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## BOARD OF DIRECTORS & MANAGEMENT

CHIEF JUSTICE ( R ) MIAN MAHBOOB AHMAD	...	Chairman
NAVED YUNUS	...	Chief Executive
JAVED YUNUS	...	Executive Director (Marketing)
PERVEZ YUNUS	...	Executive Director (Operations)
MAHEEN YUNUS	...	Director
A.K.M. SAYEED	...	Director
TULU JAVED YUNUS	...	Director
UMEED ANSARI	...	Director
M. JAMALUDDIN	...	Consultant / Advisor
SHABBIR ALI KANCHWALA	...	Director Finance / Company Secretary
ENGR. KAZIM RAZA	...	Director Operations
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	...	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	...	<a href="http://www.eastwestinsurance.com.pk">www.eastwestinsurance.com.pk</a>
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 Financial Statements for the period ended September 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 September 30, 2013 are as under: -

	(Rupees in '000)
Profit before tax	60,103
Less: Taxation for the period - Current	(11,000)
Prior	(92)
Profit for the period	<u>49,011</u>
Appropriation:	
Balance at beginning of the year	34,280
Profit for the period	49,011
1st Interim dividend 10%	(33,182)
Balance unappropriated Profit at the end of the period	<u>50,109</u>

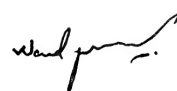
## STATEMENT OF COMPLIANCE

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



Chief Executive

Karachi : October 30, 2013


# CONDENSED INTERIM BALANCE SHEET

FORM GA

AS AT SEPTEMBER 30, 2013 - UNAUDITED

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
(Rupees in '000)		
<b>SHARE CAPITAL AND RESERVE</b>		
Authorised share capital 50,000,000 (2012:50,000,000) ordinary shares of Rs. 10 each	500,000,000	500,000,000
Issued, subscribed and paid-up capital	331,820	331,820
Reserves and Retained earning		
Retained earnings	50,109	34,280
General reserve	100,000	100,000
Shareholders' equity	481,929	466,100
<b>LIABILITIES</b>		
<b>UNDERWRITING PROVISIONS</b>		
Provision for outstanding claims(including IBNR)	110,214	118,926
Provision for unearned premium	169,755	186,967
Commission income unearned	19,473	11,163
Total underwriting provision	299,442	317,056
Deferred taxation	2,879	2,879
<b>CREDITORS AND ACCRUALS</b>		
Premium received in advance	17,594	1,922
Amount due to other insurers / reinsurers	15,571	3,085
Taxation-Provision less payments	27,840	19,078
Current portion of Obligation under finance lease	-	1,348
Others creditors and accruals	34,162	21,910
	95,167	47,343
<b>OTHER LIABILITIES</b>		
Unsecured and interest free - Due to directors	3,230	1,974
<b>TOTAL LIABILITIES</b>	<b>400,718</b>	<b>369,251</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>882,647</b>	<b>835,352</b>
<b>ASSETS</b>		
<b>CASH AND BANK DEPOSITS</b>		
Cash and other equivalents	326	117
Current and other accounts	29,272	25,326
Deposits maturing in 12 months-held to maturity	22,082	36,761
Total cash and bank deposits	51,680	62,204
<b>INVESTMENTS</b>	<b>365,848</b>	<b>309,801</b>
Investment properties	47,316	44,616
<b>OTHER ASSETS</b>		
Premium due but unpaid	26,723	36,770
Amount due from other insurers / reinsurers	51,936	52,553
Accrued Investment income	1,914	1,862
Reinsurance recoveries against outstanding claims	94,540	94,829
Deferred commission expense	36,895	34,112
Prepaid reinsurance premium ceded	113,166	122,873
Sundry receivables	34,743	16,961
Prepayments	603	571
	360,520	360,532
<b>FIXED ASSETS</b>		
Office Premises	7,284	7,568
Furniture & Fixtures	7,355	7,657
Electric fittings & equipments	7,770	4,566
Computers	1,539	1,622
Office equipment	2,665	2,558
Vehicles	28,843	32,079
Assets subject to finance lease	1,827	2,149
Total fixed assets	57,283	58,199
<b>TOTAL ASSETS</b>	<b>882,647</b>	<b>835,352</b>

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

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR


Karachi : October 30, 2013

# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FORM GB

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 - UNAUDITED

(Rupees in '000)						
Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Nine Months Ended September 30,	
					2013 Total	2012 Total
Revenue Account						
Net Premium Revenue	178,375	48,015	87,223	114,196	-	427,809
Net Claims	(59,816)	(23,245)	(48,655)	(37,478)	-	(169,194)
Management Expenses	(39,942)	(10,752)	(19,531)	(25,571)	-	(95,796)
Net Commission	(37,209)	(672)	(6,932)	(33,411)	-	(78,224)
Underwriting results	41,408	13,346	12,105	17,736	-	84,595
Net Investment income					25,056	28,715
Other income					1,660	626
Gain on sale of fixed assets					125	8
General and administrative expenses					(50,445)	(50,197)
Workers Welfare fund					(888)	(809)
Profit before tax					60,103	47,815
Taxation						
Current - for the period					(11,000)	(6,500)
Prior					(92)	(269)
Profit for the period					49,011	41,046
Profit and Loss Appropriation Account						
Balance at beginning of the year					34,280	21,388
Profit for the period					49,011	41,046
1st interim dividend 10% (2012: Nil)					(33,182)	-
Less: Transferred to general reserve					-	(25,000)
Balance unappropriated profit at the end of the period					50,109	37,434
Earning per share - basic - diluted					1.48	1.24

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

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

Karachi : October 30, 2013

# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FORM GB

FOR THE QUARTER ENDED JULY - SEPTEMBER 30, 2013 - UNAUDITED

(Rupees in '000)						
Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Quarterly Ended July - September 30,	
					2013	2012
Revenue Account						
Net Premium Revenue	61,010	21,593	15,663	51,000	-	149,266
Net Claims	(26,877)	(9,846)	(2,919)	(19,170)	-	(58,812)
Management Expenses	(13,905)	(4,890)	(3,656)	(11,551)	-	(34,002)
Net Commission	(8,381)	(1,256)	(3,666)	(13,809)	-	(27,112)
Underwriting results	11,847	5,602	5,422	6,469	-	29,340
Net Investment income					2,957	2,529
Other income					90	21
Gain on sale of fixed assets					125	5
General and administrative expenses					(15,938)	(17,103)
Profit before tax					16,574	8,179
Taxation					(3,500)	-
Current - for the period					13,074	8,179
Profit for the period						
Profit and Loss Appropriation Account						
Balance at beginning of the year					70,217	29,255
Profit for the period					13,074	8,179
Less: 1st interim dividend 10% (2012: Nil)					(33,182)	-
Balance unappropriated profit at the end of the period					50,109	37,434
Earning per share - basic and diluted					0.39	0.25

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

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

Karachi : October 30, 2013

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED SEPTEMBER 30, 2013 - UNAUDITED

	Nine months period ended		Quarter ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Profit for the period	49,011	41,046	13,074	8,179
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	49,011	41,046	13,074	8,179

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

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

Karachi : October 30, 2013

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2013 - UNAUDITED

	(Rupees in '000)			
	Share Capital Issued, subscribed and paid up Capital	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 September 30, 2012	-	-	41,046	41,046
Transfer to general reserve	-	25,000	(25,000)	-
Balance as at September 30, 2012	301,655	100,000	37,434	439,089
Total comprehensive income for the period	-	-	27,011	27,011
Transactions with owners				
Issue of bonus shares (10%)	30,165	-	(30,165)	-
Balance as at January 01, 2013	331,820	100,000	34,280	466,100
Total comprehensive income for the period ended September 30, 2013	-	-	49,011	49,011
Transactions with owners				
1st interim dividend 10%	-	-	(33,182)	(33,182)
Balance as at September 30, 2013	331,820	100,000	50,109	481,929

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

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

Karachi : October 30, 2013

## CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME FORM GG

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 - UNAUDITED

(Rupees in '000)

	Nine Months Ended September 30,		Quarter Ended July - September 30,	
	2013	2012	2013	2012
Income from Non-Trading Investment				
Available for sale				
Dividend income	134	34	1	1
Return on Government securities	4,730	4,017	1,586	1,334
Return on other fixed income securities and deposits	3,496	3,377	1,052	1,075
Amortisation of premium and discount-net	314	(278)	99	104
	8,674	7,151	2,738	2,514
Gain on sale of non-trading investments				
Available-for-sale	14,515	8,351	379	140
Reversals in value of investments	2,347	13,608	-	-
		(394)	(160)	(124)
Less: Investment related expenses	(480)			
Net Investment Income	25,056	28,715	2,957	2,529

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

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

Karachi : October 30, 2013

# CONDENSED INTERIM STATEMENT OF CASH FLOWS FORM GC

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 - UNAUDITED

(Rupees in '000)

	September 30, 2013	September 30, 2012
<b>OPERATING ACTIVITIES</b>		
<i>Underwriting activities</i>		
Premium received	791,234	616,879
Reinsurance premium paid	(332,108)	(273,301)
Claims paid	(287,828)	(188,959)
Reinsurance and other recoveries received	110,210	63,728
Commission paid	(112,782)	(95,167)
Commission received	40,085	11,982
Underwriting payments	(125,243)	(112,968)
Net cash from underwriting activities	83,568	22,194
<i>Other operating activities</i>		
Income tax paid	(2,330)	(5,271)
Other operating (payments) / receipts	(17,815)	(2,508)
Net cash used in other operating activities	(20,145)	(7,779)
Total cash from all operating activities	63,423	14,415
<b>INVESTING ACTIVITIES</b>		
Profit/return received	8,143	7,502
Other income received	1,660	626
Payment for investment	(456,710)	(296,947)
Proceeds from disposal of investment	417,525	257,779
Fixed capital expenditure	(10,874)	(5,110)
Proceeds from disposal of fixed assets	403	8
Total cash flows used in investing activities	(39,853)	(36,142)
<b>FINANCING ACTIVITIES</b>		
1st interim dividend 10%	(33,182)	-
Loan received from directors - unsecured and interest free	5,075	2,341
Loan repaid to directors - unsecured and interest free	(4,639)	(2,303)
Payment of finance lease	(1,348)	(1,353)
Total cash used in financing activities	(34,094)	(1,315)
Net decrease in cash and cash equivalent	(10,524)	(23,042)
Cash and cash equivalent at the beginning of the year	62,204	52,573
Cash and cash equivalent at the end of the period	51,680	29,531

(Rupees in '000)

	September 30, 2013	September 30, 2012
<b>Reconciliation to the Profit and Loss Account</b>		
Operating cash flows	63,423	14,415
Depreciation expense	(8,813)	(9,786)
Profit on disposal of fixed assets	125	8
Investment income	8,143	7,502
Gain on disposal of investment securities	14,515	8,351
Reversal of impairment in value of available for sale investment	2,347	13,608
Other income	1,660	626
(Decrease) / Increase in assets other than cash	(12)	55,532
Increase in operating liabilities	(32,377)	(49,208)
Profit for the Period	49,011	40,046

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

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

Karachi : October 30, 2013

EAST WEST INSURANCE CO., LTD. - QUARTERLY REPORT SEPTEMBER 2013

## CONDENSED INTERIM STATEMENT OF PREMIUMS FORM GD

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)										
Class	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Nine Months Ended Sept. 30	
		Opening	Closing			Opening	Closing		2013 Net Premium revenue	2012 Net Premium revenue
Direct and Facultative										
Fire and property damage	284,524	30,437	28,719	286,242	105,396	31,289	28,818	107,867	178,375	142,275
Marine, aviation and transport	92,352	17,661	6,111	103,902	48,482	13,662	6,257	55,887	48,015	44,867
Motor	100,628	22,177	17,183	105,622	18,082	5,532	5,215	18,399	87,223	61,284
Miscellaneous	288,012	116,692	117,742	286,962	173,252	72,390	72,876	172,766	114,196	76,417
Sub-total	765,516	186,967	169,755	782,728	345,212	122,873	113,166	354,919	427,809	324,843
Treaty Proportional	-	-	-	-	-	-	-	-	-	-
Grand-total	765,516	186,967	169,755	782,728	345,212	122,873	113,166	354,919	427,809	324,843

Note: The company does not underwrite business outside Pakistan.  
The annexed notes form an integral part of these financial statements.

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

Karachi : October 30, 2013

## CONDENSED INTERIM STATEMENT OF PREMIUMS FORM GD

FOR THE QUARTER ENDED JULY - SEPTEMBER 30, 2013 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)										
Class	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Quarter Ended Sept. 30	
		Opening	Closing			Opening	Closing		2013 Net Premium revenue	2012 Net Premium revenue
Direct and Facultative										
Fire and property damage	93,010	28,719	28,719	93,010	32,000	28,818	28,818	32,000	61,010	41,092
Marine, aviation and transport	30,000	10,704	6,111	34,593	13,000	6,257	6,257	13,000	21,593	22,073
Motor	21,000	17,183	17,183	21,000	5,337	5,215	5,215	5,337	15,663	16,876
Miscellaneous	116,000	117,742	117,742	116,000	65,000	72,876	72,876	65,000	51,000	40,760
Sub-total	260,010	174,348	169,755	264,603	115,337	113,166	113,166	115,337	149,266	120,801
Treaty	Proportional	-	-	-	-	-	-	-	-	-
Grand-total	260,010	174,348	169,755	264,603	115,337	113,166	113,166	115,337	149,266	120,801

Note: The company does not underwrite business outside Pakistan.  
The annexed notes form an integral part of these financial statements.

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

Karachi : October 30, 2013

# CONDENSED INTERIM STATEMENT OF CLAIMS FORM GE

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	(Rupees in '000)									
	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	Nine Months Ended Sept. 30	
		Opening	Closing			Opening	Closing		2013 Net Claims expenses	2012 Net Claims expenses
Direct and Facultative										
Fire and property damage	100,754	42,293	38,456	96,917	39,861	31,767	29,007	37,101	59,816	48,666
Marine, aviation and transport	39,349	9,889	8,790	38,250	13,970	5,963	6,998	15,005	23,245	17,334
Motor	61,992	6,489	7,863	63,366	10,868	1,372	5,215	14,711	48,655	27,834
Miscellaneous	85,733	60,255	55,105	80,583	45,512	55,727	53,320	43,105	37,478	31,066
Total	287,828	118,926	110,214	279,116	110,211	94,829	94,540	109,922	169,194	124,899
Treaty Treaty	-	-	-	-	-	-	-	-	-	(4)
Grand-total	287,828	118,926	110,214	279,116	110,211	94,829	94,540	109,922	169,194	124,895

Note: The company does not underwrite business outside Pakistan.  
The annexed notes form an integral part of these financial statements.

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

Karachi : October 30, 2013

# CONDENSED INTERIM STATEMENT OF CLAIMS FORM GE

FOR THE QUARTER ENDED JULY - SEPTEMBER 30, 2013 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	(Rupees in '000)									
	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 Sept. 30	
		Opening	Closing			Opening	Closing		2013 Net Claims expenses	2012 Net Claims expenses
Direct and Facultative										
Fire and property damage	35,000	38,456	38,456	35,000	8,123	29,007	29,007	8,123	26,877	15,312
Marine, aviation and transport	13,000	8,790	8,790	13,000	3,154	6,998	6,998	3,154	9,846	5,292
Motor	10,919	7,863	7,863	10,919	8,000	5,215	5,215	8,000	2,919	6,102
Miscellaneous	49,000	55,105	55,105	49,000	29,830	53,320	53,320	29,830	19,170	18,717
Total	107,919	110,214	110,214	107,919	49,107	94,540	94,540	49,107	58,812	45,423
Treaty Treaty	-	-	-	-	-	-	-	-	-	(2)
Grand-total	107,919	110,214	110,214	107,919	49,107	94,540	94,540	49,107	58,812	45,421

Note: The company does not underwrite business outside Pakistan.  
The annexed notes form an integral part of these financial statements.

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

Karachi : October 30, 2013



# CONDENSED INTERIM STATEMENT OF EXPENSES FORM GF

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)										
Class	Commission paid or payable	Deferred Commission		Net Commission Expense	Other Management Expense	Underwriting Expense	Commission from Reinsurance	Nine Months Ended Sept. 30		
		Opening	Closing					2013 Net underwriting expense	2012 Net underwriting expense	
Direct and Facultative										
Fire and property damage	46,905	11,618	12,118	46,405	39,942	86,347	9,196	77,151	59,298	
Marine, aviation and transport	11,290	2,266	2,678	10,878	10,752	21,630	10,206	11,424	17,272	
Motor	9,580	6,659	6,558	9,681	19,531	29,212	2,749	26,463	21,712	
Miscellaneous	45,007	13,570	15,541	43,036	25,571	68,607	9,625	58,982	32,193	
Total	112,782	34,112	36,895	110,000	95,796	205,796	31,776	174,020	130,475	
Treaty	Treaty	-	-	-	-	-	-	-	-	
Grand-total		112,782	34,112	36,895	110,000	95,796	205,796	31,776	174,020	130,475

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 form an integral part of these financial statements.

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

Karachi : October 30, 2013

# CONDENSED INTERIM STATEMENT OF EXPENSES FORM GF

FOR THE QUARTER ENDED JULY - SEPTEMBER 30, 2013 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)									
Class	Commission paid or payable	Deferred Commission		Net Commission Expense	Other Management Expense	Underwriting Expense	Commission from Reinsurance	Quarter Ended Sept. 30	
		Opening	Closing					2013 Net underwriting expense	2012 Net underwriting expense
Direct and Facultative									
Fire and property damage	11,953	12,546	12,118	12,381	13,905	26,286	4,000	22,286	13,805
Marine, aviation and transport	2,885	3,049	2,678	3,256	4,890	8,146	2,000	6,146	11,010
Motor	4,428	6,797	6,558	4,667	3,656	8,322	1,001	7,321	7,418
Miscellaneous	15,253	17,097	15,541	16,809	11,551	28,360	3,000	25,360	20,420
Total	34,519	39,489	36,895	37,113	34,002	71,114	10,001	61,113	52,653
Treaty	Treaty	-	-	-	-	-	-	-	-
Grand-total	34,519	39,489	36,895	37,113	34,002	71,114	10,001	61,113	52,653

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 form an integral part of these financial statements.

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

Karachi : October 30, 2013

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 - UNAUDITED

### 1. STATUS AND NATURE OF BUSINESS

East West Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on January 08, 1983 under the Companies Act, 1913 (now Companies Ordinance, 1984) and its shares are quoted on the Karachi Stock Exchange. The Company is engaged in general insurance business. The head office of the Company is situated at EFU House, M.A. Jinnah Road, Karachi.

### 2. BASIS OF PRESENTATION

These interim financial statements are presented in condensed form in accordance with the requirements of approved accounting standards as applicable in Pakistan for interim financial reporting.

The disclosures made in these condensed interim financial statements have been limited based on the formats prescribed by the Insurance Rules 2002 and approved accounting standards as applicable in Pakistan for interim financial reporting.

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

These financial statements are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and the listing regulation of Karachi Stock Exchange where the Company is listed.

### 3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation followed in the preparation of these financial statements are same as those applied in the preparation of audited annual financial statements for the year ended December 31, 2012.

5. INVESTMENT	September 30, 2013	December 31, 2013
	..... (Rupees in '000).....	
Marketable Securities	284,764	218,333
Government Securities	63,142	62,838
Term Finance Certificates (TFC's)	17,942	28,630
	<u>365,848</u>	<u>309,801</u>

The fair value of investments as at 30 September 2013 was Rs. 404.126 Million (31 December 2012 Rs. 323.559 million)

### 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. AMOUNT DUE TO / FROM OTHER INSURERS / REINSURERS

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

### 8. 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:

	Nine Months Ended Sept. 30, 2013	2012
	..... Rupees in '000 .....	
Loan received from directors	5,075	2,314
Loan repaid to directors	4,638	2,303
Remuneration to key management personnel	3,280	3,330
1st interim dividend 10%	12,968	-

## 9. OPERATING FIXED ASSETS AND DEPRECIATION

These are stated at cost less accumulated depreciation. Depreciation is charged to income using the reducing balance method.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains or losses on disposals are included in current income.

## 10. STAFF RETIREMENT BENEFITS

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 10% of basic salary of the employees.

## 11. OBLIGATIONS UNDER FINANCE LEASE

	As at Sept. 30, 2013		As at December 31, 2012	
	Minimum Lease Payments	Present Value of Minimum Lease Payments	Minimum Lease Payments	Present Value of Minimum Lease Payments
	(Rupees in '000)			
Due within one year	-	-	1,433	1,348
Due after one year but within three years	-	-	-	-
Total minimum lease payments	-	-	1,433	1,348
Less:				
Amount representing finance charges	-	-	(85)	-
Present value of minimum lease payments	-	-	1,348	1,348
Less:				
Current portion shown under current liabilities	-	-	(1,348)	(1,348)
Long term portion of obligation under finance lease	-	-	-	-

## 12. EARNING PER SHARE - BASIC AND DILUTED

	Nine months ended September 30, ..... (Rupees in '000)		Quarter ended July - September 30, ..... (Rupees in '000)	
	2013	2012	2013	2012
Profit for the period	49,011	41,046	13,074	8,179
Weighted average number of shares during the period	33,182,029	33,182,029	33,182,029	33,182,029
	(Rupees)		(Rupees)	
	Restated		Restated	
Earnings per share	1.48	1.24	0.39	0.25

## 13. GENERAL

13.1 This condensed interim financial report was authorized for issue in the board of directors meeting held on 30th October 2013.

13.2 Figures for the quarter and nine months period ended September 30, 2013 have been rounded off to the nearest thousand of rupee.

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

