reinsurance premiums ceded	(236,665)	(177,103)
Claims paid	(179,908)	(113,333)
Reinsurance and other recoveries received	61,103	33,456
Commission paid	(78,263)	(61,676)
Commission received	34,214	7,899
Underwriting payments	(69,345)	(72,874)
	33,383	5,946
b) Other operating activities		
Income tax paid	(1,807)	(4,993)
Other operating receipts / (payments)	(1,206)	6,231
Net cash flows from / (used in) other operating activities	(3,013)	1,238
Total cash flows from / (used in) operating activities	30,370	7,184
INVESTING ACTIVITIES		
Profit/return received	5,026	4,895
Other income received	1,570	605
Investment made	(401,374)	(276,636)
Proceeds from disposal of investment	387,088	244,446
Fixed capital expenditure	(1,335)	(1,623)
Proceeds from disposal of fixed assets	-	3
Total cash flows used in investing activities	(9,025)	(28,310)
FINANCING ACTIVITIES		
Loan received from Directors	4,800	2,341
Loan repaid to Directors	(3,844)	(1,718)
Lease Payment	(1,048)	(580)
Total cash flows (used in) / from financing activities	(92)	43
Net cash flows from / (used in) all activities	21,253	(21,083)
Cash and cash equivalents at beginning of the period	62,204	52,573
Cash and cash equivalents at end of the period	7 83,457	31,490

(Rupees in '000)

	June 30, 2013	June 30, 2012
Reconciliation to the Profit and Loss Account		
Operating cash flows	30,369	7,184
Depreciation expense	(5,798)	(6,453)
Gain on disposal of fixed assets	-	3
Investment income	5,026	4,895
Gain on sale of Available-for-sale Investment	14,137	8,212
Reversal of impairment in value of available for sale investment	2,347	13,607
Other income	1,570	605
Increase in assets other than cash	7,613	47,394
Workers Welfare Fund	(888)	(809)
Increase in operating liabilities	(18,439)	(41,771)
Profit for the period	<u>35,937</u>	<u>32,867</u>

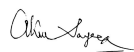
The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



CHAIRMAN



MANAGING DIRECTOR
& CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

Karachi : August 30, 2013

CONDENSED INTERIM STATEMENT OF PREMIUMS FORM GD

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class of Business	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Six Months Ended June 30,	
		Opening	Closing			Opening	Closing		2013 Net Premium revenue	2012 Net Premium revenue
and Facultative										
Fire and property damage	191,514	30,437	28,719	193,232	73,396	31,289	28,818	75,867	117,365	101,183
Marine, aviation and transport	62,352	17,660	10,704	69,308	35,481	13,662	6,257	42,886	26,422	22,794
Motor	79,628	22,177	17,183	84,622	12,745	5,532	5,215	13,062	71,560	44,408
Other	172,012	116,692	117,742	170,962	108,253	72,390	72,876	107,767	63,195	35,657
Total	505,506	186,966	174,348	518,124	229,875	122,873	113,166	239,582	278,542	204,042
Proportional	-	-	-	-	-	-	-	-	-	-
Grand-total	505,506	186,966	174,348	518,124	229,875	122,873	113,166	239,582	278,542	204,042

Note: Note: The company does not underwrite business outside Pakistan

* Premium written includes administrative surcharge of Rs. 11.464 million (2012: Rs. 8.236 million)

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



CHAIRMAN



MANAGING DIRECTOR
& CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

Karachi : August 30, 2013

CONDENSED INTERIM STATEMENT OF PREMIUMS FORM GD

FOR THE QUARTER ENDED JUNE 30, 2013 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class of Business	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Quarter Ended June 30,		
		Opening	Closing			Opening	Closing		2013 Net Premium revenue	2012 Net Premium revenue	
and Facultative											
Fire and property damage	100,782	28,743	28,719	100,806	27,322	26,581	28,818	25,085	75,721	48,787	
Marine, aviation and transport	30,610	8,435	10,704	28,341	20,290	6,737	6,257	20,770	7,571	14,948	
Motor	40,835	18,126	17,183	41,778	6,846	4,562	5,215	6,193	35,585	25,473	
Others	90,016	117,852	117,742	90,126	62,018	70,024	72,876	59,166	30,960	22,774	
Total	262,243	173,156	174,348	261,051	116,476	107,904	113,166	111,214	149,837	111,982	
Proportional	-	-	-	-	-	-	-	-	-	-	
Grand-total	262,243	173,156	174,348	261,051	116,476	107,904	113,166	111,214	149,837	111,982	

Note: Note: The company does not underwrite business outside Pakistan

* Premium written includes administrative surcharge of Rs. 11.464 million (2012: Rs. 8.236 million)

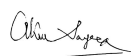
The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



CHAIRMAN



MANAGING DIRECTOR
& CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

Karachi : August 30, 2013

CONDENSED INTERIM STATEMENT OF CLAIMS FORM GE

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class of Business	Claims Paid	Outstanding claims		Claims Expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Six Months Ended June 30,		
		Opening	Closing			Opening	Closing		2013 Net Claims expenses	2012 Net Claims expenses	
Direct and Facultative											
Fire and property damage	65,755	42,293	38,456	61,918	31,738	31,767	29,007	28,978	32,940	33,353	
Marine, aviation and transport	26,349	9,889	8,790	25,250	10,816	5,963	6,998	11,851	13,399	12,041	
Motor	51,073	6,489	7,863	52,447	2,868	1,372	5,215	6,711	45,736	21,732	
Miscellaneous	36,733	60,255	55,105	31,583	15,682	55,727	53,320	13,275	18,308	12,350	
Total	179,910	118,926	110,214	171,198	61,104	94,829	94,540	60,815	110,383	79,476	
Treaty Proportional											
	-	-	-	-	-	-	-	-	-	(2)	
Grand-total	179,910	118,926	110,214	171,198	61,104	94,829	94,540	60,815	110,383	79,474	

Note: The company does not underwrite business outside Pakistan.

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



CHAIRMAN



MANAGING DIRECTOR
& CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

Karachi : August 30, 2013

CONDENSED INTERIM STATEMENT OF CLAIMS FORM GE

FOR THE QUARTER ENDED JUNE 30, 2013 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class of Business	Claims Paid	Outstanding claims		Claims Expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Quarter Ended June 30,	
		Opening	Closing			Opening	Closing		2013 Net Claims expenses	2012 Net Claims expenses
Direct and Facultative										
Fire and property damage	33,000	39,413	38,456	32,043	7,462	29,563	29,007	6,906	25,138	13,526
Marine, aviation and transport	11,389	9,257	8,790	10,922	6,676	7,124	6,998	6,550	4,372	9,532
Motor	24,490	9,287	7,863	23,066	-	5,215	5,215	-	23,066	12,442
Miscellaneous	19,373	55,259	55,105	19,219	9,310	51,633	53,320	10,997	8,222	7,834
Total	88,252	113,216	110,214	85,250	23,448	93,535	94,540	24,453	60,798	43,334
Treaty Proportional	-	-	-	-	-	-	-	-	-	(2)
Grand-total	88,252	113,216	110,214	85,250	23,448	93,535	94,540	24,453	60,798	43,332

Note: The company does not underwrite business outside Pakistan.
The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



CHAIRMAN



MANAGING DIRECTOR
& CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

Karachi : August 30, 2013

CONDENSED INTERIM STATEMENT OF EXPENSES FORM GF

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class of Business	Commission paid or payable	Deferred Commission		Net Commission Expense	Other Management Expense	Underwriting Expense	Commission from Reinsurance	Six Months Ended June 30,	
		Opening	Closing					2013 Net underwriting expense	2012 Net underwriting expense
Direct and Facultative									
Fire and property damage	34,952	11,618	12,546	34,024	26,037	60,061	5,196	54,865	45,493
Marine, aviation and transport	8,405	2,266	3,049	7,622	5,862	13,484	8,206	5,278	6,261
Motor	5,152	6,659	6,797	5,014	15,875	20,889	1,749	19,140	14,295
Miscellaneous	29,754	13,570	17,097	26,227	14,020	40,247	6,625	33,622	11,774
Total	78,263	34,113	39,489	72,887	61,794	134,680	21,776	112,905	77,823
Treaty Proportional	-	-	-	-	-	-	-	-	-
Grand-total	78,263	34,113	39,489	72,887	61,794	134,680	21,776	112,905	77,823

Note: The Company does not underwrite business outside Pakistan.

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

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



CHAIRMAN



MANAGING DIRECTOR
& CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

Karachi : August 30, 2013

CONDENSED INTERIM STATEMENT OF EXPENSES FORM GF

FOR THE QUARTER ENDED JUNE 30, 2013 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)									
Class of Business	Commission paid or payable	Deferred Commission		Net Commission Expense	Other Management Expense	Underwriting Expense	Commission from Reinsurance	Quarter Ended June 30,	
		Opening	Closing					2013 Net underwriting expense	2012 Net underwriting expense
Direct and Facultative									
Fire and property damage	22,771	9,865	12,546	20,090	17,643	37,733	1,537	36,196	26,839
Marine, aviation and transport	5,667	1,826	3,049	4,443	2,062	6,505	5,743	762	2,910
Motor	3,326	5,896	6,797	2,425	8,624	11,049	65	10,984	9,288
Miscellaneous	19,639	12,855	17,097	15,397	7,522	22,919	5,389	17,530	5,185
Total	51,403	30,442	39,489	42,355	35,851	78,206	12,734	65,472	44,222
Treaty	Proportional	-	-	-	-	-	-	-	-
Grand-total	51,403	30,442	39,489	42,355	35,851	78,206	12,734	65,472	44,222

Note: Note: The Company does not underwrite business outside Pakistan.

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

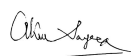
The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



CHAIRMAN



MANAGING DIRECTOR
& CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

Karachi : August 30, 2013

NOTES TO THE CONDENSED INETRIM FINANCIAL REPORTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013 - UNAUDITED

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 (now the Companies Ordinance, 1984), and the shares of Company are quoted on the Karachi Stock Exchange. The Company is engaged in the general insurance business and operates through 52 (2011: 55) branches in Pakistan. The registered office of the Company is situated at 27, Regal Plaza, Jinnah Road, Quefta. The principal place of business is situated at M.A. Jinnah Road, E.F.U. House (Qamar House) 4th Floor.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information of the company for the six months period ended June 30, 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 – (IAS 34): interim financial information and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 shall prevail.

These condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2012.

The condensed interim financial information for the six month ended June 30, 2013 is un-audited but has been reviewed by the external auditors of the Company.

3. BASIS OF PRESENTATION

This condensed interim financial information has been prepared under the historical cost convention.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

This condensed interim financial information has been prepared and presented in Pakistan Rupees, which is the Company's functional and presentation currency.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended December 31, 2012.

5. ESTIMATES AND JUDGMENTS

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

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing this condensed interim financial information, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended December 31, 2012.

6. CLAIMS

The cost of claims include all the claims lodged and paid and liability for outstanding claims is recognized in respect of claims incurred upto the balance sheet date and measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR), and expected claims settlement costs. Reinsurance recoveries against outstanding claims and salvage recoveries are recognized as an asset and measured at the expected amount to be received.

7. CASH AND CASH EQUIVALENT

For the purpose of cash flow statement, cash and cash equivalents include cash at bank in current and saving accounts, cash and stamps in hand and bank deposits.

8. OBLIGATIONS UNDER FINANCE LEASE

	June 30, 2013		December 31, 2012	
	Minimum Lease Payments	Present Value of Minimum Lease Payments	Minimum Lease Payments	Present Value of Minimum Lease Payments
 Rupees in ('000)			
Upto one year	306	301	1,433	1,348
More than one year but less than three years	-	-	-	-
Total minimum lease payments	306	301	1,433	1,348
Less: financial charges	(6)	-	(85)	-
Present value of minimum lease payments	301	301	1,348	1,348
Less: Current portion	(301)	(301)	(1,348)	(1,348)
	-	-	-	-

9. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There are no contingencies as at June 30, 2013 (December 31, 2012: Nil).

COMMITMENTS

There are no commitments as at June 30, 2013 (December 31, 2012: Nil).

10. INVESTMENTS - Available-for-sale	June 30, 2013	December 31, 2012
	----- Rupees in ('000) -----	
Marketable securities	259,586	218,333
Government securities	63,040	62,838
Term Finance Certificates (TFCs)	17,945	28,630
	<u>340,571</u>	<u>309,801</u>

10.1 The fair value of available-for-sale investment is Rs.343.13 million/- (December 31, 2012:Rs.323.56 million/-). 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 Securities and Exchanges Commission Rules, 2002. However, the International Accounting Standard 39 Financial Instruments : Recognition and Measurement requires that these instruments should be measured at fair value. Had these instruments been measured at fair value, their carrying values as at June 30, 2013 would have been higher by Rs.2.56 million (December 31, 2012 higher by Rs. 13.743 million) and shareholder's equity increased by the same amount.

11. INVESTMENTS PROPERTIES

Investment Property comprises of four properties having market value of 128.87 million as on June 30, 2013 (December 2012: 128.87 million). The valuation has been carried out by independent valuers M/s Intikhab Alam & Co, M/s Pakistan systems registrar (SMC - Private) Limited and M/s Reliance Surveyors Company (Private) Limited.

12. AMOUNT DUE TO / FROM OTHER INSURERS / REINSURERS

Amount due to / from other insurers / reinsurers are carried at cost less provision (if any). Cost represents the fair of the consideration to be paid / received in future for the services rendered.

13. 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 "Comparable uncontrolled price method". Transactions with related parties including remuneration to key management personnel are as follows:

Transactions with related parties during the period with them as at the period end are as follows:

	Six Months Period Ended June 30,	
	2013	2012
 Rupees in ('000)	
Loan received from directors	4,800	2,342
Loan repaid to directors	(3,844)	(1,718)
Remuneration to key management personnel	2,220	2,220

14. EARNINGS PER SHARE - basic and diluted

	Six months period ended		Quarter ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	----- Rupees in ('000) -----			
Profit / (loss) for the period	<u>35,937</u>	<u>32,867</u>	<u>19,044</u>	<u>17,779</u>
	----- Number of shares -----			
Weighted average number of shares of Rs. 10 each	<u>33,182</u>	<u>33,182</u>	<u>33,182</u>	<u>33,182</u>
	----- Rupees -----			
Earnings / (loss) per share	<u>1.08</u>	<u>0.99</u>	<u>0.57</u>	<u>0.54</u>

14.1 The company has not issued any instrument which would dilute its basic earnings per share when exercised.

14.2 Earnings per share for the corresponding period have been adjusted for the effect of subsequent issue of bonus shares.

15. SEGMENT REPORTING

	As On									
	Fire and Property Damage		Marine Aviation and Transport		Motor		Miscellaneous		Total	
	June 2013	Dec 2012	June 2013	Dec 2012	June 2013	Dec 2012	June 2013	Dec 2012	June 2013	Dec 2012
	----- Rupees in ('000) -----									
Segment assets	132,375	165,996	43,098	60,878	55,039	56,130	118,895	162,810	349,407	445,815
Unallocated corporate assets									541,118	389,537
Consolidated total assets									<u>890,524</u>	<u>835,352</u>
Segment Liabilities	118,792	120,420	38,676	44,163	49,392	40,719	106,690	118,189	313,556	323,411
Unallocated corporate liabilities									74,931	45,840
Consolidated total liabilities									<u>388,487</u>	<u>369,251</u>

	----- Six months period ended -----									
	----- June 30, 2013 ----- June 30, 2012 -----									
Capital Expenditure	-	-	-	-	-	-	-	-	1,335	1,623
Depreciation	-	-	-	-	-	-	-	-	5,798	6,453

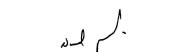
16. GENERAL

16.1 This condensed interim financial report was authorised for issue in the board of directors meeting held on 30th August 2013.

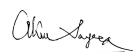
16.2 The figures for the quarter and six month period ended June 30, 2013 have been rounded off to the nearest thousand rupee.



CHAIRMAN



MANAGING DIRECTOR
& CHIEF EXECUTIVE



DIRECTOR



DIRECTOR