

DIRECTORS' REVIEW REPORT TO THE MEMBERS'

Your Directors are pleased to present their report together with un-audited Nine months Financial Statements for the period ended September 30, 2020 .

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

- 0 Condnsed interim statement of financial position;
- 0 Condnsed interim statement of profit and loss account;
- 0 Condnsed interim statement of comprehensive income;
- 0 Condnsed interim statement of changes and equity;
- 0 Condnsed interim cash flow statement;
- 0 Notes to the condnsed interim financial information;

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 September 30, 2020 is as follows:

| | (Unaudited) | |
|--|---------------|--|
| Result of operating activities | 218,335,332 | |
| Profit before tax from Window Takaful Operations | 8,276,810 | |
| Profit before tax | 226,612,142 | |
| Income tax expenses | (45,918,205) | |
| Profit after taxation | 180,693,937 | |
| Other Comprehensive income | (12,959,234) | |
| Total Comprehensive income | 167,734,703 | |
| Unappropriated profit at beginning of the year | 259,963,814 | |
| Profit for the period | 180,693,937 | |
| Transfer to general reserve | (240,000,000) | |
| Unappropriated at the end of the period | 200,657,751 | |

| | September, 30 2020 | September, 30 2019 |
|---|-------------------------|--------------------|
| | ----- (Unaudited) ----- | |
| Gross premium | 2,349,946,866 | 2,389,428,343 |
| Net premium | 1,290,429,001 | 1,251,314,823 |
| Underwriting results | 251,952,039 | 239,218,774 |
| Investment income/(Loss) | 58,080,883 | (16,505,810) |
| Profit before tax (including Window Takaful Operations) | 226,612,142 | 164,366,276 |
| Profit after tax (including Window Takaful Operations) | 180,693,937 | 103,613,435 |
| Earnings per share - basic and diluted (Rupees) | 1.76 | 1.02 |

On behalf of the Board of Directors



Naved Yunus

Chief Executive Officer
Karachi : October 29, 2020

حصص یافتگان کے لیے ڈائریکٹر جائزہ رپورٹ

آپ کے بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کی سہائی رپورٹ ۳۰ ستمبر، ۲۰۲۰ کو ختم ہونے والے سال کیلئے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنا میرے لیے باعث مسرت ہے

بعد اود شمارروائی جزل انفورنس اور ونڈو ٹاکا فول آپریشن کے ضمنی مالی بیانات پر مشتمل ہے۔

مالی پوزیشن کا منسلک عبوری بیان

جامع آمدنی کا کنڈینٹس عبوری بیان

مساوات میں متعدد بیانات کا مساوات

نقد کی بھاؤ کے کنٹرسی عبوری بیان

متناسب عبوری کیش فلو بیان

مالی پوزیشن عبوری مالی معلومات کے نوٹس

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

۳۰ ستمبر، ۲۰۲۰ کی مدت کے لئے کمپنی کی مالی خاص بات حسب ذیل ہیں

| | |
|--------------|--|
| ۲۱۸,۳۵۳,۳۳۲ | آپریٹنگ سرگرمیوں کا نتیجہ |
| ۸,۲۷۶,۸۱۰ | ونڈو ٹاکا فول آپریشن ٹیکس سے پہلے نقصان۔ |
| ۲۲۶,۶۱۲,۱۳۲ | منافع قبل از حصول |
| (۳۵,۹۱۸,۲۰۵) | آمدنی پر ٹیکس کا خرچہ |
| ۱۸۰,۶۹۳,۹۳۷ | ٹیکس کے بعد منافع |
| (۱۲,۹۵۹,۲۳۳) | دیگر جامع آمدنی |
| ۱۶,۷۳۴,۷۰۳ | کل جامع آمدنی |

فائدہ اور نقصان حصول اکاؤنٹ

| | |
|---------------|--|
| ۲۵۹,۹۶۳,۸۱۳ | سال کے آغاز میں غیر ضروری منافع |
| ۱۸۰,۶۹۳,۹۳۷ | اس مدت کے لئے منافع |
| (۲۳۰,۰۰۰,۰۰۰) | جزل ریزرو میں منتقل کریں |
| ۲۰۰,۶۵۷,۷۵۱ | مدت کے اختتام پر unappropriated متوازن |

(روپے میں '000)

| ۳۰ ستمبر، ۲۰۲۰ | ۳۰ ستمبر، ۲۰۱۹ | |
|----------------|----------------|------------------------------|
| ۲,۳۳۹,۹۳۶,۸۶۶ | ۲,۳۸۹,۳۲۸,۳۳۳ | مجموعی پر بیم |
| ۱,۲۹۰,۳۲۹,۰۰۱ | ۱,۲۵۱,۳۱۳,۸۲۳ | نیٹ پر بیم |
| ۲۵۱,۹۵۲,۰۳۹ | ۲۳۹,۲۱۸,۷۷۳ | انڈر رائٹنگ نتیجہ |
| ۵,۸۰۸,۰۸۳ | (۱۶,۵۰۵,۸۱۰) | سرمایہ کاری فی آمدنی [نقصان] |
| ۲۲۶,۶۱۲,۱۳۲ | ۱۶۳,۳۶۶,۲۷۶ | بیس سے کل منافع |
| ۱۸۰,۶۹۳,۹۳۷ | ۱۰۳,۲۱۳,۲۳۵ | اس مدت کے لئے منافع |
| ۱,۷۶ | ۱,۰۲ | فی سینٹر آمدنی (روپے) |

مستند

نوید یونس

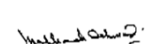
چیف ایگزیکٹو آفیسر

کراچی: ۲۹ اکتوبر ۲۰۲۰

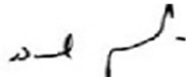
EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT SEPTEMBER 30, 2020

| | | September 30, 2020 (Unaudited) | December 31, 2019 (Audited) |
|---|------|--------------------------------------|-----------------------------------|
| | Note | ----- Rupees----- | |
| ASSETS | | | |
| Property and equipment | 6 | 134,086,079 | 146,135,672 |
| Intangible assets | 7 | 1,086,247 | 1,196,931 |
| Investment properties | 8 | 46,744,288 | 48,565,494 |
| Investments | | | |
| Equity securities | 9 | 806,469,519 | 683,476,851 |
| Debt securities | 10 | 161,262,220 | 213,915,618 |
| Term deposit receipts (TDRs) | 11 | 330,500,000 | 341,700,000 |
| | | 1,298,231,739 | 1,239,092,469 |
| Loans and other receivables | 12 | 241,718,122 | 150,261,227 |
| Insurance / reinsurance receivables | 13 | 649,712,985 | 550,313,540 |
| Reinsurance recoveries against outstanding claims | 22 | 429,320,611 | 465,459,802 |
| Deferred commission expense | 23 | 304,264,584 | 328,921,034 |
| Deferred taxation | | 7,869,717 | - |
| Prepayments | 14 | 434,131,086 | 578,016,129 |
| Cash and bank | 15 | 40,670,660 | 28,403,383 |
| | | 3,587,836,117 | 3,536,365,681 |
| Total assets of window takaful operations | | | |
| Operator's fund | | 113,709,201 | 103,842,386 |
| TOTAL ASSETS | | 3,701,545,318 | 3,640,208,067 |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves attributable to Company's equity holders | | | |
| Issued, subscribed and paid-up capital | | 1,029,007,050 | 1,029,007,050 |
| Reserves | 16 | 363,370,072 | 136,329,306 |
| Unappropriated profit | | 200,657,751 | 259,963,814 |
| TOTAL EQUITY | | 1,593,034,873 | 1,425,300,170 |
| LIABILITIES | | | |
| Underwriting provisions | | | |
| Outstanding claims including IBNR | 22 | 564,452,144 | 596,061,338 |
| Unearned premium reserves | 21 | 1,126,654,706 | 1,252,193,521 |
| Unearned reinsurance commission | 23 | 166,909,777 | 130,735,976 |
| | | 1,858,016,627 | 1,978,990,835 |
| Retirement benefit obligations | | 4,439,783 | 2,197,214 |
| Liabilities against right of use assets | 17 | 7,651,167 | 13,982,999 |
| Deferred taxation | | - | 3,939,623 |
| Premium received in advance | 18 | 17,193,966 | 35,554,237 |
| Insurance / reinsurance payables | | 34,726,815 | 18,638,127 |
| Other creditors and accruals | 19 | 74,478,137 | 91,256,061 |
| Unclaimed dividend | | 31,303 | 31,303 |
| Taxation - net | | 75,421,916 | 31,704,977 |
| TOTAL LIABILITIES | | 2,071,959,714 | 2,176,295,376 |
| Total liabilities of window Takaful | | | |
| Operations - Operator's Fund | | 36,550,732 | 38,612,521 |
| TOTAL EQUITY AND LIABILITIES | | 3,701,545,318 | 3,640,208,067 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 20 | | |

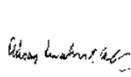
The annexed notes from 1 to 37 form an integral part of this condensed interim financial information.




CHAIRMAN



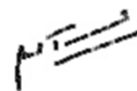
CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

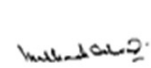


CHIEF FINANCIAL OFFICER

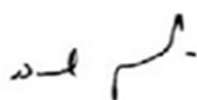
EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2020

| | Note | Nine months period ended | | Three months period ended | |
|---|------|--------------------------|--------------------|---------------------------|--------------------|
| | | September 30, 2020 | September 30, 2019 | September 30, 2020 | September 30, 2019 |
| Net insurance premium | 21 | 1,290,429,001 | 1,251,314,823 | 527,157,891 | 453,544,578 |
| Net insurance claims | 22 | (566,072,294) | (549,837,397) | (245,909,201) | (207,504,926) |
| Net commission | 23 | (256,618,549) | (249,170,463) | (114,251,899) | (88,955,075) |
| Insurance claims and acquisition expenses | | (822,690,843) | (799,007,860) | (360,161,100) | (296,460,001) |
| Management expenses | 24 | (215,786,119) | (213,088,189) | (105,214,119) | (88,353,163) |
| Underwriting results | | 251,952,039 | 239,218,774 | 61,782,672 | 68,731,414 |
| Investment income / (loss) | 25 | 58,080,883 | (16,505,810) | 20,842,088 | 3,547,434 |
| Rental income | | 29,000 | 4,845,820 | - | 133,792 |
| Other income | 26 | 13,012,550 | 41,232,687 | 1,500,984 | 2,159,210 |
| Other expenses | 27 | (103,420,015) | (106,257,045) | (37,970,859) | (31,051,801) |
| Finance cost | 28 | (1,319,125) | (2,148,942) | (278,098) | (1,464,199) |
| Results of operating activities | | 218,335,332 | 160,385,484 | 45,876,787 | 42,055,850 |
| Profit / (loss) before tax from | | | | | |
| Window takaful operations | 29 | 8,276,810 | 3,980,792 | 2,573,606 | 4,053,716 |
| Profit before tax | | 226,612,142 | 164,366,276 | 48,450,393 | 46,109,566 |
| Income tax expense | | (45,918,205) | (60,752,841) | (10,999,997) | (24,439,874) |
| Profit after taxation | | 180,693,937 | 103,613,435 | 37,450,396 | 21,669,692 |
| | | | | | |
| | | (Restated) | | (Restated) | |
| Earnings per share - basic and diluted | 31 | 1.76 | 1.02 | 0.36 | 0.21 |

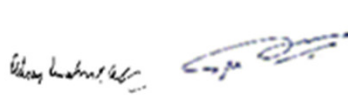
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CHAIRMAN



CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

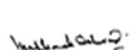


CHIEF FINANCIAL OFFICER

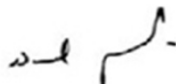
EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

| | <u>Nine months period ended</u> | | <u>Three months period ended</u> | |
|--|---------------------------------|---------------------|----------------------------------|---------------------|
| | <u>September 30</u> | <u>September 30</u> | <u>September 30</u> | <u>September 30</u> |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Note | ----- Rupees----- | ----- Rupees----- | ----- Rupees----- | ----- Rupees----- |
| Profit after taxation | 180,693,937 | 103,613,435 | 37,450,396 | 21,669,692 |
| Other comprehensive income | | | | |
| Items that may be reclassified subsequently to profit and loss account | | | | |
| Unrealised (loss) / gain on available for sale investments - net of deferred tax | (14,900,514) | (18,615,584) | (14,900,514) | 2,312,575 |
| Reclassification of loss included in profit and loss account | 1,941,280 | - | 1,791,780 | - |
| | (12,959,234) | (18,615,584) | (13,108,734) | 2,312,575 |
| Total comprehensive income for the period | <u>167,734,703</u> | <u>84,997,851</u> | <u>24,341,662</u> | <u>23,982,267</u> |

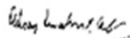
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CHAIRMAN



CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2020

| | Share capital | Reserves | | Total reserves | Unappropriated profit | Total |
|--|--------------------|-----------------|--|----------------|-----------------------|---------------|
| | Issued and paid-up | General reserve | Unrealized gain on available for sale investment | | | |
| -----Rupees----- | | | | | | |
| Balance as at January 01, 2019 | 762,227,450 | 200,000,000 | (66,952,139) | 133,047,861 | 228,563,284 | 1,123,838,595 |
| Total comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | - | 103,613,435 | 103,613,435 |
| Unrealized loss on available for sale investments | - | - | (16,528,307) | (16,528,307) | - | (16,528,307) |
| Total comprehensive income for the period | - | - | (16,528,307) | (16,528,307) | 103,613,435 | 87,085,128 |
| Balance as at September 30, 2019 | 762,227,450 | 200,000,000 | (83,480,446) | 116,519,554 | 332,176,719 | 1,210,923,723 |
| | | | | | | |
| Balance as at January 01, 2020 | 1,029,007,050 | 200,000,000 | (63,670,694) | 136,329,306 | 259,963,814 | 1,425,300,170 |
| Total comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | - | 180,693,937 | 180,693,937 |
| Unrealized loss on available for sale investments | - | - | (14,900,514) | (14,900,514) | - | (14,900,514) |
| Reclassification of loss included in profit and loss account | - | - | 1,941,280 | 1,941,280 | - | 1,941,280 |
| Total comprehensive income for the period | - | - | (12,959,234) | (12,959,234) | 180,693,937 | 167,734,703 |
| Transfer to general reserve | - | 240,000,000 | - | 240,000,000 | (240,000,000) | - |
| Balance as at September 30, 2020 | 1,029,007,050 | 440,000,000 | (76,629,928) | 363,370,072 | 200,657,751 | 1,593,034,874 |

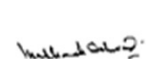
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| | | |
|--|---|---|
|  CHAIRMAN |  DIRECTOR |  CHIEF EXECUTIVE OFFICER |
| DIRECTOR | DIRECTOR | CHIEF FINANCIAL OFFICER |

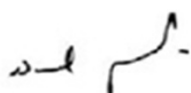
EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

| | September 30, 2020 | September 30, 2019 |
|--|-----------------------|-----------------------|
| | ----- Rupees----- | |
| OPERATING CASH FLOWS | | |
| (a) Underwriting activities | | |
| Insurance premium received | 2,158,553,866 | 2,312,411,682 |
| Reinsurance premium paid | (951,598,495) | (1,143,979,696) |
| Claims paid | (771,623,294) | (774,347,822) |
| Reinsurance and other recoveries received | 210,080,997 | 211,947,509 |
| Commission paid | (501,893,142) | (518,151,574) |
| Commission received | 290,153,522 | 305,066,092 |
| Underwriting payments | (213,601,489) | (217,325,315) |
| Net cash inflows from underwriting activities | 220,071,965 | 175,620,876 |
| (b) Other operating activities | | |
| Income tax paid | (17,101,780) | (14,608,420) |
| Other expenses paid | (82,125,406) | (80,658,626) |
| Other operating payments | (101,243,894) | (138,407,388) |
| Net cash used in other operating activities | (200,471,080) | (233,674,434) |
| Total cash (used in) / generated from all operating activities | 19,600,885 | (58,053,558) |
| INVESTMENT ACTIVITIES | | |
| Profit / return received | 33,676,032 | 20,412,636 |
| Dividend received | 32,051,712 | 26,692,503 |
| Other income received | 11,784,327 | 10,148,334 |
| Payment for investments | (580,101,933) | (630,892,583) |
| Proceeds from investment | 491,279,349 | 790,855,351 |
| Fixed capital expenditure | (2,855,194) | (14,459,444) |
| Proceeds from sale of property and equipment | 1,245,300 | 31,496,459 |
| Total cash used in all operating activities | (12,920,407) | 234,253,256 |
| FINANCING ACTIVITIES | | |
| Loan received from director | 21,900,000 | 40,128,000 |
| Loan repaid to director | (26,427,000) | (29,872,000) |
| Payment of finance lease | (1,086,201) | (1,797,483) |
| Total cash (used in) / generated from all financing activities | (5,613,201) | 8,458,517 |
| Net cash (used in) / generated from all activities | 1,067,277 | 184,658,215 |
| Cash and cash equivalents at beginning of the period | 370,103,383 | 99,847,917 |
| Cash and cash equivalents at end of the period | 371,170,660 | 284,506,132 |

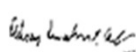
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CHAIRMAN



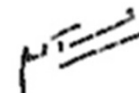
CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

| | September 30, 2020 | September 30, 2019 |
|--|-----------------------|-----------------------|
| | ----- Rupees----- | |
| Reconciliation to profit and loss account | | |
| Operating cash flows | 19,600,885 | (58,053,558) |
| Depreciation expense | (14,683,786) | (18,628,328) |
| Amortization of intangible | (110,684) | (158,121) |
| Profit on disposal of fixed assets | 1,024,299 | 28,814,822 |
| Investment income | 33,676,032 | 30,560,970 |
| Loss on disposal of investment securities | (11,971,089) | (60,618,237) |
| Dividend income | 32,051,712 | 26,692,503 |
| Other income | 11,784,327 | 10,603,501 |
| Gain / (loss) on takaful operations | 8,276,810 | 3,980,792 |
| Increase in assets other than cash | 3,912,188 | 245,058,913 |
| Decrease in operating liabilities | 97,133,244 | (104,639,822) |
| Profit for the period | 180,693,937 | 103,613,435 |

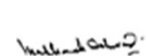
Definition of cash

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.

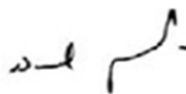
Cash for the purpose of statement of cash flows consist of:

| | September 30, 2020 | September 30, 2019 |
|------------------------------------|-----------------------|-----------------------|
| | ----- Rupees----- | |
| Cash and other equivalents | 612,822 | 55,646 |
| Current and other accounts | 40,057,838 | 44,450,486 |
| Deposits maturing within 12 months | 330,500,000 | 240,000,000 |
| | 371,170,660 | 284,506,132 |

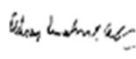
The annexed notes from 1 to 37 form an integral part of this condensed interim financial information.



CHAIRMAN



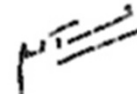
CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2020

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 repealed Companies Act, 1913 (now Companies Act, 2017). The shares of the Company are quoted on the Pakistan Stock Exchange. The Company is engaged in the general insurance business comprising of fire and property, marine, aviation and transport, motor and miscellaneous etc. The company commenced Window Takaful Operations (WTO) from May 08, 2018 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012.

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. The Company operates through 3 (2019: 3) principal offices and 24 (2019: 24) branches in Pakistan.

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 as required under Code of Corporate Governance for Insurers, 2016. 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, 2019 which have been prepared in accordance with approved accounting standards as applicable to insurance companies in Pakistan.

This condensed interim financial information has been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017: and
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 and General Takaful Regulation, 2019.

Where the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Regulation, 2019 differ with the requirements of IAS 34, provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulation, 2019, have been followed.

The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 89(1)/2017 dated February 9, 2017 has prescribed the format of the presentation of annual financial statements for the general insurance companies. These condensed interim financial statements have been prepared in accordance with the format prescribed by the SECP.

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, 2019, whereas the comparative condensed interim profit and loss account, 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 nine month period ended September 30, 2019.

In terms of the requirement of the Takaful Rules 2012, read with SECP circular 25 of 2015 dated July 9, 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 condensed interim 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 or amortized cost.

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, 2019.

5 SIGNIFICANT ACCOUNTING POLICIES

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, 2019.

5.1 Temporary Exemption from Application of IFRS 9

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for the financial assets with contractual cash flows that meet the 'Solely for Payment of Principal and Interest' (SPPI) criteria excluding those held for trading and for the financial assets that do not meet the SPPI criteria for being eligible to apply the temporary exemption from the application of IFRS 9.

| | | September 30, 2020 (Unaudited) | December 31, 2019 (Audited) | |
|-----|---|--------------------------------------|-----------------------------------|--------------|
| | | Rupees | | |
| | Note | | | |
| 6 | PROPERTY AND EQUIPMENT | | | |
| | Operating fixed assets | 6.1 | 116,593,049 | 125,555,637 |
| | Right-of-use assets | 6.2 | 17,493,030 | 20,580,035 |
| | | | 134,086,079 | 146,135,672 |
| 6.1 | Operating fixed assets | | | |
| | Opening balance as at January 1 | | 125,555,637 | 129,298,134 |
| | Additions during the period / year | | | |
| | Furniture and fixtures | | - | 275,000 |
| | Electrical fittings and equipments | | 137,160 | 1,013,134 |
| | Office equipments | | 41,000 | 290,500 |
| | Motor vehicles | | 2,540,000 | 14,332,410 |
| | Computers equipments | | 137,034 | 298,200 |
| | | | 2,855,194 | 16,209,244 |
| | Less: | | | |
| | Written down value of assets disposed during the period / year | | (221,001) | (2,841,552) |
| | Deprecation charge for the period / year | | (11,596,781) | (17,110,189) |
| | | | 116,593,049 | 125,555,637 |
| 6.2 | Right-of-use assets | | | |
| | Balance as at January 01 | | 20,580,035 | 26,013,850 |
| | Additions during the period / year | | - | 57,580 |
| | Depreciation charge during the period / year | | (3,087,005) | (5,491,395) |
| | Balance as at June 30 / December 31 | | 17,493,030 | 20,580,035 |
| 7 | INTANGIBLE ASSETS | | | |
| | Computer software | 7.1 | 381,247 | 491,931 |
| | Capital work in progress | 7.2 | 705,000 | 705,000 |
| | | | 1,086,247 | 1,196,931 |
| 7.1 | Net carrying value basis | | | |
| | Opening net book value | | 491,931 | 702,759 |
| | Amortization charge | | (110,684) | (210,828) |
| | Closing net book value | | 381,247 | 491,931 |
| 7.2 | This represents amount paid to the vendor for the development of computer software. | | | |
| 8 | INVESTMENT PROPERTIES | | | |
| | Investment properties | 8.2 | 46,744,288 | 48,565,494 |
| 8.1 | Balance as at January 01 | | 48,565,494 | 50,442,445 |
| | Additions / Transfer in during the period / year | | - | 6,554,355 |
| | Depreciation charge during the period / year | | (1,821,206) | (2,809,003) |
| | Deletion / Transfer out during the period / year | | - | (5,622,303) |
| | | | 46,744,288 | 48,565,494 |

- 8.2 Revaluation was carried out by the Company in the month of July 2, 2020 and July 8, 2020. The exercise was carried out by independent valuers M/s. Al-Shabaz Surveyors (Private) Limited and M/s. Salam Associates (Private) Limited and revalued market values is estimated at Rs. 172.50 million (2019: Rs. 172.50 million).

| | | September 30, 2020 (Unaudited) | December 31, 2019 (Audited) |
|---|----------------------------------|--------------------------------------|-----------------------------------|
| | Note | Rupees | |
| 9 | INVESTMENTS IN EQUITY SECURITIES | | |
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9.1 Detail of investments in equities securities is as follows

| | September 30, 2020 (Unaudited) | | | December 31, 2019 (Audited) | | |
|--------------------------------|--------------------------------|---------------------------|--------------------|-----------------------------|---------------------------|--------------------|
| | Cost | Impairment / Provision | Carrying value | Cost | Impairment / Provision | Carrying value |
| | Rupees | | | | | |
| Investments - Held for Trading | | | | | | |
| Listed securities | 98,161,687 | (9,972,290) | 88,189,397 | 68,566,178 | 6,692,288 | 75,258,466 |
| Mutual funds | 505,450,772 | (1,998,799) | 503,451,973 | 390,361,631 | 3,028,605 | 393,390,236 |
| | <u>603,612,459</u> | <u>(11,971,089)</u> | <u>591,641,370</u> | <u>458,927,809</u> | <u>9,720,893</u> | <u>468,648,702</u> |
| Investments-Available For Sale | | | | | | |
| Related Party | | | | | | |
| Listed securities (Note 9.2) | 285,830,236 | - | 285,830,236 | 285,830,236 | (3,816,577) | 282,013,659 |
| Others | | | | | | |
| Listed securities | 10,593,327 | - | 10,593,327 | 10,593,327 | (142,207) | 10,451,120 |
| Deficit on revaluation | - | - | (81,595,414) | - | - | (77,636,629) |
| | <u>296,423,563</u> | <u>-</u> | <u>214,828,149</u> | <u>296,423,563</u> | <u>(3,958,784)</u> | <u>214,828,149</u> |
| | | | <u>806,469,519</u> | | | <u>683,476,851</u> |

- 9.2 This represent investment in associated undertaking.

10 INVESTMENTS IN DEBT SECURITIES

Held To Maturity

Government Securities

Pakistan Investment Bonds

T - Bills

| | | |
|------|-------------|-------------|
| 10.1 | 142,792,220 | 141,642,159 |
| 10.1 | - | 40,943,459 |

Available for sale

Term Finance Certificates

Corporate Sukuk

| | | |
|------|--------------------|--------------------|
| 10.1 | 9,470,000 | 15,730,000 |
| 10.1 | 9,000,000 | 15,600,000 |
| | <u>161,262,220</u> | <u>213,915,618</u> |

10.1 Detail of investments in debt securities is as follows

| | September 30, 2020 (Unaudited) | | | December 31, 2019 (Audited) | | |
|--|--------------------------------|------------------------|--------------------|-----------------------------|------------------------|--------------------|
| | Cost | Impairment / Provision | Carrying value | Cost | Impairment / Provision | Carrying value |
| | ----- Rupees ----- | | | | | |
| Held to Maturity | | | | | | |
| Government securities | | | | | | |
| Pakistan Investment Bonds (Note 10.2 & 10.3) | 142,792,220 | - | 142,792,220 | 141,642,159 | - | 141,642,159 |
| T - Bills | - | - | - | 40,943,459 | - | 40,943,459 |
| | <u>142,792,220</u> | <u>-</u> | <u>142,792,220</u> | <u>182,585,618</u> | <u>-</u> | <u>182,585,618</u> |
| Available for sale | | | | | | |
| Others | | | | | | |
| Term Finance Certificates | 15,730,000 | - | 15,730,000 | 13,040,000 | 2,690,000 | 15,730,000 |
| Corporate Sukuk | 15,600,000 | - | 15,600,000 | 12,270,000 | 3,330,000 | 15,600,000 |
| | <u>31,330,000</u> | <u>-</u> | <u>31,330,000</u> | <u>25,310,000</u> | <u>6,020,000</u> | <u>31,330,000</u> |
| Deficit on revaluation | - | - | (12,860,000) | - | - | - |
| | | | <u>161,262,220</u> | | | <u>213,915,618</u> |

10.2 This represents Pakistan Investment Bonds (PIBs) carrying interest ranging from 7% to 12% (2019: 7% to 12%).

10.3 The amount of Pakistan Investment Bonds includes Rs. 105 million (2019: Rs. 105 million) deposited with the State Bank of Pakistan as required by Section 29 of the Insurance Ordinance, 2000.

| | | September 30, 2020 (Unaudited) | December 31, 2019 (Audited) |
|--|------|--------------------------------------|-----------------------------------|
| | Note | ----- Rupees ----- | |
| 11 INVESTMENTS IN TERM DEPOSITS | | | |
| Deposits maturing within 12 months | 11.1 | <u>330,500,000</u> | <u>341,700,000</u> |

11.1 These represent Term Deposit Receipts (TDRs) in local currency carrying interest rates ranging from 7.2% to 11.40% per annum (2019: 7.2% to 13.90% per annum).

12 LOANS AND OTHER RECEIVABLES

(Unsecured - considered good)

Accrued investment income

 Pakistan Investment bonds

 Corporate Sukuks

 Others

Advances

Deposits

Other receivables

| | |
|--------------------|--------------------|
| 4,120,909 | 4,098,222 |
| 70,274 | 132,493 |
| 238,044 | 2,329,315 |
| <u>4,429,227</u> | <u>6,560,030</u> |
| 214,303,360 | 132,359,888 |
| 10,086,123 | 9,528,019 |
| 12,899,412 | 1,813,290 |
| <u>241,718,122</u> | <u>150,261,227</u> |

12.1 This represents advances in the normal course of business which do not carry any interest / mark-up.

| | | September 30, 2020 (Unaudited) | December 31, 2019 (Audited) |
|--|------|--------------------------------------|-----------------------------------|
| | Note | Rupees | |
| 13 INSURANCE / REINSURANCE RECEIVABLES | | | |
| (Unsecured - considered good) | | | |
| Premium due but unpaid | | 424,002,889 | 252,942,667 |
| Less: Provision for impairment of receivables from insurance contract holders | | (5,765,134) | (5,765,134) |
| Premium written off | | - | (1,972,507) |
| | | 418,237,755 | 245,205,026 |
| Amount due from other insurers / reinsurers | | 231,475,230 | 305,108,514 |
| | | <u>649,712,985</u> | <u>550,313,540</u> |
| 14 PREPAYMENTS | | | |
| Prepaid reinsurance premium ceded | | 433,405,230 | 577,141,443 |
| Prepaid rent | | 494,437 | 643,267 |
| Others | | 231,419 | 231,419 |
| | | <u>434,131,086</u> | <u>578,016,129</u> |
| 15 CASH AND BANK | | | |
| Cash and cash equivalents | | 612,822 | 127,676 |
| Cash at bank | | | |
| Current accounts | | 19,060,748 | 17,159,448 |
| Saving accounts | 15.1 | 20,997,090 | 11,116,259 |
| | | <u>40,670,660</u> | <u>28,403,383</u> |
| 15.1 These include interest bearing accounts carrying interest rates ranging from 5% to 10% (December 31, 2019: 5% to 10%) per annum. | | | |
| 16 RESERVES | | | |
| General reserve | | 440,000,000 | 200,000,000 |
| Unrealized loss on available for sale investments | | (76,629,928) | (63,670,694) |
| | | <u>363,370,072</u> | <u>136,329,306</u> |
| 17 LIABILITIES AGAINST RIGHT OF USE ASSET | | | |
| Current portion | | 6,161,101 | 8,513,271 |
| Non-current portion | | 1,490,066 | 5,469,728 |
| | | <u>7,651,167</u> | <u>13,982,999</u> |
| 17.1 Finance cost on lease liabilities for the period ended September 30, 2020 was Rs. 0.845 million (September 30, 2019 Rs. 1.181 million) , total cash outflow for lease was Rs. 4.817 million (September 30, 2019 Rs. 4.896 million). | | | |
| 18 PREMIUM RECEIVED IN ADVANCE | | | |
| Premium received in advance | | <u>17,193,966</u> | <u>35,554,237</u> |
| 18.1 This includes cash margin (bond) received from policy holders amounting to Rs. 39.28 million (2019: Rs. 14.63 million). | | | |

| | | September 30, 2020 (Unaudited) | December 31, 2019 (Audited) |
|--|------|--------------------------------------|-----------------------------------|
| | Note | Rupees | |
| 19 OTHER CREDITORS AND ACCRUALS | | | |
| Sundry creditors | | 19,738,872 | 18,885,314 |
| Commission payable | | - | 15,951,322 |
| Federal excise duty | | 266,480 | 2,739,770 |
| Federal insurance fee | | 768,935 | 782,287 |
| Workers' welfare fund | | 29,987,806 | 29,987,806 |
| Withholding tax | | 6,396,220 | 4,949,738 |
| Due to director | 19.1 | 17,319,824 | 17,959,824 |
| | | <u>74,478,137</u> | <u>91,256,061</u> |

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

20 CONTINGENCIES AND COMMITMENTS

There is no contingency and commitment as at September 30, 2020 (December 31, 2019: Nil).

| | Nine months period ended September 30, 2020 | | Three months period ended September 30, 2020 | |
|---|---|----------------------|--|--------------------|
| | September 30, 2019 | | September 30, 2019 | |
| Note | (Rupees) | | (Rupees) | |
| 21 NET INSURANCE PREMIUM | | | | |
| Written gross premium | 2,349,946,866 | 2,389,428,343 | 1,000,194,566 | 883,815,504 |
| Add: Unearned premium reserve - opening | 1,252,193,521 | 981,543,116 | 1,062,479,626 | 908,190,738 |
| Less: Unearned premium reserve - closing | (1,126,654,706) | (915,710,408) | (1,126,654,706) | (915,710,408) |
| Premium earned | <u>2,475,485,681</u> | <u>2,455,261,051</u> | <u>936,019,486</u> | <u>876,295,834</u> |
| Less: Reinsurance premium ceded | 1,041,320,467 | 1,132,088,842 | 433,036,675 | 385,731,471 |
| Add: Prepaid reinsurance premium - opening | 577,141,443 | 622,853,417 | 409,230,150 | 588,015,816 |
| Less: Prepaid reinsurance premium - closing | (433,405,230) | (550,996,031) | (433,405,230) | (550,996,031) |
| Reinsurance expense | <u>1,185,056,680</u> | <u>1,203,946,228</u> | <u>408,861,595</u> | <u>422,751,256</u> |
| | <u>1,290,429,001</u> | <u>1,251,314,823</u> | <u>527,157,891</u> | <u>453,544,578</u> |

22 NET INSURANCE CLAIMS EXPENSE

| | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| Claims paid | 771,623,294 | 774,347,822 | 337,802,930 | 291,541,780 |
| Add: Outstanding claims (including IBNR) - closing | 564,452,144 | 591,011,453 | 564,452,144 | 591,011,453 |
| Less: Outstanding claims (including IBNR) - opening | (596,061,338) | (594,943,384) | (569,679,636) | (601,890,360) |
| Claims expense | <u>740,014,100</u> | <u>770,415,891</u> | <u>332,575,438</u> | <u>280,662,873</u> |
| Less: Reinsurance and other recoveries received | 210,080,997 | 211,947,509 | 81,918,130 | 82,425,037 |
| Add: Reinsurance and other recoveries in respect of outstanding claims - closing | 429,320,611 | 450,636,618 | 429,320,611 | 450,636,618 |
| Less: Reinsurance and other recoveries in respect of outstanding claims - opening | (465,459,802) | (442,005,633) | (424,572,504) | (459,903,708) |
| Reinsurance and other recoveries revenue | <u>173,941,806</u> | <u>220,578,494</u> | <u>86,666,237</u> | <u>73,157,947</u> |
| | <u>566,072,294</u> | <u>549,837,397</u> | <u>245,909,201</u> | <u>207,504,926</u> |

| Note | Nine months period ended | | Three months period ended | |
|------|--------------------------|-----------------------|---------------------------|-----------------------|
| | September 30, 2020 | September 30, 2019 | September 30, 2020 | September 30, 2019 |
| | (Rupees) | | (Rupees) | |

23 NET COMMISSION

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Commission paid or payable | 485,941,820 | 518,151,574 | 190,722,804 | 180,211,170 |
| Add: Deferred commission expense - opening | 328,921,034 | 172,215,623 | 272,541,776 | 198,338,807 |
| Less: Deferred commission expense - closing | (304,264,584) | (235,545,940) | (304,264,584) | (235,545,940) |
| Net commission | 510,598,270 | 454,821,257 | 158,999,996 | 143,004,037 |
| Less: Commission received or recoverable | 290,153,522 | 305,066,092 | 119,119,827 | 143,229,300 |
| Add: Unearned reinsurance commission - opening | 130,735,976 | 99,090,998 | 92,538,047 | 109,325,958 |
| Less: Unearned reinsurance commission - closing | (166,909,777) | (198,506,296) | (166,909,777) | (198,506,296) |
| Commission from reinsurers | 253,979,721 | 205,650,794 | 44,748,097 | 54,048,962 |
| | 256,618,549 | 249,170,463 | 114,251,899 | 88,955,075 |

24 MANAGEMENT EXPENSES

| | | | | | |
|---------------------------------|------|-------------|-------------|-------------|------------|
| Employee benefit cost | 24.1 | 99,004,519 | 92,172,977 | 37,798,345 | 35,172,532 |
| Office repairs and maintenance | | 6,427,209 | 6,457,524 | 5,045,192 | 2,600,003 |
| Vehicle running expenses | | 54,580,457 | 56,934,984 | 34,438,452 | 28,934,570 |
| Traveling expenses | | 24,941,302 | 30,038,108 | 12,809,004 | 12,036,600 |
| Electricity, gas and water | | 5,944,838 | 7,977,373 | 2,751,017 | 2,195,922 |
| Printing and stationery | | 4,963,666 | 3,729,216 | 1,114,565 | 1,084,201 |
| Office rent | | 5,310,111 | 3,909,915 | 2,540,308 | 1,264,900 |
| Entertainment | | 8,280,076 | 7,285,751 | 4,058,288 | 2,985,706 |
| Postage, telegram and telephone | | 2,901,822 | 2,422,746 | 1,904,867 | 1,022,231 |
| Advertisement and publicity | | 1,815,794 | 1,255,255 | 1,500,000 | 607,234 |
| Rent, rates and taxes | | 258,882 | 104,600 | 254,082 | 49,559 |
| Miscellaneous | | 1,357,443 | 799,740 | 999,999 | 399,705 |
| | | 215,786,119 | 213,088,189 | 105,214,119 | 88,353,163 |

24.1 Employee benefit cost

| | | | | |
|--|------------|------------|------------|------------|
| Salaries, allowance and other benefits | 97,462,031 | 91,041,617 | 37,031,801 | 34,538,280 |
| Charges for post employment benefit | 1,542,488 | 1,131,360 | 766,544 | 634,252 |
| | 99,004,519 | 92,172,977 | 37,798,345 | 35,172,532 |

25 INVESTMENT INCOME / (LOSS)

| | | | | |
|-------------------------------|------------|--------------|-----------|--------------|
| Income from equity securities | | | | |
| Held-for-trading | | | | |
| Gain on sale of investments | 6,455,031 | (60,050,992) | 881,387 | (60,050,992) |
| Dividend income | 32,051,712 | 26,692,503 | 5,728,629 | 9,301,004 |
| | 38,506,743 | (33,358,489) | 6,610,016 | (50,749,988) |
| Income from debt securities | | | | |
| Held-to-maturity | | | | |
| Pakistan Investment Bond | 11,485,216 | | 3,843,951 | - |
| Treasury Bills | 77,647 | | - | - |
| | 11,562,863 | - | 3,843,951 | - |

| | Note | Nine months period ended | | Three months period ended | |
|---|------|--------------------------|-----------------------|---------------------------|-----------------------|
| | | September 30, 2020 | September 30, 2019 | September 30, 2020 | September 30, 2019 |
| | | (Rupees) | (Rupees) | (Rupees) | (Rupees) |
| Available for sale | | | | | |
| Pakistan Investment Bond | | - | 11,124,583 | - | 3,898,296 |
| Gop Ijara Sukuk | | - | 344,748 | - | 75,203 |
| Treasury Bills | | - | 44,578 | - | - |
| Term Finance Certificate | | 1,020,258 | 975,320 | 238,044 | 328,679 |
| Corporate Sukuk | | 909,216 | 867,885 | 215,506 | 249,698 |
| | | 1,929,474 | 13,357,114 | 453,550 | 4,551,876 |
| Return on term deposits | | 19,442,408 | 5,111,662 | 5,686,539 | 5,092,290 |
| Net unrealised (losses) / gain on investments at fair value through profit or loss (held for trading) | | (11,971,089) | (567,245) | 4,572,798 | 45,141,108 |
| | | 59,470,399 | (15,456,958) | 21,166,854 | 4,035,286 |
| Less: Investment related expenses | | (1,389,516) | (1,048,852) | (324,766) | (487,852) |
| | | 58,080,883 | (16,505,810) | 20,842,088 | 3,547,434 |
| 26 OTHER INCOME | | | | | |
| Return on bank balances | | 1,668,968 | 1,814,364 | 300,984 | 424,210 |
| Profit on disposal of fixed assets | | 1,024,299 | 28,814,822 | - | - |
| Reversal of bad debts | | - | 7,115,351 | - | - |
| Others | | 10,319,283 | 3,488,150 | 1,200,000 | 1,735,000 |
| | | 13,012,550 | 41,232,687 | 1,500,984 | 2,159,210 |
| 27 OTHER EXPENSES | | | | | |
| Employee benefit cost | 27.1 | 45,299,159 | 41,299,670 | 15,151,666 | 12,448,029 |
| Office repairs and maintenance | | 8,433,166 | 9,265,464 | 3,746,028 | 2,601,568 |
| Vehicle running expenses | | 13,118,934 | 9,694,542 | 8,141,812 | 4,058,792 |
| Auditors' remuneration | | 916,402 | 750,900 | 93,602 | 315,600 |
| Remuneration of directors and executives | | 9,790,000 | 9,455,000 | 3,430,000 | 3,310,000 |
| Legal and professional charges | | 1,319,934 | 1,369,874 | 395,444 | 56,940 |
| Depreciation and amortization | | 16,615,676 | 18,785,542 | 5,610,742 | 6,376,981 |
| Subscription and membership | | 678,359 | 1,787,769 | 52,153 | 881,844 |
| Annual supervision fee | | 3,671,535 | 2,415,782 | - | - |
| Provision for doubtful debt | | - | 8,961,819 | - | - |
| Rent, rates and taxes | | 135,000 | 91,144 | 122,000 | 63,568 |
| Electricity, gas and water | | 1,397,670 | 482,092 | 538,140 | - |
| Postage, telegram and telephone | | 973,073 | 1,301,777 | 295,619 | 624,323 |
| Others | | 1,071,107 | 595,670 | 393,653 | 314,156 |
| | | 103,420,015 | 106,257,045 | 37,970,859 | 31,051,801 |
| 27.1 Employee benefit cost | | | | | |
| Salaries, allowance and other benefits | | 43,926,817 | 40,233,182 | 14,752,667 | 12,091,081 |
| Charges for post employment benefit | | 1,372,342 | 1,066,488 | 398,999 | 356,948 |
| | | 45,299,159 | 41,299,670 | 15,151,666 | 12,448,029 |
| 28 FINANCE COST | | | | | |
| Bank charges | | 232,924 | 351,459 | 36,727 | 276,128 |
| Lease finance charges | | 1,086,201 | 1,797,483 | 241,371 | 1,188,071 |
| | | 1,319,125 | 2,148,942 | 278,098 | 1,464,199 |

29 Window takaful operations - Operator's fund

| | Nine months period ended | | Three months period ended | |
|-------------------------------------|--------------------------|------------------|---------------------------|------------------|
| | September 30, | September 30, | September 30, | September 30, |
| | 2020 | 2019 | 2020 | 2019 |
| | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| Wakala fee | 56,442,538 | 23,674,119 | 17,339,230 | 11,821,207 |
| General and administrative expenses | (4,986,741) | (2,847,241) | (1,484,772) | (744,660) |
| Net commission expense | (35,317,216) | (14,384,406) | (11,520,611) | (7,192,999) |
| Modarib's share | 17,431 | 61,446 | 6,210 | 8,245 |
| Investment income | 7,674 | 2,570,088 | 2,636 | 571,440 |
| Rental income | 1,719,000 | - | 573,000 | - |
| Direct expenses | (9,605,876) | (5,093,214) | (2,342,087) | (409,517) |
| Profit / (loss) for the period | <u>8,276,810</u> | <u>3,980,792</u> | <u>2,573,606</u> | <u>4,053,716</u> |

30 SEGMENT REPORTING

Following are the segment assets, liabilities, revenue and expenses of the Company:

| Segment Current Period | Fire and property damage | Marine, aviation and transport | Motor | Miscellaneous | Treaty | TOTAL |
|--|-----------------------------|-----------------------------------|---------------|---------------|--------|-----------------|
| -----September 30, 2020----- | | | | | | |
| -----Rupees----- | | | | | | |
| Gross written premium | 459,019,923 | 130,022,179 | 154,242,786 | 606,467,416 | - | 1,349,752,301 |
| Unearned-Opening | 362,733,454 | 54,466,378 | 197,527,644 | 637,466,045 | - | 1,252,193,521 |
| Unearned-Closing | (351,866,315) | (38,538,314) | (145,090,615) | (526,984,382) | - | (1,062,479,626) |
| Premium Earned | 469,887,062 | 145,950,243 | 206,679,815 | 716,949,079 | - | 1,539,466,196 |
| Reinsurance-Ceded | (206,742,740) | (61,543,006) | (26,107,627) | (313,890,419) | - | (608,283,792) |
| Prepaid Reinsurance-Opening | (129,520,247) | (9,616,320) | (43,294,769) | (394,710,107) | - | (577,141,443) |
| Prepaid Reinsurance-Closing | 117,745,893 | 13,170,730 | 36,854,785 | 241,458,742 | - | 409,230,150 |
| Reinsurance Expenses | (218,517,094) | (57,988,596) | (32,547,611) | (467,141,784) | - | (776,195,085) |
| Net insurance premium | 251,369,968 | 87,961,647 | 174,132,204 | 249,807,295 | - | 763,271,114 |
| Commission income | 61,827,644 | 14,054,979 | 10,030,376 | 123,318,627 | - | 209,231,626 |
| Net underwriting income | 313,197,612 | 102,016,626 | 184,162,580 | 373,125,922 | - | 972,502,740 |
| Insurance claims paid | (124,007,146) | (33,335,774) | (91,686,918) | (184,790,526) | - | (433,820,364) |
| Outstanding-opening | 103,892,000 | 16,741,421 | 36,921,124 | 438,506,793 | - | 596,061,338 |
| Outstanding-closing | (106,420,235) | (21,303,623) | (29,276,801) | (412,678,977) | - | (569,679,636) |
| Insurance claims expenses | (126,535,381) | (37,897,976) | (84,042,595) | (158,962,710) | - | (407,438,662) |
| Reinsurance Recoveries Received | 45,563,859 | 15,640,484 | 9,844,906 | 57,113,618 | - | 128,162,867 |
| Recovery-opening | (54,542,009) | (4,381,053) | (10,432,071) | (396,104,669) | - | (465,459,802) |
| Recovery-closing | 51,933,306 | 3,900,275 | 6,233,004 | 362,505,919 | - | 424,572,504 |
| Insurance claims recovered from reinsurers | 42,955,156 | 15,159,706 | 5,645,839 | 23,514,868 | - | 87,275,569 |
| Net claims | (83,580,225) | (22,738,270) | (78,396,756) | (135,447,842) | - | (320,163,093) |
| Commission expense | (117,810,054) | (33,906,140) | (49,198,108) | (150,683,972) | - | (351,598,274) |
| Management expense | (36,414,951) | (12,742,648) | (25,225,828) | (36,188,573) | - | (110,571,999) |
| Net insurance claims and expenses | (237,805,230) | (69,387,058) | (152,820,692) | (322,320,387) | - | (782,333,366) |
| Underwriting results | 75,392,382 | 32,629,568 | 31,341,888 | 50,805,535 | - | 190,169,374 |
| Net investment income | | | | | | 58,080,883 |
| Rental income | | | | | | 29,000 |
| Other expenses | | | | | | (103,420,015) |
| Finance cost | | | | | | (1,319,125) |
| Other income | | | | | | 13,012,550 |
| Window takaful operations | | | | | | 8,276,810 |
| Profit before tax | | | | | | 164,829,477 |
| Segment Assets | 680,264,207 | 238,044,189 | 471,241,281 | 676,035,259 | | 2,065,584,937 |
| Unallocated Assets | | | | | | 1,635,960,382 |
| | | | | | | 3,701,545,318 |
| Segment Liabilities | 641,041,764 | 224,319,117 | 444,070,611 | 637,056,647 | | 1,946,488,140 |
| Unallocated Liabilities | | | | | | 162,022,306 |
| | | | | | | 2,108,510,446 |

| Segment Prior Period | Fire and property damage | Marine, aviation and transport | Motor | Miscellaneous | Treaty | TOTAL |
|--|------------------------------|-----------------------------------|---------------|---------------|--------|-----------------|
| | -----September 30, 2019----- | | | | | |
| | -----Rupees----- | | | | | |
| Gross written premium | 729,610,345 | 286,108,753 | 367,048,870 | 1,006,660,375 | - | 2,389,428,343 |
| Unearned-Opening | 285,590,099 | 52,096,814 | 139,382,310 | 504,473,893 | - | 981,543,116 |
| Unearned-Closing | (282,737,620) | (56,337,126) | (166,924,335) | (409,711,327) | - | (915,710,408) |
| Premium Earned | 732,462,824 | 281,868,441 | 339,506,845 | 1,101,422,941 | - | 2,455,261,051 |
| Reinsurance-Ceded | (372,235,308) | (123,694,387) | (68,362,781) | (567,796,366) | - | (1,132,088,842) |
| Prepaid Reinsurance-Opening | (133,642,032) | (26,410,368) | (47,911,813) | (414,889,204) | - | (622,853,417) |
| Prepaid Reinsurance-Closing | 141,110,160 | 19,925,669 | 48,321,322 | 341,638,880 | - | 550,996,031 |
| Reinsurance Expenses | (364,767,180) | (130,179,086) | (67,953,272) | (641,046,690) | - | (1,203,946,228) |
| Net insurance premium | 367,695,644 | 151,689,355 | 271,553,573 | 460,376,251 | - | 1,251,314,823 |
| Commission income | 85,900,772 | 28,846,723 | 12,068,406 | 78,834,893 | - | 205,650,794 |
| Net underwriting income | 453,596,416 | 180,536,078 | 283,621,979 | 539,211,144 | - | 1,456,965,617 |
| Insurance claims paid | (185,686,940) | (98,422,680) | (150,522,663) | (339,715,539) | - | (774,347,822) |
| Outstanding-opening | 119,062,424 | 23,801,473 | 35,341,827 | 416,737,660 | - | 594,943,384 |
| Outstanding-closing | (127,353,778) | (24,039,130) | (27,248,915) | (412,369,630) | - | (591,011,453) |
| Insurance claims expenses | (193,978,294) | (98,660,337) | (142,429,751) | (335,347,509) | - | (770,415,891) |
| Reinsurance Recoveries Received | 85,040,700 | 45,067,932 | 18,249,832 | 63,589,045 | - | 211,947,509 |
| Recovery-opening | (56,040,329) | (4,248,135) | (8,164,044) | (373,553,125) | - | (442,005,633) |
| Recovery-closing | 61,560,567 | 4,353,306 | 12,363,800 | 372,358,945 | - | 450,636,618 |
| Insurance claims recovered from reinsurers | 90,560,938 | 45,173,103 | 22,449,588 | 62,394,865 | - | 220,578,494 |
| Net claims | (103,417,356) | (53,487,234) | (119,980,163) | (272,952,644) | - | (549,837,397) |
| Commission expense | (197,964,483) | (51,909,644) | (77,309,345) | (127,637,785) | - | (454,821,257) |
| Management expense | (62,615,417) | (25,831,397) | (46,243,246) | (78,398,130) | - | (213,088,190) |
| Net insurance claims and expenses | (363,997,256) | (131,228,275) | (243,532,754) | (478,988,559) | - | (1,217,746,844) |
| Underwriting results | 89,599,160 | 49,307,803 | 40,089,225 | 60,222,585 | - | 239,218,773 |
| Net investment income | | | | | | (18,662,046) |
| Rental income | | | | | | 4,712,028 |
| Other expenses | | | | | | (74,474,768) |
| Finance cost | | | | | | (2,148,942) |
| Other income | | | | | | 37,682,773 |
| Window takaful operations | | | | | | 3,980,792 |
| Profit before tax | | | | | | 190,308,610 |
| Segment Assets | 527,108,006 | 217,453,415 | 389,284,085 | 659,969,765 | | 1,793,815,272 |
| Unallocated Assets | | | | | | 1,256,925,061 |
| | | | | | | 3,050,740,334 |
| Segment Liabilities | 559,237,937 | 167,556,817 | 399,024,899 | 549,739,918 | | 1,675,559,571 |
| Unallocated Liabilities | | | | | | 188,013,466 |
| | | | | | | 1,863,573,037 |

30.1 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.

| Nine months period ended | | Three months period ended | |
|--------------------------|---------------|---------------------------|---------------|
| September 30, | September 30, | September 30, | September 30, |
| 2020 | 2019 | 2020 | 2019 |
| ----- (Rupees) ----- | | ----- (Rupees) ----- | |

31 EARNINGS PER SHARE - basic and diluted

| | | | | |
|---|-----------------------------|-------------|-----------------------------|-------------|
| Profit for the period | 180,693,937 | 103,613,435 | 37,450,396 | 21,669,692 |
| | ----- (No. of shares) ----- | | ----- (No. of shares) ----- | |
| | (Restated) | | (Restated) | |
| Weighted average number of ordinary shares of Rs. 10 each | 102,900,705 | 101,472,956 | 102,900,705 | 101,472,956 |
| | (Restated) | | (Restated) | |
| Earnings per share - rupees | 1.76 | 1.02 | 0.36 | 0.21 |

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

32 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:

| | | Nine months period ended | | Three months period ended | |
|--|---|--------------------------|--------------|---------------------------|--------------|
| | | September 30 | September 30 | September 30 | September 30 |
| | | 2020 | 2019 | 2020 | 2019 |
| | | -----Rupees----- | | -----Rupees----- | |
| Nature of relationship | Nature of transaction | | | | |
| Directors and Key Management Personnel | Loan received from directors | 21,900,000 | 40,128,000 | 11,500,000 | 17,000,000 |
| | Loan repaid to directors | 26,427,000 | 29,872,000 | 827,000 | 1,000,000 |
| | Remuneration paid | 9,790,000 | 9,455,000 | 3,310,000 | 3,190,000 |
| Nature of Transaction | Nature of relationship with the Company | | | | |
| | | ----- Rupees ----- | | ----- Rupees ----- | |
| Loan received from directors | | | | | |
| Javed Yunus | Director | 3,500,000 | 4,878,000 | - | 1,553,000 |
| Naved Yunus | Director | 18,400,000 | 35,250,000 | 1,400,000 | 11,425,000 |
| | | 21,900,000 | 40,128,000 | 1,400,000 | 12,978,000 |
| Loan repaid to directors | | | | | |
| Javed Yunus | Director | 2,772,000 | 5,678,000 | 1,000,000 | 1,000,000 |
| Naved Yunus | Director | 23,655,000 | 24,194,000 | 1,600,000 | 194,000 |
| | | 26,427,000 | 29,872,000 | 2,600,000 | 1,194,000 |

33 FAIR VALUE OF FINANCIAL INSTRUMENTS

33.1 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 September 30, 2020.

| | As at September 30, 2020 - (Unaudited) | | As at December 31, 2019 - (Audited) | |
|---|--|-------------|-------------------------------------|-------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| | -----Rupees----- | | -----Rupees----- | |
| Financial Assets | | | | |
| Investment property | 46,744,288 | 172,500,000 | 48,565,494 | 172,500,000 |
| Investments | | | | |
| Equity securities | | | | |
| Held for trading | | | | |
| Ordinary shares - listed | 88,189,397 | 88,189,397 | 75,258,466 | 37,967,269 |
| Mutual fund units | 503,451,973 | 503,451,973 | 393,390,236 | 584,340,415 |
| Available for sale | | | | |
| Ordinary shares - listed | 296,423,563 | 214,828,149 | 296,423,563 | 214,828,149 |
| Debt securities | | | | |
| Government securities-PIBs | 142,792,220 | 142,792,220 | 141,642,159 | 158,450,922 |
| Others | 18,470,000 | 18,470,000 | 31,330,000 | 31,330,000 |
| Loans and other receivables | 241,718,122 | 241,718,122 | 150,261,227 | 150,261,227 |
| Insurance / reinsurance receivables | 649,712,985 | 649,712,985 | 550,313,540 | 550,313,540 |
| Reinsurance recoveries against outstanding claims | 429,320,611 | 429,320,611 | 465,459,802 | 465,459,802 |
| Cash and bank | 40,670,660 | 40,670,660 | 28,403,383 | 28,403,383 |
| Financial Liabilities | | | | |
| Outstanding claims including IBNR | 564,452,144 | 564,452,144 | 596,061,338 | 596,061,338 |
| Retirement benefit obligations | 4,439,783 | 4,439,783 | 2,197,214 | 2,197,214 |
| Insurance / reinsurance payables | 34,726,815 | 34,726,815 | 18,638,127 | 18,638,127 |
| Other creditors and accruals | 74,478,137 | 74,478,137 | 91,256,061 | 91,256,061 |

33.2 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.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following 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 (that is, unobservable inputs).

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

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 | | | |
|--|--------------------|-------------|-------------|---------|
| | September 30, 2020 | 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 | 88,189,397 | 88,189,397 | - | - |
| Mutual funds | 503,451,973 | - | 503,451,973 | - |
| Investments-Available For Sale | | | | |
| Ordinary shares - Listed | 296,423,563 | 296,423,563 | - | - |
| Corporate sukuks | 9,000,000 | - | 9,000,000 | - |
| Term finance certificates | 9,470,000 | - | 9,470,000 | - |

33.3 Transfers during the period

During the period ended June 30, 2020:

- 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

33.4 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.

34 COVID-19 AND ITS IMPACT ON BUSINESS

The COVID-19 pandemic had spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. This crisis continues to have a significant impact on individuals, society, business and the wider economy across the globe. The Company has not escaped its impact but has responded quickly to the crisis by providing the facilities to its employees to work from home, informing employees regularly about the risk of infection, good hygiene standards and ways to manage customer contact at Company offices. Consequently, at this stage, impact on the Company's business and results is limited. Gross premium for the half year ended June 30, 2020 stood at Rs. 1,349.752 million with only a 10.4% decline for the same period last year of Rs. 1,505.613 million. However, an increase is witnessed in profit before tax of Rs. 178.161 million against Rs. 118.257 million in the same period last year. Company believes their current liquidity availability provides them with sufficient financial resources to meet their obligations as they come due and no such indication exists for the Company that triggered impairment of its assets. Further, the Company will continue to follow the policies and advice published by the Government of Pakistan and in parallel will do the utmost to continue its operations in the best and safest way possible without jeopardizing the health of its staff.

35 CORRESPONDING FIGURES

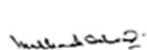
Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison and for better presentation.

36 DATE OF AUTHORIZATION FOR ISSUE

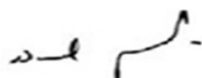
This condensed interim financial information was authorised for issue in the Board of Directors meeting of the Company held on October 29, 2020.

37 GENERAL

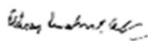
The figures for the quarter and nine month period ended September 30, 2020 have been rounded off to the nearest Rupee.



CHAIRMAN



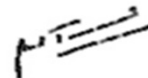
CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

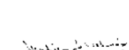


CHIEF FINANCIAL OFFICER

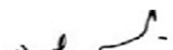
EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT SEPTEMBER 30, 2020

| | Note | Operator's Fund | | Participant's Takaful Fund | |
|--|------|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| | | September 30, 2020 (Unaudited) | December 31, 2019 (Audited) | September 30, 2020 (Unaudited) | December 31, 2019 (Audited) |
| | | -----Rupees----- | | -----Rupees----- | |
| ASSETS | | | | | |
| Property and equipment | 7 | 11,271,709 | 11,948,334 | - | - |
| Investment property - at cost | 8 | 35,708,750 | 37,100,000 | - | - |
| Accrued investment income | 9 | 183 | 411 | 4,059 | 5,226 |
| Qard-e-Hasna to Participants' Takaful Fund (PTF) | 10 | 18,150,000 | 18,150,000 | - | - |
| Takaful / re-takaful receivables | 11 | - | - | 85,451,085 | 78,473,619 |
| Receivable from PTF | 12 | 32,701,761 | 16,232,971 | - | - |
| Taxation - payment less provision | 13 | 395,990 | 385,917 | 19,123 | 14,989 |
| Deferred wakala fee expense | | - | - | 24,842,453 | 31,701,100 |
| Deferred commission expense | 23 | 14,503,344 | 19,571,136 | - | - |
| Prepayments | 14 | 703,276 | 437,276 | 39,525,701 | 44,454,864 |
| Cash and bank | 15 | 274,188 | 16,341 | 742,021 | 811,959 |
| TOTAL ASSETS | | 113,709,201 | 103,842,386 | 150,584,442 | 155,461,757 |
| FUND AND LIABILITIES | | | | | |
| Operators' Fund | | | | | |
| Statutory Fund | | 50,000,000 | 50,000,000 | - | - |
| Accumulated profit | | 19,366,128 | 11,089,318 | - | - |
| Total Operators Fund | | 69,366,128 | 61,089,318 | - | - |
| Participants' Takaful Fund | | | | | |
| Ceded money | | - | - | 500,000 | 500,000 |
| Accumulated surplus | | - | - | 16,920,879 | 9,440,023 |
| Balance of Participant Takaful Fund | | - | - | 17,420,879 | 9,940,023 |
| Qard-e-Hasna from Operator's Fund | 10 | - | - | 18,150,000 | 18,150,000 |
| LIABILITIES | | | | | |
| Underwriting provisions | | | | | |
| Outstanding claims | | - | - | 550,000 | - |
| Unearned contribution reserve | | - | - | 58,464,357 | 86,423,643 |
| Unearned Re-takaful rebate | | - | - | 5,246,164 | 7,319,085 |
| | | - | - | 64,260,521 | 93,742,728 |
| Takaful / Re-takaful payable | 16 | - | - | 16,640,622 | 15,195,551 |
| Unearned wakala fee | | 24,842,453 | 31,701,100 | - | - |
| Contribution received in advance | | - | - | 1,155,554 | 2,456,943 |
| Payable to OPF | 12 | - | - | 32,201,761 | 15,732,971 |
| Other creditors and accruals | 17 | 11,708,279 | 6,911,421 | 755,105 | 243,541 |
| Payable to East West Insurance Company Limited | 18 | 7,792,341 | 4,140,547 | - | - |
| TOTAL LIABILITIES | | 44,343,073 | 42,753,068 | 115,013,563 | 127,371,734 |
| TOTAL FUND AND LIABILITIES | | 113,709,201 | 103,842,386 | 150,584,442 | 155,461,757 |
| CONTINGENCIES AND COMMITMENTS | | | | | |
| | 19 | | | | |

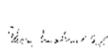
The annexed notes from 1 to 31 form an integral part of this condensed interim financial information.



CHAIRMAN



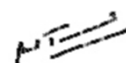
CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2020

| | | Nine months period ended | | Three months period ended | |
|--|----|--------------------------|--------------|---------------------------|--------------|
| | | September 30 | September 30 | September 30 | September 30 |
| | | 2020 | 2019 | 2020 | 2019 |
| Note | | -----Rupees----- | | -----Rupees----- | |
| Participants' Takaful Fund | | | | | |
| Contributions earned | 20 | 102,911,094 | 46,207,422 | 36,904,248 | 26,070,552 |
| Less: Contributions ceded to retakaful | 20 | (85,176,546) | (29,035,312) | (31,249,803) | (15,876,126) |
| Net contributions revenue | | 17,734,548 | 17,172,110 | 5,654,445 | 10,194,426 |
| Retakaful rebate | 22 | 12,764,202 | 3,594,152 | 4,500,696 | 2,220,846 |
| Net underwriting income | | 30,498,750 | 20,766,262 | 10,155,141 | 12,415,272 |
| Net claims - reported / settled | 21 | (23,034,986) | (15,865,163) | (7,923,321) | (9,711,782) |
| Other direct expenses | | (339) | (2,976) | (339) | - |
| Surplus before investment income | | 7,463,425 | 4,898,123 | 2,231,481 | 2,703,490 |
| Investment income | 26 | 34,862 | 122,892 | 12,420 | 16,491 |
| Less: Modarib share of investment income | 26 | (17,431) | (61,446) | (6,210) | (8,245) |
| Surplus / (deficit) transferred to accumulated surplus | | 7,480,856 | 4,959,569 | 2,237,691 | 2,711,736 |
| Operator's Fund | | | | | |
| Wakala fee | 24 | 56,442,538 | 23,674,119 | 17,339,230 | 11,821,207 |
| Commission expense | 23 | (35,317,216) | (14,384,406) | (11,520,611) | (7,192,999) |
| Management expenses | 25 | (9,605,876) | (5,093,214) | (2,342,087) | (409,517) |
| | | 11,519,446 | 4,196,499 | 3,476,532 | 4,218,691 |
| Modarib's share of PTF investment income | | 17,431 | 61,446 | 6,210 | 8,245 |
| Investment income | 26 | 7,674 | 2,570,088 | 2,636 | 571,440 |
| Rental income | | 1,719,000 | - | 573,000 | - |
| Other expenses | 27 | (4,986,741) | (2,847,241) | (1,484,772) | (744,660) |
| Profit / (loss) for the period | | 8,276,810 | 3,980,792 | 2,573,606 | 4,053,716 |

The annexed notes from 1 to 31 form an integral part of this condensed interim financial information.

| | | | | |
|---|---|---|--|---|
|  |  |  |  |  |
| CHAIRMAN | CHIEF EXECUTIVE OFFICER | DIRECTOR | DIRECTOR | CHIEF FINANCIAL OFFICER |

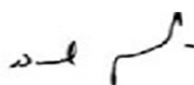
**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2020**

| | Nine months period ended September 30 2020 | September 30 2019 | Three months period ended September 30 2020 | September 30 2019 |
|--|--|----------------------|---|----------------------|
| | -----Rupees----- | | -----Rupees----- | |
| Participants' Takaful Fund | | | | |
| Surplus / (deficit) for the period | 7,480,856 | 4,959,569 | 2,237,691 | 2,711,736 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive surplus / (deficit) for the period | <u>7,480,856</u> | <u>4,959,569</u> | <u>2,237,691</u> | <u>2,711,736</u> |
| Operator's Fund | | | | |
| Profit / (loss) for the period | 8,276,810 | 3,980,792 | 2,573,606 | 4,053,716 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income / (loss) for the period | <u>8,276,810</u> | <u>3,980,792</u> | <u>2,573,606</u> | <u>4,053,716</u> |

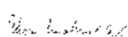
The annexed notes from 1 to 31 form an integral part of this condensed interim financial information.



CHAIRMAN



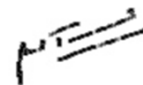
CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



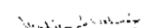
CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CHANGES IN FUND (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2020

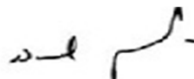
| | Operator's Fund | | |
|---|---------------------------|--|-------------------|
| | Statutory Fund | Accumulated (Losses) / Profit | Total |
| | ----- Rupees ----- | | |
| Balance as at January 1, 2019 | 50,000,000 | (920,408) | 49,079,592 |
| Total comprehensive income for the period | | | |
| Profit for the period | - | 3,980,792 | 3,980,792 |
| Other comprehensive income | - | - | - |
| | - | 3,980,792 | 3,980,792 |
| Balance as at September 30, 2019 | <u>50,000,000</u> | <u>3,060,384</u> | <u>53,060,384</u> |
| Balance as at January 1, 2020 | 50,000,000 | 11,089,318 | 61,089,318 |
| Total comprehensive income for the period | | | |
| Profit for the period | - | 8,276,810 | 8,276,810 |
| Other comprehensive income | - | - | - |
| | - | 8,276,810 | 8,276,810 |
| Balance as at September 30, 2020 | <u>50,000,000</u> | <u>19,366,128</u> | <u>69,366,128</u> |

| | Participants' Fund | | |
|---|---------------------------|--|-------------------|
| | Ceded Money | Accumulated (Deficit) / Surplus | Total |
| | ----- Rupees ----- | | |
| Balance as at January 1, 2019 | 500,000 | (5,556,429) | (5,056,429) |
| Total comprehensive income for the period | | | |
| Surplus for the period | - | 4,959,569 | 4,959,569 |
| Other comprehensive income | - | - | - |
| | - | 4,959,569 | 4,959,569 |
| Balance as at September 30, 2019 | <u>500,000</u> | <u>(596,860)</u> | <u>(96,860)</u> |
| Balance as at January 1, 2020 | 500,000 | 9,440,023 | 9,940,023 |
| Total comprehensive income for the period | | | |
| Surplus for the period | - | 7,480,856 | 7,480,856 |
| Other comprehensive income | - | - | - |
| | - | 7,480,856 | 7,480,856 |
| Balance as at September 30, 2020 | <u>500,000</u> | <u>16,920,879</u> | <u>17,420,879</u> |

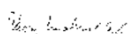
The annexed notes from 1 to 31 form an integral part of this condensed interim financial information.



CHAIRMAN



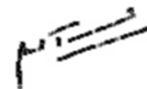
CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

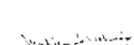


CHIEF FINANCIAL OFFICER

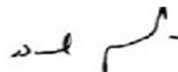
EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2020

| | Operator's Fund | | Participant's Takaful Fund | |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | September 30, 2020 (Unaudited) | September 30, 2019 (Unaudited) | September 30, 2020 (Unaudited) | September 30, 2019 (Unaudited) |
| | -----Rupees----- | | | |
| OPERATING CASH FLOWS | | | | |
| (a) Takaful activities | | | | |
| Contribution received | - | - | 124,560,562 | 80,538,923 |
| Retakaful contribution paid | - | - | (80,247,383) | (47,600,968) |
| Claims paid | - | - | (89,761,525) | (59,822,389) |
| Retakaful and recoveries received | - | - | 67,276,539 | 44,557,226 |
| Commission paid | (25,434,605) | (20,245,998) | - | - |
| Retakaful rebate received | - | - | 10,691,281 | 8,359,771 |
| Wakulla fee received | 49,583,891 | 44,475,381 | - | - |
| Wakulla fee paid | - | - | (49,583,891) | (44,475,381) |
| Net cash flow tactful activities | 24,149,286 | 24,229,383 | (17,064,417) | (18,442,818) |
| (b) Other operating activities | | | | |
| Income tax paid | (10,072) | (197,121) | (4,134) | (12,172) |
| Direct expenses paid | - | - | (339) | (2,976) |
| Other operating payment | (2,918,866) | (2,227,241) | - | - |
| Management expenses paid | (9,623,837) | (5,098,543) | - | - |
| Other operating receipts | (13,082,996) | (19,251,637) | 16,980,354 | 18,455,309 |
| Net cash flow from other operating activities | (25,635,771) | (26,774,542) | 16,975,881 | 18,440,161 |
| Total cash used in all operating activities | (1,486,485) | (2,545,159) | (88,536) | (2,657) |
| INVESTMENT ACTIVITIES | | | | |
| Profit received on investment income | 25,333 | 2,198,747 | 18,598 | 60,308 |
| Rental income | 1,719,000 | - | - | - |
| Addition to plant and equipment | - | (30,300,000) | - | - |
| Addition to investment | - | - | - | - |
| Proceeds from disposal of investments | - | - | - | - |
| Total cash flow generated from / (used in) investing activities | 1,744,333 | (28,101,253) | 18,598 | 60,308 |
| Net cash flow from all activities | 257,848 | (30,646,412) | (69,938) | 57,651 |
| Cash and cash equivalents at beginning of the period | 16,341 | 50,699,558 | 811,959 | 511,226 |
| Cash and cash equivalents at end of the period | 274,189 | 20,053,146 | 742,021 | 568,877 |
| Reconciliation to profit and loss account: | | | | |
| Operating cash flows | (1,486,485) | (2,545,159) | (88,536) | (2,657) |
| Depreciation | (2,067,875) | (620,000) | - | - |
| Investment income | 25,333 | 2,198,747 | 18,598 | 60,308 |
| Rental income | 1,719,000 | - | - | - |
| Increase / (decrease) in assets other than cash | 11,676,842 | 31,859,898 | (4,807,377) | 100,167,510 |
| Increase / (decrease) in liabilities | (1,590,005) | (26,912,694) | 12,358,171 | (95,265,592) |
| Profit / (loss) / surplus for the period | 8,276,810 | 3,980,792 | 7,480,856 | 4,959,569 |

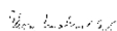
The annexed notes from 1 to 31 form an integral part of this condensed interim financial



CHAIRMAN



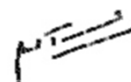
CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2020**

1 LEGAL 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 AND STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017: and

Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulation, 2019.

Where the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 differ with the requirements of IAS 34, provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations 2019 have been followed.

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 audited financial statements of the Operator as at and for the period ended December 31, 2019 which have been prepared in accordance with approved accounting standards as applicable to insurance companies in Pakistan.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the audited financial statements of the Operator for the period ended December 31, 2019, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in fund is extracted from the unaudited condensed interim financial information for the period ended September 30, 2019.

2.1 Functional and presentation currency

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

3 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost. Accrual basis of accounting has been used except for cash flow information.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same and are consistent with those followed in the preparation of the audited financial statements of the Operator for the period ended December 31, 2019 except as disclosed below.

4.1 General Takaful Accounting Regulations, 2019

The Securities and Exchange Commission of Pakistan (SECP) issued the General Takaful Accounting Regulations, 2019 (the Regulation), through S.R.O. 1416 (I)/2019 dated November 20, 2019. These Regulations came into force for the accounting period commencing on or after January 1, 2020.

The Regulations provide the principles based on which accounting and reporting of general takaful business of general takaful operators and window general takaful operators shall be made. The Regulations also contain the formats for reporting of published financial information and regulatory returns of general takaful / window takaful operators. As per the Regulations, the provision of Rule 19 of the Insurance Rules, 2017 along with Annexure – II and the provision of the Insurance Accounting Regulations, 2017 shall stand applicable on the Window Takaful Operator to the extent of its conventional insurance business modified to the extent stated at regulation 6 of these Regulations in respect of its Window Takaful business.

In accordance, with directives of SECP, with effect from January 1, 2020 the Operator has adopted these Regulations and changed its accounting policy in respect of the presentation of its financial information, as explained in note 4.2 to this condensed interim financial information.

4.2 Change in presentation and disclosure of financial information

As per General Takaful Accounting Regulations, 2019 ("the Regulations"), the presentation and disclosure requirements of the financial information was changed for general and window takaful operators for accounting periods commencing on or after January 1, 2020. Accordingly, with effect from January 01, 2020 the format prescribed in the Regulation has been adopted, and changes to the presentation and disclosures in this condensed interim financial information have been applied.

Key changes in the prescribed Annexure include a change in the presentation of assets / liabilities in the statement of financial position. Disaggregation of underwriting results and other elements of the profit and loss account. Other than these, there have also been certain changes in the nomenclature of various elements of the financial information. These do not have any financial impact on the profitability and opening retained earnings. Some of the key changes resulting from the change in accounting policy, as aforementioned, on the prior period this condensed interim financial information has been summarized below:

4.2.1 Statement of financial position

| Serial no. | New Classification and presentation | Previous classification and presentation | December 31, 2019 |
|------------|-------------------------------------|--|-------------------|
| 1 | Taxation - payment less provision | Taxation - net | 385,917 |

4.2.2 Profit and loss account

| Serial no. | New Classification and presentation | Previous classification and presentation | September 30, 2019 |
|------------|---|--|--------------------|
| 1 | Classified and deducted from "Gross contribution earned" in the notes as Wakala fee | Disclosed separately in the condensed interim profit and loss account for PTF as Wakala expense. | 23,674,119 |
| 2 | Separately disclosed in the condensed interim profit and loss account for PTF, as "Contributions ceded to retakaful". | Deducted from contribution earned under "Net Contribution Revenue" in the condensed interim profit and loss account for PTF, as "Retakaful expense". | 29,035,312 |
| 3 | Separately disclosed in the condensed interim profit and loss account for PTF / OPF, as "Modarib's share of investment income". | Classified under "Investment (loss) / income" in the condensed interim profit and loss account for PTF / OPF. | 61,446 |

4.3 Temporary exemption from application of IFRS 9

As a takaful operator, the management has continued its accounting policy to opt for temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with takaful. As on reporting dates the fair value of the Operator's financial assets are not significantly different from their carrying amounts since these assets are short term in nature or are frequently repriced to market rate.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with approved accounting standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying the Operators' accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements of the Operator as at and for the period ended December 31, 2019.

6 INSURANCE AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in financial statements of the Operator for the period ended December 31, 2019.

7 PROPERTY AND EQUIPMENT (OPF)

| September 30, 2020 (Unaudited) | | | | | | | | | |
|--------------------------------|-----------------------------|---------------------------------|--------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|--------------------|---------------------|
| Cost | | | | Accumulated depreciation | | | | Written down value | Depreciation rate % |
| As at January 1, 2020 | Additions during the period | Transfer to investment property | As at September 30, 2020 | As at January 1, 2020 | Depreciation for the period | Transfer to investment property | As at September 30, 2020 | | |
| ----- Rupees ----- | | | | ----- Rupees ----- | | | | | |
| Office Premises | 10,000,000 | - | - | 10,000,000 | 83,333 | 371,875 | - | 455,208 | 5% |
| Vehicles | 2,300,000 | - | - | 2,300,000 | 268,333 | 304,750 | - | 573,083 | 20% |
| | 12,300,000 | - | - | 12,300,000 | 351,666 | 676,625 | - | 1,028,291 | 11,271,709 |
| December 31, 2019 - audited | - | 50,300,000 | (38,000,000) | 12,300,000 | - | 1,051,666 | (700,000) | 351,666 | 11,948,334 |

8 INVESTMENT PROPERTIES - AT COST (OPF)

| September 30, 2020 (Unaudited) | | | | | | | | | |
|--------------------------------|-----------------------------|---------------------------------|--------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|--------------------|---------------------|
| Cost | | | | Accumulated depreciation | | | | Written down value | Depreciation rate % |
| As at January 1, 2020 | Additions during the period | Transfer to investment property | As at September 30, 2020 | As at January 1, 2020 | Depreciation for the period | Transfer to investment property | As at September 30, 2020 | | |
| ----- Rupees ----- | | | | ----- Rupees ----- | | | | | |
| Office premises | 38,000,000 | - | - | 38,000,000 | 900,000 | 1,391,250 | - | 2,291,250 | 5% |
| | 38,000,000 | - | - | 38,000,000 | 900,000 | 1,391,250 | - | 2,291,250 | 35,708,750 |
| December 31, 2019 - audited | - | - | 38,000,000 | 38,000,000 | - | 200,000 | 700,000 | 900,000 | 37,100,000 |

- 8.1 The fair value of investment is approximately same as the cost, however, we are carrying it at cost model due to the difficulties of identifying sale of the similar type of properties recently.

| Note | Operator's Fund | | Participants Takaful Fund | |
|------|------------------|--------------|---------------------------|--------------|
| | September 30, | December 31, | September 30, | December 31, |
| | 2020 | 2019 | 2020 | 2019 |
| | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| | -----Rupees----- | | | |

9 ACCRUED INVESTMENT INCOME

| | | | | |
|-----------------------------------|------------|------------|--------------|--------------|
| Income accrued on savings account | 183 | 411 | 4,059 | 5,226 |
| | <u>183</u> | <u>411</u> | <u>4,059</u> | <u>5,226</u> |

| September 30, | December 31, |
|--------------------|--------------|
| 2020 | 2019 |
| (Unaudited) | (Audited) |
| ----- Rupees ----- | |

10 QARD-E-HASNA TO PARTICIPANT'S TAKAFUL FUND (PTF)

| | | |
|--|-------------------|-------------------|
| Opening as at January 1st | 18,150,000 | 6,000,000 |
| Qard-e-hasna transferred from OPF during the period / year | - | 12,150,000 |
| Closing | <u>18,150,000</u> | <u>18,150,000</u> |

11 TAKAFUL / RE-TAKAFUL RECEIVABLES (PTF)

| | | |
|--|-------------------|-------------------|
| Participants' Takaful Fund | | |
| Due from takaful participant holders | 53,181,069 | 44,600,409 |
| Less: provision for impairment of receivables from takaful participant holders | - | - |
| | <u>53,181,069</u> | <u>44,600,409</u> |
| Due from other takaful / re-takaful operators | 32,270,016 | 33,873,210 |
| Less: provision for impairment of receivables from takaful participant holders | - | - |
| | <u>85,451,085</u> | <u>78,473,619</u> |

12 RECEIVABLE FROM PTF / PAYABLE TO OPF

| | | | | |
|----------------------------|-------------------|-------------------|---------------------|---------------------|
| Other receivable / payable | 32,684,330 | 16,232,971 | (32,184,330) | (15,732,971) |
| | <u>32,684,330</u> | <u>16,232,971</u> | <u>(32,184,330)</u> | <u>(15,732,971)</u> |

13 TAXATION - PAYMENT LESS PROVISION

| | | | | |
|------------------------|----------------|----------------|---------------|---------------|
| Tax deducted at source | <u>395,990</u> | <u>385,917</u> | <u>19,123</u> | <u>14,989</u> |
|------------------------|----------------|----------------|---------------|---------------|

14 PREPAYMENTS

| | | | | |
|--------------------------------------|----------------|----------------|-------------------|-------------------|
| Prepaid retakaful contribution ceded | - | - | 39,525,701 | 44,454,864 |
| Other prepayments | 703,276 | 437,276 | - | - |
| | <u>703,276</u> | <u>437,276</u> | <u>39,525,701</u> | <u>44,454,864</u> |

| Operator's Fund | | Participants Takaful Fund | |
|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| September 30, 2020 (Unaudited) | December 31, 2019 (Audited) | September 30, 2020 (Unaudited) | December 31, 2019 (Audited) |
| -----Rupees----- | | | |

15 CASH AND BANK

Cash at bank

Current accounts

PLS savings accounts

| | | | | |
|------|----------------|---------------|----------------|----------------|
| | 1,337 | 1,337 | 75 | 75 |
| 15.1 | 272,851 | 15,004 | 741,946 | 811,884 |
| | <u>274,188</u> | <u>16,341</u> | <u>742,021</u> | <u>811,959</u> |

15.1 These represent profit and loss sharing accounts carrying profit rates ranging from 5% to 10% (2019: 7% to 10%) per annum.

| September 30, 2020 (Unaudited) | December 31, 2019 (Audited) |
|--------------------------------------|-----------------------------------|
| ----- Rupees ----- | |

16 TAKAFUL / RETAKAFUL PAYABLE (PTF)

Participants' Takaful Fund

Due to other takaful / re-takaful

Local

| | |
|-------------------|-------------------|
| 16,640,622 | 15,195,551 |
| <u>16,640,622</u> | <u>15,195,551</u> |

17 OTHER CREDITORS AND ACCRUALS

Salaries payable

Staff provident fund

Commission payable

Withholding tax payable

Accrued expenses

| | | | |
|-------------------|------------------|----------------|----------------|
| 722,239 | 178,757 | - | - |
| 318,976 | 184,600 | - | - |
| 9,405,565 | 4,590,746 | - | - |
| 475,077 | 45,679 | - | - |
| 786,422 | 1,911,639 | 755,105 | 243,541 |
| <u>11,708,279</u> | <u>6,911,421</u> | <u>755,105</u> | <u>243,541</u> |

18 PAYABLE TO EAST WEST INSURANCE COMPANY LIMITED (OPF)

This represents the amount payable in respect of expenses incurred by East West Insurance Company Limited on behalf of the Operator.

19 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2020 (December 31, 2019: Nil).

| Note | Nine months period ended | | Three months period ended | |
|------|--------------------------|-----------------------|---------------------------|-----------------------|
| | September 30, 2020 | September 30, 2019 | September 30, 2020 | September 30, 2019 |
| | -----Rupees----- | | -----Rupees----- | |

20 NET TAKAFUL CONTRIBUTION

| Participants' Takaful Fund | | | | |
|---|--------------|--------------|--------------|--------------|
| Written gross contribution | 131,394,346 | 126,669,864 | 50,628,898 | 61,896,549 |
| Wakala fee | (56,442,538) | (23,674,119) | (17,339,230) | (11,821,207) |
| Contribution net of wakala | 74,951,808 | 102,995,745 | 33,289,668 | 50,075,342 |
| Unearned contribution reserve -Opening | 86,423,643 | 10,820,755 | 62,078,937 | 43,604,288 |
| Unearned contribution reserve -Closing | (58,464,357) | (67,609,078) | (58,464,357) | (67,609,078) |
| Contribution earned | 102,911,094 | 46,207,422 | 36,904,248 | 26,070,552 |
| Less: | | | | |
| Re-takaful contribution ceded | 80,247,383 | 62,257,309 | 33,672,253 | 36,861,025 |
| Prepaid retakaful contribution ceded-Opening | 44,454,864 | 366,365 | 37,103,251 | 12,603,463 |
| Prepaid retakaful contribution ceded -Closing | (39,525,701) | (33,588,362) | (39,525,701) | (33,588,362) |
| Retakaful expense | 85,176,546 | 29,035,312 | 31,249,803 | 15,876,126 |
| | 17,734,548 | 17,172,110 | 5,654,445 | 10,194,426 |

21 NET TAKAFUL CLAIMS

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Claims paid | 89,761,525 | 59,822,389 | 36,407,715 | 40,281,696 |
| Outstanding claims -Opening | - | - | (550,000) | (600,000) |
| Outstanding claims -Closing | 550,000 | 600,000 | 550,000 | 600,000 |
| Claim expense | 90,311,525 | 60,422,389 | 36,407,715 | 40,281,696 |
| Retakaful and other recoveries received | (67,276,539) | (44,557,226) | (28,484,394) | (30,569,914) |
| | 23,034,986 | 15,865,163 | 7,923,321 | 9,711,782 |

22 RETAKAFUL REBATE

| Participants' Takaful Fund | | | | |
|-------------------------------------|-------------|-------------|-------------|-------------|
| Retakaful rebate received | 10,691,281 | 8,359,771 | 4,420,208 | 5,130,816 |
| Unearned retakaful rebate - opening | 7,319,085 | 36,636 | 5,326,652 | 1,892,285 |
| Unearned retakaful rebate - closing | (5,246,164) | (4,802,255) | (5,246,164) | (4,802,255) |
| Rebate from takaful operator | 12,764,202 | 3,594,152 | 4,500,696 | 2,220,846 |

23 COMMISSION EXPENSE

| Operators' Fund | | | | |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Commission paid | 30,249,424 | 26,849,721 | 11,546,865 | 12,854,833 |
| Deferred commission expense - opening | 19,571,136 | 1,672,779 | 14,477,090 | 8,476,260 |
| Deferred commission expense - closing | (14,503,344) | (14,138,094) | (14,503,344) | (14,138,094) |
| | 35,317,216 | 14,384,406 | 11,520,611 | 7,192,999 |

24 WAKALA EXPENSE

| Participants' Takaful Fund | | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|
| Gross wakala fee | 49,583,891 | 44,475,381 | 19,166,711 | 21,597,628 |
| Deferred wakala expense - opening | 31,701,100 | 4,108,655 | 23,014,972 | 15,133,496 |
| Deferred wakala expense - closing | (24,842,453) | (24,909,917) | (24,842,453) | (24,909,917) |
| Deferred wakala expense | 56,442,538 | 23,674,119 | 17,339,230 | 11,821,207 |

The operator manages the general takaful operations for the participants' and charges 40% for fire, 35% for motor, 40% for marine and 35% for miscellaneous classes, of gross contribution including administrative surcharges as wakala fee against the services.

| | Nine months period ended | | Three months period ended | |
|-------------|--------------------------|-----------------------|---------------------------|-----------------------|
| | September 30, 2020 | September 30, 2019 | September 30, 2020 | September 30, 2019 |
| Note | -----Rupees----- | | -----Rupees----- | |

25 MANAGEMENT EXPENSES

| | Operators' Fund | | | |
|---|------------------|------------------|------------------|----------------|
| Salaries, allowances and employee benefit | 7,749,254 | 4,441,470 | 1,795,500 | 350,000 |
| Office rent and maintenance | 1,495,612 | 30,717 | 510,678 | 3,888 |
| Motor vehicle running expense | 175,357 | 108,979 | 4,240 | 21,650 |
| Printing and stationary | 1,906 | 89,601 | 336 | 1,857 |
| Postage and telegram | 2,686 | 7,100 | 186 | 610 |
| Utility expenses | 158,681 | 170,049 | 31,147 | 23,512 |
| Repair and maintenance | 22,380 | 19,310 | - | 8,000 |
| Service charges | - | 225,988 | - | - |
| | <u>9,605,876</u> | <u>5,093,214</u> | <u>2,342,087</u> | <u>409,517</u> |

26 INVESTMENT INCOME

Income from equity securities

| | | | | |
|-------------------|---|---------|---|---|
| - Dividend income | - | 285,830 | - | - |
|-------------------|---|---------|---|---|

Income from term deposits

| | | | | |
|---------------------------|---|-----------|---|---------|
| - Return on term deposits | - | 1,968,409 | - | 567,487 |
|---------------------------|---|-----------|---|---------|

Return on bank balances

| | | | | |
|---------------------------------|-------|---------|-------|-------|
| - Return on PLS saving Accounts | 7,674 | 315,849 | 2,636 | 3,953 |
|---------------------------------|-------|---------|-------|-------|

Total investment income

| | | | | |
|--|--------------|------------------|--------------|----------------|
| | <u>7,674</u> | <u>2,570,088</u> | <u>2,636</u> | <u>571,440</u> |
|--|--------------|------------------|--------------|----------------|

Participants' Fund

Return on bank balances

| | | | | |
|-----------------------------------|---------------|---------------|--------------|--------------|
| - Return on PLS saving Accounts | 34,862 | 122,892 | 12,420 | 16,491 |
| Less: Investment related expenses | (17,431) | (61,446) | (6,210) | (8,245) |
| | <u>17,431</u> | <u>61,446</u> | <u>6,210</u> | <u>8,246</u> |

| Note | Nine months period ended | | Three months period ended | |
|------|--------------------------|---------------|---------------------------|---------------|
| | September 30, | September 30, | September 30, | September 30, |
| | 2020 | 2019 | 2020 | 2019 |
| | -----Rupees----- | | -----Rupees----- | |

27 OTHER EXPENSES

| Operators' Fund | | | | |
|---|------------------|------------------|------------------|----------------|
| Salaries, allowances and employees benefits | 1,624,900 | 1,011,382 | 491,500 | 29,500 |
| Shariah registrar fees | 900,000 | 756,000 | 300,000 | 180,000 |
| Auditor's remuneration | 381,908 | 354,800 | - | 68,800 |
| Depreciation expenses | 7 2,067,875 | 620,000 | 689,292 | 465,000 |
| Bank charges | 35 | 1,471 | 35 | 500 |
| Staff welfare expenses | 12,023 | 96,703 | 3,945 | 860 |
| Newspaper and periodicals | - | 6,885 | - | - |
| | <u>4,986,741</u> | <u>2,847,241</u> | <u>1,484,772</u> | <u>744,660</u> |

28 RELATED PARTY TRANSACTIONS

The Operator has related party comprise of the associates, subsidiary company, directors, key management personnel and staff retirement funds. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Detail of related parties transactions with balances, other than those which have been disclosed elsewhere in these financial statements are as follows:

| Transaction: | | | Nine months period ended | | Three months period ended | |
|---|------------------------|---------------------------------------|--------------------------|----------------------|---------------------------|----------------------|
| | | | September 30 2020 | September 30 2019 | September 30 2020 | September 30 2019 |
| Name of related party | Nature of relationship | Nature of transaction | -----Rupees----- | | -----Rupees----- | |
| East West Insurance Company | Management company | Interest free loan | 3,651,794 | (486,962) | (686,312) | 1,400,000 |
| Remuneration Paid | Key Management | Services | 1,665,000 | 4,374,936 | 555,000 | 300,000 |
| Staff retirement benefits payable | Key Management | Provident Fund Contribution | - | 73,500 | - | - |
| Takaful Operator -East West Insurance Company Limited | Management company | Purchase/ Transfer in Office Premises | - | 16,000,000 | - | 16,000,000 |
| | | Purchase/ Transfer in Office Premises | - | 12,000,000 | - | 12,000,000 |
| | | Purchase/ Transfer in Motor Vehicles | - | 2,300,000 | - | 2,300,000 |
| | | | | | | |

| Period end balances | September 30, 2020 (Unaudited) Rupees | December 31, 2019 (Audited) Rupees |
|-------------------------------------|--|---|
| Payable to related parties | | |
| East West Insurance Company Limited | 7,792,341 | 4,140,547 |
| Staff retirement benefits | 318,976 | 184,600 |
| Key management personal | 185,000 | 178,757 |
| | <u>8,296,317</u> | <u>4,503,904</u> |

29 CORRESPONDING FIGURES

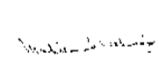
The corresponding figures have been reclassified or re-arranged, wherever considered necessary, to comply with the requirements of General Takaful Accounting, Regulations 2019. Accordingly, no other significant re-classification or re-arrangement have been made during the period, except for those disclosed in notes 4.1 and 4.2.

30 DATE OF AUTHORIZATION FOR ISSUE

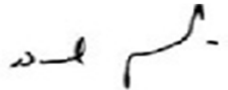
This condensed interim financial information has been authorized for issue on _____ by the Board of Directors of the Operator.

31 GENERAL

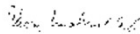
All figures have been rounded off to the nearest rupee, unless otherwise stated.



CHAIRMAN



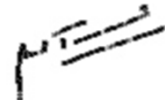
CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE CO., LIMITED
Pattern of Shareholdings
As At September 30, 2020

| Number of Shareholders | Shareholdings | | Share Held | Percentage |
|------------------------|---------------|-----------|--------------------|-----------------|
| | From | To | | |
| 33 | 1 | 200 | 4,168 | 0.0041 |
| 168 | 201 | 1,000 | 37,319 | 0.0363 |
| 4 | 1,001 | 2,000 | 5,262 | 0.0051 |
| 2 | 2,001 | 4,000 | 7,556 | 0.0073 |
| 2 | 4,001 | 5,000 | 9,395 | 0.0091 |
| 3 | 5,001 | 15,000 | 24,500 | 0.0238 |
| 8 | 15,001 | 20,000 | 140,957 | 0.1370 |
| 10 | 20,001 | 25,000 | 217,996 | 0.2119 |
| 5 | 25,001 | 30,000 | 132,876 | 0.1291 |
| 1 | 30,001 | 35,000 | 30,464 | 0.0296 |
| 4 | 35,001 | 40,000 | 149,300 | 0.1451 |
| 6 | 40,001 | 45,000 | 253,062 | 0.2459 |
| 5 | 45,001 | 95,000 | 256,024 | 0.2488 |
| 2 | 95,001 | 1,500,000 | 1,596,693 | 1.5517 |
| 1 | 1,500,001 | 2,600,000 | 1,869,215 | 1.8165 |
| 2 | 2,600,001 | 4,000,000 | 6,696,657 | 6.5079 |
| 6 | 4,000,001 | 5,000,000 | 26,214,228 | 25.4753 |
| 2 | 5,000,001 | 6,500,000 | 11,292,583 | 10.9743 |
| 2 | 6,500,001 | 7,500,000 | 14,000,128 | 13.6055 |
| 5 | 7,500,001 | 9,000,000 | 39,962,322 | 38.8358 |
| 271 | | | 102,900,705 | 100.0000 |

| Categories Of Shareholders | Number | Share Held | Percentage |
|---|------------|--------------------|-----------------|
| CEO, Directors and their spouses and minor children | 11 | 50,342,074 | 48.9230 |
| Joint Stock Companies, Insurance Companies, Investment Companies & Modaraba | 2 | 8,538,166 | 8.2975 |
| Individual | 258 | 44,020,465 | 42.7796 |
| Total | 271 | 102,900,705 | 100.0000 |

Information as required under the Code of Corporate Governance

| Categories of Shareholders | Shareholders | Share Held | Percentage |
|--|--------------|--------------------|-----------------|
| <u>Associated Company</u> | | | |
| M/s. Askari Life Assurance Co., Ltd. | 1 | 5,509 | 0.0054 |
| M/s. East West Holding Company Ltd. | 1 | 8,532,657 | 8.2921 |
| <u>CEO, Directors, their Spouses and Minor Children</u> | | | |
| Chief Justice (R) Mian Mahboob Ahmed | 1 | 3,698 | 0.0036 |
| Javed Yunus | 1 | 7,941,823 | 7.7179 |
| Pervez Yunus | 1 | 7,737,441 | 7.5193 |
| Naved Yunus | 1 | 6,997,456 | 6.8002 |
| Saad Yunus | 1 | 4,701,762 | 4.5692 |
| Umeed Ansari | 1 | 1,376 | 0.0013 |
| Ahsan Mahmood Alvi | 1 | 1,250 | 0.0012 |
| Ambreen N. Yunus | 1 | 7,925,065 | 7.7017 |
| Rubina J. Yunus | 1 | 4,531,500 | 4.4038 |
| Samina P. Yunus | 1 | 4,628,617 | 4.4981 |
| Shamaila M. Yunus | 1 | 5,872,086 | 5.7066 |
| Individual | 258 | 44,020,465 | 42.7796 |
| Total | 271 | 102,900,705 | 100.0000 |