

DIRECTORS' REVIEW REPORT TO THE MEMBERS

Your Directors are pleased to present their report together with un-audited Half Yearly Financial Statements for the period ended June 30, 2018.

Your Directors are pleased to inform that the Company launched Window Takaful Operations to transact General Takaful products.

The statistics covers the annexed Financial Statements of conventional general insurance and Window Takaful operation comprising:

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

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

The financial highlight of the company for the period ended June 30, 2018 is as follows:

	(Rupees in '000) (Un-audited)	
Profit after Tax (includes financial performance of Window Takaful Operations)	110,792	
Other Comprehensive Income	<u>14,464</u>	
Total Comprehensive Income	<u>125,265</u>	
Unappropriated profit at beginning of the year	240,500	
Effect of change in accounting policy	8,118	
Profit for the period	<u>110,792</u>	
Unappropriated at the end of the period	<u>359,410</u>	
	June 30, 2018	June 30, 2017
	-----Unaudited-----	
Gross premium written	1,414,288	1,258,423
Net premium	645,271	543,534
Underwriting result	161,723	130,746
Investment Income	40,018	10,402
Profit before tax (including Window Takaful Operations)	149,017	100,461
Profit after tax (including Window Takaful Operations)	110,792	80,351
Earnings per share - basic and diluted (Rupees)	1.81	1.32

On behalf of the Board of Directos

حصص یافتگان کے لیے ڈائریکٹر جائزہ رپورٹ

آپ کے بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کی ششماہی رپورٹ ۳۰ جون، ۲۰۱۸ کو ختم ہونے والے سال کیلئے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنا میرے لیے باعث مسرت ہے

آپ کے بورڈ آف ڈائریکٹرز کی طرف سے اطلاع دی جاتی ہے کہ کمپنی نے جنرل تاکافول آپریشن کے کاروبار کا آغاز کر دیا ہے

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

مالی پوزیشن کا منسلک عبوری بیان

جامع آمدنی کا کمڈینٹنس عبوری بیان

مساوات میں متعدد بیانات کا مساوات

نقد کی بہاؤ کے کنسرسی عبوری بیان

ہمیں یقین ہے مندرجہ بالا معلومات معزز حصص یافتگان کو مناسب طور پر ان کی کمپنی کی کارکردگی کے بارے میں آگاہ کریگی۔

۳۰ جون، ۲۰۱۸ کی مدت کے لئے کمپنی کی مالی خاص بات حسب ذیل ہیں

اعدادوشمار پر مشتمل قبضہ مالی بیانات کا احاطہ کرتا ہے

(I) بیلنس شیٹ:

(II) فائدہ اور نقصان اکاؤنٹ:

(III) جامع آمدنی کا بیان:

(IV) ایکونٹی میں تبدیلی کا بیان:

(V) کیش فلو کا بیان:

(VI) پریمیم کا بیان:

(VII) دعوے کا بیان:

(VIII) اخراجات کا بیان:

(IX) سرمایہ کاری کی آمدنی کا بیان:

ٹیکس کے بعد منافع (مالیاتی کارکردگی ونڈو تاکافول آپریشنز میں شامل ہیں)

دیگر جامع آمدنی

مجموعی آمدنی

فائدہ اور نقصان حصول اکاؤنٹ

سال کے شروع میں توازن قائم

اکاؤنٹنگ پالیسی میں تبدیلی کا اثر

اس مدت کے لئے منافع

مدت کے اختتام پر unappropriated متوازن

(روپے میں '000)

۳۰ جون، ۲۰۱۷	۳۰ جون، ۲۰۱۸	
-----	-----	(غیر آڈٹ شدہ)
۱,۲۵۸,۴۲۳	۱,۴۱۴,۲۸۸	مجموعی پریمیم
۵۴۳,۵۳۴	۶۴۵,۲۷۱	نیٹ پریمیم
۱۳۰,۷۴۶	۱۶۱,۷۲۳	انڈررائٹنگ نتیجہ
۱۰,۴۰۲	۴۰,۰۱۸	سرمایہ کاری کی آمدنی
۱۰۰,۴۶۱	۱۴۹,۰۱۷	ٹیکس سے قبل منافع
۸۰,۳۵۱	۱۱۰,۷۹۲	اس مدت کے لئے منافع
۱.۳۲	۱.۸۲	فی شیئر آمدنی (روپے)

محمد

نوید یونس

مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر

کراچی : ۲۹ اگست ۲۰۱۸

(روپے میں '000)

(غیر آڈٹ شدہ)

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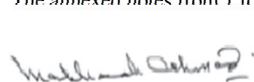
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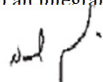
EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT JUNE 30, 2018

		June 30, 2018	December 31, 2017 (Restated)
	Note	----- Rupees-----	
ASSETS			
Property and equipment	6	135,450,883	115,774,703
Intangible assets	7	1,558,352	1,708,941
Investment properties	8	51,769,878	53,097,311
Investments			
Equity securities	9	916,257,427	927,917,340
Debt securities	10	175,530,005	179,815,758
Term deposits	11	11,000,000	75,830,000
		1,102,787,432	1,183,563,098
Loans and other receivables	12	99,465,388	40,554,739
Insurance / Reinsurance receivables	13	264,856,943	165,227,785
Reinsurance recoveries against outstanding claims		505,814,975	540,027,227
Deferred commission expense		156,599,493	146,600,131
Prepayments	14	586,191,305	427,927,216
Cash and bank	15	31,271,704	14,892,027
		2,935,766,353	2,689,373,178
Total assets of General Takaful Operations - Operator's Fund		50,537,845	-
TOTAL ASSETS		<u>2,986,304,198</u>	<u>2,689,373,178</u>
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		609,781,960	609,781,960
Reserves	16	203,315,502	188,851,780
Unappropriated profit		359,409,601	247,255,951
TOTAL EQUITY		<u>1,172,507,063</u>	<u>1,045,889,691</u>
LIABILITIES			
Underwriting provisions			
Outstanding claims including IBNR		660,067,343	660,414,958
Unearned premium reserves		892,361,241	754,295,174
Unearned reinsurance commission		66,100,080	77,864,150
		1,618,528,664	1,492,574,282
Retirement benefit obligations		1,484,124	913,748
Deferred taxation		17,267,932	18,473,752
Premium received in advance		9,317,241	4,159,478
Insurance / reinsurance payables		18,677,865	15,184,936
Other creditors and accruals	17	76,251,251	69,189,923
Taxation - provision less payment		72,216,058	42,987,368
TOTAL LIABILITIES		<u>1,813,743,135</u>	<u>1,643,483,487</u>
Total liabilities of General Takaful Operations - Operator's Fund		54,000	-
TOTAL EQUITY AND LIABILITIES		<u>2,986,304,198</u>	<u>2,689,373,178</u>
CONTINGENCIES AND COMMITMENTS	18		

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



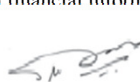
CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

	Note	Six months period ended		Three months period ended	
		June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Net insurance premium	19	645,270,759	543,534,270	352,161,749	296,949,630
Net insurance claims	20	(266,387,635)	(229,116,967)	(150,185,837)	(132,066,797)
Net commission	21	(123,521,890)	(98,940,540)	(74,831,716)	(58,058,180)
Insurance claims and acquisition expenses		(389,909,525)	(328,057,507)	(225,017,553)	(190,124,977)
Management expenses		(93,638,034)	(84,730,947)	(53,762,350)	(52,243,427)
Underwriting results		161,723,200	130,745,816	73,381,846	54,581,226
Investment income / (loss)	22	40,017,615	10,402,419	(12,268,117)	(8,281,437)
Rental income		3,076,076	4,293,974	1,509,236	2,145,964
Other income		1,591,090	2,121,482	4,500	1,558,962
Other expenses		(56,614,987)	(47,102,815)	(30,944,420)	(23,332,309)
Profit before tax from					
General Insurance Operations		149,792,994	100,460,876	31,683,044	26,672,406
Loss before tax from					
Window Takaful Operations		(775,524)	-	(775,524)	-
Profit before tax		149,017,470	100,460,876	30,907,520	26,672,406
Income tax expense		(38,225,295)	(20,110,000)	(30,567,823)	(9,110,000)
Profit after taxation		110,792,175	80,350,876	339,697	17,562,406
Other comprehensive income					
Items that may be reclassified subsequently to profit and loss account					
Unrealized gain on available for sale investments		14,463,722	6,988,266	(28,953,922)	35,508,150
Total comprehensive income for the period		<u>125,255,897</u>	<u>87,339,142</u>	<u>(28,614,225)</u>	<u>53,070,556</u>
Earnings per share - basic and diluted					
	23	<u>1.82</u>	<u>1.32</u>	<u>0.01</u>	<u>0.29</u>

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

	Share capital Issued subscribed and paid-up	Reserves		Total reserves	Unappropriated profit	Total
		General reserve	Unrealized gain on available for sale investment			
-----Rupees-----						
Balance as at January 01, 2017 (as reported)	508,151,640	200,000,000	-	200,000,000	273,554,481	981,706,121
Effect of changes in accounting policy (note 5.2.1)						
Balance as at January 01, 2017 (restated)	-	-	(3,205,575)	(3,205,575)	6,756,366	3,550,791
	508,151,640	200,000,000	(3,205,575)	196,794,425	280,310,847	985,256,912
Total comprehensive income for the period						
Profit for the period	-	-	-	-	80,350,876	80,350,876
Unrealized gain on available for sale investments	-	-	6,988,266	6,988,266	-	6,988,266
Total comprehensive income for the period ended June 30, 2017	-	-	6,988,266	6,988,266	80,350,876	87,339,142
	508,151,640	200,000,000	3,782,691	203,782,691	360,661,723	1,072,596,054
Balance as at June 30, 2017 (Restated)						
	609,781,960	200,000,000	-	200,000,000	240,499,585	1,050,281,545
Effect of changes in accounting policy (note 5.2.1)	-		(11,148,220)	(11,148,220)	8,117,841	(3,030,379)
Balance as at January 01, 2018 (restated)	609,781,960	200,000,000	(11,148,220)	188,851,780	248,617,426	1,047,251,166
Total comprehensive income for the period						
Profit for the period	-	-	-	-	110,792,175	110,792,175
Unrealized gain on available for sale investments	-	-	14,463,722	14,463,722		14,463,722
Total comprehensive income for the period ended June 30, 2018	-	-	14,463,722	14,463,722	110,792,175	125,255,897
Balance as at June 30, 2018	609,781,960	200,000,000	3,315,502	203,315,502	359,409,601	1,172,507,063

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

 CHAIRMAN	 CHIEF EXECUTIVE	 DIRECTOR	 DIRECTOR	 CHIEF FINANCIAL OFFICER
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EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

	June 30, 2018	June 30, 2017
OPERATING CASH FLOWS		
(a) Underwriting activities		
Insurance premium received	1,346,087,911	1,289,579,011
Reinsurance premium paid	(812,085,140)	(775,198,063)
Claims paid	(321,650,116)	(359,755,314)
Reinsurance and other recoveries received	89,127,118	134,968,649
Commission paid	(280,462,068)	(209,979,276)
Commission received	135,175,745	119,283,884
Underwriting payments	(127,427,815)	(141,318,746)
Net cash inflows from underwriting activities	<u>28,765,635</u>	<u>57,580,145</u>
(b) Other operating activities		
Income tax paid	(8,840,952)	(9,579,737)
Other operating payments	(110,234,697)	(37,751,347)
Net cash used in other operating activities	<u>(119,075,649)</u>	<u>(47,331,084)</u>
Total cash flow from all operating activities	<u>(90,310,014)</u>	<u>10,249,061</u>
INVESTMENT ACTIVITIES		
Profit / return received	9,857,329	8,344,745
Dividend received	17,416,680	22,952,453
Payment for investments	(71,358,379)	(1,154,828,000)
Proceeds from investment	112,613,561	1,112,393,567
Fixed capital expenditure	(28,956,582)	(6,442,550)
Proceeds from sale of property and equipment	2,700,000	2,610,000
Total cash flow from investing activities	<u>42,272,609</u>	<u>(14,969,785)</u>
FINANCING ACTIVITIES		
Loan received from director	3,893,363	393,000
Loan repaid to director	(4,306,281)	(571,000)
Total cash flow from financing activities	<u>(412,918)</u>	<u>(178,000)</u>
Net cash used in all activities	<u>(48,450,323)</u>	<u>(4,898,724)</u>
Cash and cash equivalents at beginning of the period	<u>90,722,027</u>	<u>69,662,962</u>
Cash and cash equivalents at end of the period	<u><u>42,271,704</u></u>	<u><u>64,764,238</u></u>

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

EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

	June 30, 2018	June 30, 2017
Reconciliation to profit and loss account		
Operating cash flows	(90,310,014)	10,251,561
Depreciation expense	(9,645,015)	(8,177,518)
Profit on disposal of fixed assets	1,586,590	1,903,789
Investment income	6,776,753	8,344,745
Gain / (Loss) on disposal of investment securities	15,893,379	(16,287,000)
Dividend income	17,416,680	22,952,453
Other income	3,080,576	-
Increase in assets other than cash	341,117,900	324,937,444
Decrease in operating liabilities	(175,124,675)	(263,574,597)
Profit for the period	110,792,175	80,350,876

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:

	June 30, 2018	June 30, 2017
Cash and other equivalents	100,677	44,042
Current and other accounts	31,171,027	23,720,196
Deposits maturing within 12 months	11,000,000	41,000,000
	42,271,704	64,764,238

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



CHAIRMAN




CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL

EAST WEST INSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

East West Insurance Company Limited (the Company) was incorporated as a public limited company in the year 1983 under the Companies Act, 1913, the shares of the Company are quoted on the Pakistan Stock Exchange Limited. The Company is engaged in the general insurance business and operates through 3 (2017: 3) principal offices and 24 (2017: 24) branches in Pakistan.

The Company has obtained license for takaful operations on May 08, 2018. The Company has opened two bank accounts in the name of Window Takaful Operations in Summit Bank Limited Karachi and appointed Shariah Advisor for Window Takaful Operation as per resolution passed through circulation by the Board of Directors of the Company .

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 27, Regal Plaza, Jinnah Road, Quetta. The principal place of business is situated at Sarwar Shaheed Road, Lakson Square Building No. 03, 4th, Floor Karachi.

3 BASIS OF PREPARATION

3.1 Statement of compliance

This condensed interim financial information is unaudited but subject to the limited scope review by the auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2017 which have been prepared in accordance with approved accounting standards as applicable to insurance companies in Pakistan.

This condensed interim financial information of the Company for the six month period ended June 30, 2018 has been prepared in accordance with the requirements of the International Accounting Standard 34 – (IAS 34): Interim Financial Reporting, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012.

In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 have been followed.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2017, whereas the comparative condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the half year ended June 30, 2017.

In terms of the requirement of the Takaful Rules 2012, read with SECP circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator's fund of the General Takaful Operations of the Company have been presented as single line item in the condensed interim statement of financial position and statement of profit and loss account of the Company respectively.

3.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain financial assets which are stated at fair value.

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

3.3 Functional and presentation currency

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

4 USE OF ESTIMATES AND JUDGMENTS

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

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

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the financial statements of the Company for the year ended December 31, 2017.

5 SIGNIFICANT ACCOUNTING POLICIES

5.1 The accounting policies and the methods of computation adopted by the Company in the preparation of this condensed interim financial information are same as those applied in the preparation of the preceding annual audited financials statements for the year ended December 31, 2017. During the period, the Company has changed its accounting policy with respect to subsequent measurement of available for sale securities as explained in note 5.2.1. Further, the Company has also changed its accounting policy with respect to presentation of financial statements and these financial statements have been presented in accordance with the revised format of financial statements as prescribed under the Insurance Rules, 2017 (as explained in note 5.2.2).

Amendments to certain existing standards and new standards and interpretations on approved accounting standards became effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company. During the period, the Company has changed format for preparation of its condensed interim financial information to comply with the requirements of the 'Insurance Rules, 2017' issued by SECP vide its S.R.O. 89(1) / 2017 dated February 09, 2017.

5.2 Change in accounting policies

5.2.1 On January 01, 2018 the Company changed its accounting policy for the valuation of the available-for-sale investments, as required by the accounting and reporting standards as applicable in Pakistan under the 'Insurance Rules, 2017' issued by Securities and Exchange Commission of Pakistan vide its S.R.O. 89(1)/2017 dated February 09, 2017. Previously, the Company's accounting policy to value available-for-sale investments at lower of cost or market value (market value being taken as lower if the reduction is other than temporary) was in accordance with of the SEC (Insurance) Rules, 2002 vide SRO 938(1) dated December 12, 2002.

The Insurance Rules, 2017 has not retained the above mentioned specific accounting requirements for the valuation of the available-for-sale investments. Consequently, this impacted the Company's accounting policy for valuation of available-for-sale investments, and now the related accounting requirements set out as per International Accounting Standard 39 dealing with the recognition and measurements of financial instruments are being followed by the Company. As per the revised accounting policy, the quoted available-for-sale investments are to be valued at market value and any unrealised gains or losses arising on subsequent to initial recognition of available-for-sale investments are taken to Other Comprehensive Income and transferred to revaluation reserves. On derecognition or impairment of available-for-sale investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to Profit and Loss Account for the period.

This change in accounting policy has been applied retrospectively in accordance with the requirement of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error' and comparatives have been restated to conform to the changed policies. The impact to each condensed interim financial information area is quantified as follows:

	Cumulative effect up to June 30, 2018	Cumulative effect up to December 31, 2017	Cumulative effect for the period ended June 30, 2017	Cumulative effect up to January 01, 2017
	----- Rupees -----			
Effect on statement of financial position				
Increase / (Decrease) in revaluation reserve on available for sale investment	3,315,502	(11,148,220)	3,782,691	(3,205,575)
(Decrease) / Increase in investment -Government securities	(3,971,152)	490,344	2,519,992	1,717,555
Increase in investment -Fixed Income securities	-	-	73,658	402,040
Increase / (Decrease) in investment - Ordinary Shares	7,286,655	(11,638,564)	1,189,041	(5,325,170)

5.2.2 Certain changes have been made to the presentation of the condensed interim financial information which includes the following:

- Changes in the sequence of assets / liabilities in the statement of financial position;
- Discontinuation of separate statement of premiums, claims, commission and investment income, which are now presented (on aggregate basis) into the notes to the financial information (notes 19, 20, 21, 22);
- Underwriting results in relation to various classes of business which were previously presented on the face of profit and loss account are now presented in a separate note (note

5.2.3 IAS 34 has a year-to-date approach to interim reporting and does not replicate the requirements of IAS 1 in terms of comparative information. As a consequence, it is not necessary to provide an additional balance sheet (statement of financial position) as at the beginning of the earliest comparative period presented where an entity has made a retrospective change in accounting policies and/or a retrospective reclassification.

June 30, December 31,
2018 2017
(Audited)
----- Rupees -----

6 PROPERTY AND EQUIPMENT

Opening balance as at	115,774,703	123,938,648
Additions during the period / year		
Office premises	-	400,000
Furniture and fixtures	155,000	2,015,616
Electrical fittings and equipments	1,063,845	575,860

		June 30, 2018	December 31, 2017 (Audited)
	Note	----- Rupees -----	
Computers		285,620	380,103
Office equipments		172,067	136,950
Vehicles		27,280,050	5,838,355
		28,956,582	9,346,884
Less:			
Written down value of assets disposed during the period / year		(1,113,411)	(3,676,953)
Deprecation charge for the period / year		(8,166,991)	(13,833,876)
		<u>135,450,883</u>	<u>115,774,703</u>
7	INTANGIBLE ASSETS		
Intangible assets	7.1	853,352	1,003,941
Capital work in progress		705,000	705,000
		<u>1,558,352</u>	<u>1,708,941</u>
7.1	Opening balance as at	1,003,941	1,434,201
	Less: Amortization charge for the period	(150,589)	(430,260)
		<u>853,352</u>	<u>1,003,941</u>
8	INVESTMENT PROPERTIES		

Investment properties comprise of five properties having market value of Rs. 204.29 million as at June 30, 2018 (December 31, 2017: Rs. 204.29 million). Revaluation was carried out by the Company on March 31, 2018. The exercise was carried out by independent valuers M/s. Al-Shabaz Surveyors (Private) Limited and M/s. KHZ Associates (Private) Limited.

9 INVESTMENTS IN EQUITY SECURITIES

9.1 Investments - Held For Trading

	June 30, 2018		December 31, 2017	
	Market value as at December 31, 2017	Market value as at June 30, 2018	Market value as at December 31, 2016	Market value as at December 31, 2017
	----- Rupees -----			
Listed shares	48,341,458	46,349,940	8,658,962	48,341,458
Mutual funds	720,559,347	691,962,314	119,739,455	720,559,347
	768,900,805	738,312,254	128,398,417	768,900,805

9.2 Investments-Available For Sale

	June 30, 2018		December 31, 2017 (Restated)	
	Carrying value	Market value	Carrying value	Market value
	----- Rupees -----			
<i>Related Party</i>				
Listed shares (note 9.3)	157,543,029	176,540,865	161,493,359	157,543,029
<i>Others</i>				
Listed shares	1,473,506	1,404,308	3,836,575	1,473,506
	159,016,535	177,945,173	165,329,934	159,016,535
Total equity securities	927,917,340	916,257,427	293,728,351	927,917,340

9.3 This represent investment in associated undertaking.

10 INVESTMENTS IN DEBT SECURITIES - Available for sale

	June 30, 2018		December 31, 2017 (Restated)	
	Amortized cost	Market value	Amortized cost	Market value
	----- Rupees -----			
Government Securities	179,421,167	175,530,005	181,293,661	179,815,758
	-	-	-	-
Total debt securities	179,421,167	175,530,005	181,293,661	179,815,758

10.1 This represents Pakistan Investment Bonds (PIBs) and sharia compliant GOP Ijara Sukuk carrying interest ranging from 5.51% to 12% (December 31, 2017: 5.89% to 12%).

		June 30, 2018	December 31, 2017 (Audited)
	Note	----- (Rupees) -----	
11	TERM DEPOSIT RECEIPT		
	Deposits maturing within 12 months	<u>11,000,000</u>	<u>75,830,000</u>
	These represent Term Deposit Receipts (TDRs) in local currency carrying interest rates ranging from 3.50% to 6.00% per annum (2017: 3.50% to 6.00% per annum).		
12	LOANS AND OTHER RECEIVABLES		
	(Unsecured - considered good)		
	Accrued investment income	2,379,009	2,481,188
	Advances	84,013,930	29,035,490
	Deposits	6,153,257	6,037,181
	Other receivables	<u>6,919,192</u>	<u>3,000,880</u>
		<u>99,465,388</u>	<u>40,554,739</u>
12.1	This represents advances in the normal course of business which do not carry any interest / mark-up.		
13	INSURANCE / REINSURANCE RECEIVABLES		
	(Unsecured - considered good)		
	Premium due but unpaid	168,487,528	95,516,198
	Less: Provision for impairment of receivables from insurance contract holders	(643,173)	-
	Premium written off	-	(1,029,949)
		167,844,355	94,486,249
	Amount due from other insurers / reinsurers	<u>97,012,588</u>	<u>70,741,536</u>
		<u>264,856,943</u>	<u>165,227,785</u>
14	PREPAYMENTS		
	Prepaid reinsurance premium ceded	584,987,387	426,631,798
	Prepaid rent	950,167	1,041,667
	Others	<u>253,751</u>	<u>253,751</u>
		<u>586,191,305</u>	<u>427,927,216</u>
		June 30, 2018	December 31, 2017 (Audited)
	Note	----- (Rupees) -----	
15	CASH AND BANK		
	Cash and cash equivalents	100,677	3,147
	Cash at bank		
	Current accounts	16,604,106	11,569,092
	Saving accounts	<u>14,566,921</u>	<u>3,319,788</u>
		<u>31,271,704</u>	<u>14,892,027</u>
15.1	These include interest bearing accounts carrying interest rates ranging from 5% to 10% (December 31, 2017: 5% to 10%) per annum.		
16	RESERVES		
	General reserve	200,000,000	200,000,000
	Unrealized gain / (loss) on available for sale investments	<u>3,315,502</u>	<u>(11,148,220)</u>
		<u>203,315,502</u>	<u>188,851,780</u>

17 OTHER CREDITORS AND ACCRUALS

Sundry creditors		23,874,460	24,109,932
Commission payable		15,956,503	12,166,925
Federal excise duty		2,741,338	1,825,959
Federal insurance fee		2,315,398	559,354
Workers' welfare fund		25,343,333	22,302,161
Withholding tax		3,354,580	2,417,035
Unclaimed dividend		31,303	31,303
Due to director	17.1	2,634,336	5,777,254
		<u>76,251,251</u>	<u>69,189,923</u>

17.1 The amount of loan is payable to directors which is unsecured and interest free.

18 CONTINGENCIES AND COMMITMENTS

There is no contingency and commitment as at June 30, 2018 (December 31, 2017: Nil).

19 NET INSURANCE PREMIUM

June 30, 2018 June 30, 2017
----- (Rupees) -----

Written gross premium	1,414,288,254	1,258,423,591
Add: Unearned premium reserve - opening	754,295,174	568,001,230
Less: Unearned premium reserve - closing	(892,361,241)	(687,654,819)
Premium earned	<u>1,276,222,187</u>	<u>1,138,770,002</u>
Less: Reinsurance premium ceded	789,307,017	749,891,747
Add: Prepaid reinsurance premium - opening	426,631,798	323,669,800
Less: Prepaid reinsurance premium - closing	(584,987,387)	(478,324,816)
Reinsurance expense	<u>630,951,428</u>	<u>595,236,731</u>
	<u>645,270,759</u>	<u>543,533,271</u>

20 NET INSURANCE CLAIMS EXPENSE

Claims paid	321,650,116	359,755,314
Add: Outstanding claims (including IBNR) - closing	660,067,343	693,452,319
Less: Outstanding claims (including IBNR) - opening	(660,414,958)	(544,124,293)
Claims expense	<u>321,302,501</u>	<u>509,083,340</u>
Less: Reinsurance and other recoveries received	89,127,118	134,968,649
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	505,814,975	539,590,687
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	(540,027,227)	(394,592,963)
Reinsurance and other recoveries revenue	<u>54,914,866</u>	<u>279,966,373</u>
	<u>266,387,635</u>	<u>229,116,967</u>

21 NET COMMISSION

Commission paid or payable	280,462,068	209,979,276
Add: Deferred commission expense - opening	146,599,131	129,643,348
Less: Deferred commission expense - closing	(156,599,494)	(122,295,823)
Net commission	<u>270,461,705</u>	<u>217,326,801</u>
Less: Commission received or recoverable	135,175,745	119,283,802
Add: Unearned reinsurance commission - opening	77,864,150	86,314,754
Less: Unearned reinsurance commission - closing	(66,100,080)	(87,212,295)
Commission from reinsurers	<u>146,939,815</u>	<u>118,386,261</u>
	<u>123,521,890</u>	<u>98,940,540</u>

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
22 INVESTMENT INCOME		
Held-for-trading		
Gain on sale of investments	36,008	10,939,612
Unrealized gain / (loss) on revaluation of investments	15,893,379	(27,227,000)
Dividend income	17,416,680	22,952,453
	<u>33,346,067</u>	<u>6,665,065</u>
Available for sale		
Return on government securities	6,102,960	3,742,028
Return on other fixed income securities and deposits	654,866	973,427
Amortisation of premium and discount - net	471,748	(274,912)
Less: Investment related expenses	(558,026)	(703,189)
	<u>6,671,548</u>	<u>3,737,354</u>
	<u>40,017,615</u>	<u>10,402,419</u>

23 EARNINGS PER SHARE - basic and diluted				
	Six months period ended		Three months period ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Profit for the period	<u>110,792,175</u>	<u>80,350,876</u>	<u>339,697</u>	<u>17,562,406</u>
Weighted average number of ordinary shares of Rs. 10 each	<u>60,978,196</u>	<u>60,978,196</u>	<u>60,978,196</u>	<u>60,978,196</u>
Earnings per share - rupees	<u>1.82</u>	<u>1.32</u>	<u>0.01</u>	<u>0.29</u>

23.1 There is no dilutive effect on basic earning per share of the Company.

Segment Prior Period	June 30, 2017				Treaty	TOTAL
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous		
Gross written premium	406,640,926	135,732,247	148,683,472	567,366,946	-	1,258,423,591
Unearned-Opening	212,779,846	33,741,788	62,072,058	259,406,537	-	568,000,229
Unearned-Closing	189,235,803	30,791,516	61,260,142	406,366,358	-	687,653,819
Premium Earned	430,184,969	138,682,519	149,495,388	420,407,125	-	1,138,770,001
Reinsurance-Ceded	207,649,136	58,520,684	43,836,331	439,885,596	-	749,891,747
Prepaid Reinsurance-Opening	139,034,729	20,688,306	12,012,295	151,934,470	-	323,669,800
Prepaid Reinsurance-Closing	120,134,050	8,984,898	25,700,717	323,505,151	-	478,324,816
Reinsurance Expenses	226,549,815	70,224,092	30,147,909	268,314,915	-	595,236,731
Net insurance premium	203,635,154	68,458,427	119,347,479	152,092,210	-	543,533,270
Commission income	53,198,771	19,100,698	5,557,314	40,529,956	-	118,386,739
Net underwriting income	256,833,925	87,559,125	124,904,793	192,622,166	-	661,920,009
Insurance claims paid	145,286,563	30,798,575	66,801,414	116,868,762	-	359,755,314
Outstanding-opening	345,907,102	21,238,754	28,845,653	148,132,784	-	544,124,293
Outstanding-closing	286,662,385	24,018,251	31,670,450	351,101,233	-	693,452,319
Insurance claims expenses	86,041,846	33,578,072	69,626,211	319,837,211	-	509,083,340
Reinsurance Recoveries Received	79,666,980	9,588,474	7,317,548	38,395,647	-	134,968,649
Recovery-opening	293,360,450	4,922,623	4,043,882	92,266,008	-	394,592,963
Recovery-closing	223,526,050	7,139,884	5,941,357	302,983,396	-	539,590,687
Insurance claims recovered from reinsurers	9,832,580	11,805,735	9,215,023	249,113,035	-	279,966,373
Net claims	76,209,266	21,772,337	60,411,188	70,724,176	-	229,116,967
Commission expense	94,757,254	31,644,600	25,046,922	65,880,862	-	217,329,638
Management expense	31,660,392	10,822,459	18,629,693	23,618,403	-	84,730,947
Premium deficiency expense	-	-	-	-	-	-
Net insurance claims and expenses	202,626,912	64,239,396	104,087,803	160,223,441	-	531,177,552
Underwriting results	54,207,013	23,319,729	20,816,990	32,398,725	-	130,742,457
Net investment income						10,402,419
Rental income						4,293,974
General and Admin expenses						(47,102,815)
Other income						2,121,482
Profit before tax						100,457,517
Segment Assets	421,777,000	140,784,000	154,217,000	588,485,000		1,305,263,000
Unallocated Assets						1,374,267,000
						2,679,530,000
Segment Liabilities	526,665,000	174,459,000	191,106,000	729,249,000		1,621,479,000
Unallocated Liabilities						1,621,479,000

24.1 Management has allocated indirect management expenses to underwriting business on the basis of net premium revenue under individual business as per the stated accounting policy of the Company.

TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, entities under common control, entities with common Directors, major shareholders and key management personnel of the Company. Transactions with related parties are carried out at arm's length prices except for compensation to key management personnel which is carried out on basis of employment terms and conditions. The transactions with related parties are as follows:

Nature of relationship	Nature of transaction	Six months period ended June 30	
		2018 Rupees	2017 Rupees
Common directorship	Investment in associated company	-	158,280,000
Directors and Key Management Personnel	Loan received from directors	3,893,363	393,000
	Loan repaid to directors	4,306,281	571,000
	Remuneration paid	6,150,000	6,300,000

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements are appropriate to their fair values except for non-trading investments. Fair value is determined on the basis of the objective evidence at each required date.

26.1**Carrying amount versus fair value**

The following table compares the carrying amounts and fair values of the Company's financial assets and financial liabilities as at June 30, 2018.

The Company considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair values except for available for sale investments:

	As at June 30, 2018		(Restated) As at December 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Investment property	51,769,878	204,285,000	53,097,311	204,285,000
Investments				
Equity securities				
Held for trading				
Ordinary shares - listed	46,349,940	46,349,940	48,341,458	48,341,458
Mutual fund units	691,962,314	691,962,314	720,559,347	720,559,347
Available for sale				
Ordinary shares - listed	159,016,535	177,945,173	165,329,934	159,016,535
Debt securities				
Government securities	179,421,167	175,530,005	181,293,661	179,815,758

	As at June 30, 2018		(Restated) As at December 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Term deposits				
Loans and other receivables	99,465,388	99,465,388	40,554,739	40,554,739
Insurance / Reinsurance receivables	264,856,943	264,856,943	165,227,785	165,227,785
Reinsurance recoveries against outstanding claims	505,814,975	505,814,975	540,027,227	540,027,227
Deferred Commission Expense	156,599,493	156,599,493	146,600,131	146,600,131
Cash and Bank	31,271,704	31,271,704	14,892,027	14,892,027
Financial Liabilities				
Outstanding claims including IBNR	660,067,343	660,067,343	660,414,958	660,414,958
Unearned premium reserves	892,361,241	892,361,241	754,295,174	754,295,174
Unearned Reinsurance Commission	66,100,080	66,100,080	77,864,150	77,864,150
Retirement benefit obligations	1,484,124	1,484,124	913,748	913,748
Insurance / Reinsurance Payables	18,677,865	18,677,865	15,184,936	15,184,936
Other Creditors and Accruals	76,251,251	76,251,251	69,189,923	69,189,923

26.2**Fair value hierarchy**

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

Level 1	quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3	inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	As at June 30, 2018	Level 1	Level 2	Level 3
	-----Rupees-----			
Financial assets measured at fair value				
Investments at fair value through profit or loss - held for trading				
Ordinary shares - Listed	46,349,940	46,349,940	-	-
Mutual funds	691,962,314	-	691,962,314	-
Investments-Available For Sale				
Ordinary shares - Listed	177,945,173	177,945,173	-	-
Government Securities	175,530,130	-	175,530,130	-

26.3 Transfers during the period

During the period ended June 30, 2018:

- There were no transfers between Level 1 and Level 2 fair value measurements
- There were no transfers into or out of Level 3 fair value measurements

26.4 Valuation techniques

Investments at fair value through profit or loss - held for trading

Subsequent to initial recognition, these investments are remeasured at fair value using stock exchange quotation rates in respect of investment in shares of listed companies and on the basis of closing NAV in respect of investment in units of mutual funds.

27 CORRESPONDING FIGURES

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

Reclassification from components	Reclassification to	in "Rupees"
Office premises	Property and equipment	52,964,578
Furniture and fixtures	Property and equipment	13,569,865
Electrical fittings and equipments	Property and equipment	12,191,592
Computers	Property and equipment	1,354,065
Office equipments	Property and equipment	2,458,582
Vehicles	Property and equipment	52,911,207
Cash and Bank-Term Deposit	Investments	11,000,000
Accrued investment income	Loans and other receivables	2,379,009
Other receivables	Loans and other receivables	6,919,192
Amount due from other insurers and	Insurance / Reinsurance receivables	97,012,588
Premium but unpaid	Insurance / Reinsurance receivables	167,844,355
General reserve	Reserves	200,000,000
Amount due to other insurers and	Insurance / reinsurance payables	18,677,865
Sundry creditors	Other creditors and accruals	23,874,460
Commission payable	Other creditors and accruals	15,956,503
Federal excise duty	Other creditors and accruals	2,741,338
Federal insurance fee	Other creditors and accruals	2,315,398
Workers' welfare fund	Other creditors and accruals	25,343,333
Withholding tax	Other creditors and accruals	3,354,580
Unclaimed dividend	Other creditors and accruals	31,303
Due to director	Other creditors and accruals	2,634,336

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28 GENERAL

- 28.1 This condensed interim financial information was authorised for issue in the Board of Directors meeting of the Company held on _____.
- 28.2 The figures for the quarter and six month period ended June 30, 2018 have been rounded off to the nearest Rupee.



CHAIRMAN



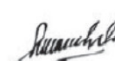
CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT JUNE 30, 2018

	June 30, 2018		
	Operators' Fund	Participants' Takaful Fund	Aggregate
Note	----- Rupees -----		
ASSETS			
Current and other accounts	40,762	500,000	540,762
Deposits maturing in 12 months	50,000,000	-	50,000,000
	50,040,762	500,000	50,540,762
Accrued investment income	6,849		6,849
Taxation - payments less provision	3,100	-	3,100
Sundry receivables	487,134	12,866	500,000
	497,083	12,866	509,949
TOTAL ASSETS	50,537,845	512,866	51,050,711
FUND AND LIABILITIES			
Operators' Fund			
Statuary Fund	50,000,000	-	50,000,000
Accumulated loss	(775,524)	-	(775,524)
	49,224,476	-	49,224,476
Participants' Takaful Fund			
Ceded money	-	500,000	500,000
	-	500,000	500,000
Creditors and accruals			
Contribution received in advance	-	12,866	12,866
Accrued expenses	54,000		54,000
Payable to East West Insurance Company Limited	1,259,369	-	1,259,369
	1,313,369	12,866	1,326,235
TOTAL FUND AND LIABILITIES	50,537,845	512,866	51,050,711

CONTINGENCIES AND COMMITMENTS

4

The annexed notes from 1 to 6 form an integral part of this condensed interim financial information.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR








CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD FROM MAY 08, 2018 TO JUNE 30, 2018**

	For the period from May 08, 2018 to June Rupees
Revenue Account	
Operators' Fund	
Management expenses	(705,369)
Investment income	37,845
General and administrative expenses	(108,000)
	<u>(70,155)</u>
Loss for the period	<u>(775,524)</u>
Other comprehensive income	-
Total comprehensive loss for the period	<u><u>(775,524)</u></u>

The annexed notes from 1 to 6 form an integral part of this condensed interim financial information.

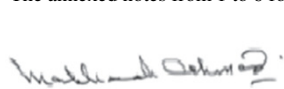
				
CHAIRMAN	CHIEF EXECUTIVE	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CHANGES IN FUND (UNAUDITED)
FOR THE PERIOD FROM MAY 08, 2018 TO JUNE 30, 2018

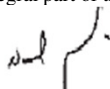
	Operators' Fund		
	Statutory Fund	Accumulated Loss	Total
	----- Rupees -----		
Contribution made during the year	50,000,000	-	50,000,000
Loss for the period	-	(775,524)	(775,524)
Balance as at June 30, 2018	50,000,000	(775,524)	49,224,476

	Participants' Takaful Fund		
	Ceded Money	Accumulated Loss	Total
	----- Rupees -----		
Ceded money	500,000	-	500,000
Loss for the period	-	-	-
Balance as at June 30, 2018	500,000	-	500,000

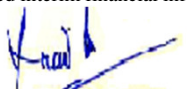
The annexed notes from 1 to 6 form an integral part of this condensed interim financial information.



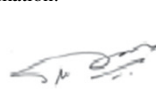
CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD FROM MAY 08, 2018 TO JUNE 30, 2018

For the period from May 08, 2018 to June 30, 2018			
	Operators'	Participants'	
	Fund	Takaful Fund	Aggregate
	-----Rupees-----		
Operating cash flows			
Underwriting activities:-			
Management Expenses	(705,369)	-	(705,369)
Net cash used in underwriting activities	(705,369)	-	(705,369)
Other operating activities			
General and administrative expenses	(54,000)	-	(54,000)
Other operating payments	(509,949)	-	(509,949)
Other operating receipts	1,272,235	-	1,272,235
Net cash inflows from other operating activities	708,286	-	708,286
Total cash inflow from all operating activities	2,917	-	2,917
Investment activities			
Profit received'	37,845	-	37,845
Total cash inflow from investing activities	37,845	-	37,845
Financing activities			
Contribution to the Operator's Fund	50,000,000	-	50,000,000
Cede Money	-	500,000	500,000
Total cash generated from financing activities	50,000,000	500,000	50,500,000
Net cash inflow from all activities	50,040,762	500,000	50,540,762
Cash and cash equivalents at beginning of the period	-	-	-
Cash and cash equivalents at end of the period	50,040,762	500,000	50,540,762
Reconciliation to profit and loss account			
Operating cash flows	2,917	-	2,917
Profit on deposits	37,845	-	37,845
Increase in assets other than cash	509,949	-	509,949
Increase / (decrease) in liabilities	(1,326,235)	-	(1,326,235)
Loss for the period	(775,524)	-	(775,524)
Attributed to			
Operators' Fund	(775,524)	-	(775,524)
Participants' Takaful Fund	-	-	-
	(775,524)	-	(775,524)
	(775,524)	-	(775,524)
Definition of cash			

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

The annexed notes from 1 to 6 form an integral part of this condensed interim financial information.







CHAIRMAN CHIEF EXECUTIVE DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD FROM MAY 08, 2018 TO JUNE 30, 2018

1 STATUS AND NATURE OF BUSINESS

East West Insurance Company Limited (the Operator) has been allowed to undertake Window Takaful Operations (WTO) on May 08, 2018 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

For the purpose of carrying on the Takaful business, the Operator has formed a Participants' Takaful Fund (PTF) on April 06, 2018 under the Waqf deed. The Waqf deed governs the relationship of Operator and participants for management of takaful operations.

2 BASIS OF PREPARATION

2.1 Basis of measurement

This condensed interim financial information have been prepared in line with the format issued by the SECP through Insurance Rules, 2017, and SECP circular no 25 of 2015 dated July 09, 2015.

This condensed interim financial information reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.

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

2.2 Statement of compliance

This condensed interim financial information of the WTO for the period from May 08, 2018 to June 30, 2018 have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'International Financial Reporting', provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and SECP Takaful Rules, 2012. In case where requirements differ, the provisions or directives of the Companies Act, 2017, Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2017 and SECP Takaful Rules, 2012 have been followed.

2.3 Functional and presentation currency

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

3 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below:

3.1 Contribution

For all the takaful contracts, Contributions including administrative surcharge received / receivable under a takaful policy will be recognised as written at the time of issuance of policy. Where Contributions for a policy are payable in installments, full Contribution for the duration of the policy will be recognised as written at the inception of the policy and related assets set up for Contributions receivable at a later date. Contributions are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on Contributions.

3.2 Claims

Claims will be charged to PTF income as incurred based on estimated liability for compensation owed under the takaful contracts. It will include claims handling costs that will directly be related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

3.3 Commission

3.3.1 Commission expense

Commission expenses incurred in obtaining and recording policies will be deferred and recognised as an expense in accordance with pattern of recognition of contribution revenue by applying the 1/24th method.

3.4 Wakala fees

The Operator manages the general takaful operations for the participants and will charge 25% for Fire and Property, 35% for Marine, Aviation and Transport, 35% for Motor, 25% for Miscellaneous, of gross contribution will be written including administrative surcharge as wakala fee against the services.

3.5 Revenue recognition

3.5.1 Participants' takaful fund

3.5.1.1 Contribution

The revenue recognition policy for Contributions is given under note 3.1.

3.5.2 Operators' fund

The revenue recognition policy for wakala fee is given under note 3.4

3.5.3 Participants' takaful fund / Operators' fund

3.5.3.1 Investment Income

Return on investments, profit on profit and loss sharing accounts and bank deposits are recognised on accrual basis.

3.6 Creditors, accruals and provisions

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

3.7 Receivables and payables related to takaful contracts

Receivables and payables related to insurance contracts will be recognised when due at cost at fair value of the consideration to be given less provision for impairment, if any. However, we did not issue any Takaful contracts during the current period.

3.8 Expenses of management

Expenses of management have been allocated to various revenue accounts on equitable basis.

3.9 Cash and cash equivalents

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

4 CONTINGENCIES AND COMMITMENTS

There is no contingency and commitment as at June 30, 2018.






5 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on _____ by the Board of Directors of the Company.

6 GENERAL

- 6.1 Being the first financial statements of Window Takaful Operations there were no comparative figures to report.

All figures have been rounded off to the nearest rupee unless otherwise stated.

				
CHAIRMAN	CHIEF EXECUTIVE DIRECTOR	DIRECTOR		CHIEF FINANCIAL OFFICER