

**EAST WEST INSURANCE COMPANY
LIMITED**

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
JUNE 30, 2021**

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **EAST WEST INSURANCE COMPANY LIMITED** ("the Company") as at June 30, 2021 and condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the accounts for the six- months period then ended (here-in-after referred as the 'condensed interim financial information'). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information base on our review.

Scope of review

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

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim financial information for the three months quarter ended June 30, 2021 have not been reviewed and we do not express a conclusion on them.

The condensed interim financial information for the half year ended June 30, 2020 and the annual financial statements of the Company for the year ended December 31, 2020 were reviewed and, audited by another firm of chartered accountants, whose review report dated September 10, 2020 and audit report dated April 5, 2021, expressed unmodified opinion respectively.

The engagement partner on the review resulting in this independent auditor's review report is Imran shaikh

**CROWE HUSSAIN CHAUDHURY
CHARTERED ACCOUNTANTS**

PLACE: KARACHI

DATE:

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DIRECTORS' REVIEW REPORT TO THE MEMBERS'

Your Directors are pleased to present their report together with un-audited Six months Financial Statements for the period ended June 30, 2021 .

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;

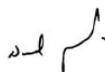
We are confident that this information would adequately apprise the valued shareholders about the performance of their Company.

The financial highlight of the company for the period ended June 30, 2021 is as follows:

	(Unaudited)	
Result of operating activities	210,692,039	
Profit before tax from Window Takaful Operations	14,915,534	
Profit before tax	225,607,573	
Income tax expenses	(61,223,320)	
Profit after taxation	164,384,253	
Other Comprehensive income	1,378,515	
Total Comprehensive income	165,762,768	
Unappropriated profit at beginning of the year	96,987,512	
Profit for the period	164,384,253	
Unappropriated at the end of the period	261,371,765	

	June, 30 2021	June, 30 2020
	----- (Unaudited) -----	
Gross premium	1,781,209,700	1,349,752,304
Net premium	1,061,909,909	763,271,114
Underwriting results	236,042,153	190,169,374
Investment income/(Loss)	42,273,740	37,238,795
Profit before tax (including Window Takaful Operations)	225,607,573	178,161,756
Profit after tax (including Window Takaful Operations)	164,384,253	143,243,548
Earnings per share - basic and diluted (Rupees)	1.39	1.21

On behalf of the Board of Directors



Naved Yunus

Chief Executive Officer
Karachi : August 30, 2021

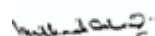
EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT JUNE 30, 2021

		June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
	Note	----- Rupees-----	
ASSETS			
Property and equipment	6	121,098,380	128,693,753
Intangible assets	7	997,699	1,049,352
Investment properties	8	46,421,909	47,612,214
Investments			
Equity securities	9	1,214,682,381	816,976,410
Debt securities	10	258,242,984	259,785,281
Term deposit receipts (TDRs)	11	68,500,000	385,045,476
		1,541,425,365	1,461,807,167
Loans and other receivables	12	84,446,561	127,512,183
Insurance / reinsurance receivables	13	701,584,663	732,304,967
Reinsurance recoveries against outstanding claims	22	395,992,043	455,666,161
Deferred commission expense	23	258,775,274	290,582,372
Prepayments	14	623,462,580	566,323,601
Cash and bank	15	70,160,183	26,721,813
		3,844,364,657	3,838,273,583
Total assets of window takaful operations			
Operator's fund		142,826,837	123,004,409
TOTAL ASSETS		3,987,191,494	3,961,277,992
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Issued, subscribed and paid-up capital		1,183,358,100	1,183,358,100
Reserves	16	369,797,143	368,418,628
Unappropriated profit		261,371,765	96,987,512
TOTAL EQUITY		1,814,527,008	1,648,764,240
LIABILITIES			
Underwriting provisions			
Outstanding claims including IBNR	22	629,937,577	652,587,244
Unearned premium reserves	21	1,113,462,770	1,223,128,077
Unearned reinsurance commission	23	129,043,876	125,918,778
		1,872,444,223	2,001,634,099
Retirement benefit obligations		3,043,868	3,698,757
Liabilities against right of use assets	17	1,463,801	5,375,079
Deferred taxation		6,417,811	5,717,273
Premium received in advance	18	24,753,586	62,543,115
Insurance / reinsurance payables		26,230,943	17,122,645
Other creditors and accruals	19	84,596,682	109,169,579
Taxation - net		108,703,694	65,251,738
TOTAL LIABILITIES		2,127,654,608	2,270,512,285
Total liabilities of Window Takaful			
Operations - Operator's Fund		45,009,878	42,001,467
TOTAL EQUITY AND LIABILITIES		3,987,191,494	3,961,277,992
CONTINGENCIES AND COMMITMENTS			

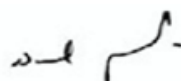
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The annexed notes from 1 to 37 form an integral part of these condensed interim financial Statement.

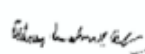




CHAIRMAN




CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2021

		Six months period ended		Three months period	
	Note	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Net insurance premium	21	1,061,909,909	763,271,114	552,489,613	340,691,161
Net insurance claims	22	(461,671,453)	(320,163,093)	(249,821,887)	(142,946,781)
Net commission	23	(210,599,554)	(142,366,648)	(141,321,939)	(82,163,285)
Insurance claims and acquisition expenses		(672,271,007)	(462,529,741)	(391,143,826)	(225,110,066)
Management expenses	24	(153,596,749)	(110,571,999)	(80,721,264)	(54,985,419)
Underwriting results		236,042,153	190,169,374	80,624,523	60,595,676
Investment income	25	42,273,740	37,238,795	24,134,475	47,292,536
Rental income		-	29,000	-	29,000
Other income	26	4,880,141	11,511,566	2,149,028	10,016,664
Other expenses	27	(72,162,269)	(65,449,156)	(40,848,345)	(32,639,775)
Finance cost	28	(341,726)	(1,041,027)	(203,614)	(461,434)
Results of operating activities		210,692,039	172,458,552	65,856,067	84,832,667
Profit before tax from Window takaful operations - Operator's Fund	29	14,915,534	5,703,204	11,272,345	1,608,568
Profit before tax		225,607,573	178,161,756	77,128,412	86,441,235
Income tax expense		(61,223,320)	(34,918,208)	(51,212,341)	(28,176,752)
Profit after taxation		164,384,253	143,243,548	25,916,071	58,264,483
Earnings after tax per share - basic and diluted	31	1.39	1.21	0.22	0.49

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

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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 JUNE 30, 2021

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>June 30</u>	<u>June 30</u>	<u>June 30</u>	<u>June 30</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Note	-----Rupees-----	-----Rupees-----	-----Rupees-----	-----Rupees-----
Profit after taxation	164,384,253	143,243,548	25,916,071	58,264,483
Other comprehensive income				
Items that may be reclassified loss account				
Unrealised loss on available for sale investments - net of deferred tax	-	(14,180,771)	-	(14,180,771)
Reclassification of loss included in profit and loss account	1,378,515	1,277,797	1,229,015	1,128,297
	<u>1,378,515</u>	<u>(12,902,974)</u>	<u>1,229,015</u>	<u>(13,052,474)</u>
Total comprehensive income for the period	<u>165,762,768</u>	<u>130,340,574</u>	<u>27,145,086</u>	<u>45,212,009</u>

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

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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 PERIOD ENDED JUNE 30, 2021

	Share capital	Reserves		Total reserves	Unappropriated profit	Total
		General reserve	Unrealized gain / (loss) on available for sale investment			
-----Rupees -----						
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	-	-	-	-	143,243,548	143,243,548
Other comprehensive loss	-	-	(12,902,974)	(12,902,974)	-	(12,902,974)
	-	-	(12,902,974)	(12,902,974)	143,243,548	130,340,574
Transfer to general reserve		240,000,000		240,000,000	(240,000,000)	-
Balance as at June 30, 2020	1,029,007,050	440,000,000	(76,573,668)	363,426,332	163,207,362	1,555,640,744
Balance as at January 01, 2021	1,183,358,100	440,000,000	(71,581,372)	368,418,628	96,987,512	1,648,764,240
Total comprehensive income for the period						
Profit for the period	-	-	-	-	164,384,253	164,384,253
Other comprehensive income	-	-	1,378,515	1,378,515	-	1,378,515
	-	-	1,378,515	1,378,515	164,384,253	165,762,768
Balance as at June 30, 2021	1,183,358,100	440,000,000	(70,202,857)	369,797,143	261,371,765	1,814,527,008

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

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CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER



EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020
	----- Rupees-----	
OPERATING CASH FLOWS		
(a) Underwriting activities		
Insurance premium received	1,760,059,001	1,190,879,694
Reinsurance premium paid	(863,034,095)	(507,328,645)
Claims paid	(695,861,048)	(433,820,364)
Reinsurance and other recoveries received	271,214,046	128,162,867
Commission paid	(415,726,098)	(311,170,338)
Commission received	209,102,214	171,033,695
Underwriting payments	(145,587,543)	(107,532,704)
Net cash inflows from underwriting activities	<u>120,166,477</u>	<u>130,224,205</u>
(b) Other operating activities		
Income tax paid	(17,070,825)	(10,344,146)
Other expenses paid	(58,645,924)	(49,720,115)
Other operating receipts/(payments)	26,991,085	(126,765,633)
Net cash used in other operating activities	<u>(48,725,664)</u>	<u>(186,829,894)</u>
Total cash generated / (used in) from all operating activities	71,440,813	(56,605,689)
CASH FLOW FROM INVESTMENT ACTIVITIES		
Profit / return received	16,505,798	23,791,844
Dividend received	27,252,890	26,323,083
Other income received	17,167,816	10,320,070
Payment for investments	(477,232,825)	(484,573,875)
Proceeds from investment	81,013,349	411,622,765
Fixed capital expenditure	(674,168)	(247,400)
Proceeds from sale of property and equipment	28,000	1,245,300
Total cash (used in) all operating activities	<u>(335,939,140)</u>	<u>(11,518,213)</u>
FINANCING ACTIVITIES		
Loan received from director	10,302,500	10,400,000
Loan repaid to director	(15,000,000)	(25,600,000)
payment of financial charges	(3,911,278)	(4,817,105)
Total cash (used in) from all financing activities	<u>(8,608,778)</u>	<u>(20,017,105)</u>
Net cash (used in) from all activities	<u>(273,107,105)</u>	<u>(88,141,007)</u>
Cash and cash equivalents at beginning of the period	411,767,289	370,103,383
Cash and cash equivalents at end of the period	<u>138,660,184</u>	<u>281,962,376</u>

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

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CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020
	----- Rupees-----	
Reconciliation to profit and loss account		
Operating cash flows	71,440,813	(61,422,794)
Depreciation expense	(9,458,810)	(9,717,007)
Amortization of intangible	(51,653)	(73,790)
Profit on disposal of fixed assets	26,964	1,024,299
Investment income	16,505,798	23,791,844
Loss on disposal of investment securities	(2,156,879)	(16,543,887)
Dividend income	27,252,890	26,323,083
Other income	17,167,816	10,320,070
Gain on takaful operations	14,915,534	5,703,204
Increase in assets other than cash	(88,305,735)	(52,322,766)
Decrease in operating liabilities	116,728,814	216,161,292
Profit after Tax	<u>164,065,552</u>	<u>143,243,548</u>

Definition of cash

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

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

	June 30, 2021	June 30, 2020
	----- Rupees-----	
Cash and other equivalents	37,102	268,667
Current and saving accounts	70,123,081	34,693,709
Deposits maturing within 12 months	68,500,000	247,000,000
	<u>138,660,183</u>	<u>281,962,376</u>

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







CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2021

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 (2020: 3) principal offices and 24 (2020: 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, 2020 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, 2020, 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 half year ended June 30, 2020.

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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, 2020.

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, 2020.

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.

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		June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees	
6	PROPERTY AND EQUIPMENT	Note	
	Operating fixed assets	6.1	106,531,017
	Right-of-use assets	6.2	14,567,363
			<u>121,098,380</u>
6.1	Operating fixed assets		
	Opening balance as at January 1		112,507,794
	Additions during the period / year		125,555,637
	Electrical fittings and equipments		378,663
	Office equipments		89,000
	Motor vehicles		252,550
	Computers equipments		42,955
			<u>674,168</u>
	Less:		
	Written down value of assets disposed during the period / year		(1,036)
	Deprecation charge for the period / year		(6,649,909)
			<u>106,531,017</u>
6.2	Right-of-use assets		
	Balance as at January 01		16,185,959
	Additions during the period / year		20,580,035
	Depreciation charge during the period / year		(1,618,596)
	Balance as at June 30 / December 31		<u>14,567,363</u>
7	INTANGIBLE ASSETS		
	Computer software	7.1	292,699
	Capital work in progress	7.2	705,000
			<u>997,699</u>
7.1	Net carrying value basis		
	Opening net book value		344,352
	Amortization charge		(51,653)
	Closing net book value		<u>292,699</u>
7.2	This represents amount paid to the vendor for the development of computer software.		

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		June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
	Note	Rupees	
8 INVESTMENT PROPERTIES			
Balance as at January 01		47,612,214	48,565,494
Additions / Transfer in during the period / year		-	1,500,000
Depreciation charge during the period / year		(1,190,305)	(2,453,280)
Deletion / Transfer out during the period / year		-	-
	8.1	<u>46,421,909</u>	<u>47,612,214</u>

8.1 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 (2020: Rs. 172.50 million).

9 INVESTMENTS IN EQUITY SECURITIES

Held For Trading

Listed shares	91,299,248	91,261,498
Mutual funds	900,463,309	502,795,087

Available For Sale

Listed shares	222,919,824	222,919,825
	<u>1,214,682,381</u>	<u>816,976,410</u>

9.1 Detail of investments in equities securities is as follows

	June 30, 2021 (Unaudited)			December 31, 2020 (Audited)		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
	Rupees					
Investments - Held for Trading						
Listed securities	91,261,498	37,750	91,299,248	98,161,690	(6,900,192)	91,261,498
Mutual funds	<u>902,602,137</u>	<u>(2,138,828)</u>	<u>900,463,309</u>	<u>505,284,933</u>	<u>(2,489,846)</u>	<u>502,795,087</u>
	<u>993,863,635</u>	<u>(2,101,078)</u>	<u>991,762,557</u>	<u>603,446,623</u>	<u>(9,390,038)</u>	<u>594,056,585</u>
Investments-Available For Sale						
Related Party						
Listed securities (Note 9.2)	290,305,684		290,305,684	290,305,684	3,349,966	293,655,650
Others						
Listed securities	10,593,327		10,593,327	10,593,327	266,261	10,859,588
Deficit on revaluation	-	-	(77,979,187)	-	-	(81,595,413)
	<u>300,899,011</u>	<u>-</u>	<u>222,919,824</u>	<u>300,899,011</u>	<u>3,616,227</u>	<u>222,919,825</u>
			<u>1,214,682,381</u>			<u>816,976,410</u>

9.2 This represent investment in associated undertaking.

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		June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
	Note	Rupees	
10	INVESTMENTS IN DEBT SECURITIES		
	Held To Maturity		
	Government Securities		
	Pakistan Investment Bonds	238,242,984	188,065,518
	T - Bills	-	51,719,763
	Available for sale		
	Term Finance Certificates	10,000,000	10,000,000
	Corporate Sukuk	10,000,000	10,000,000
	10.1	258,242,984	259,785,281

10.1 Detail of investments in debt securities is as follows

	June 30, 2021 (Unaudited)			December 31, 2020 (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)	238,242,984	-	238,242,984	188,065,518	-	188,065,518
Treasury Bills	-	-	-	51,719,763	-	51,719,763
	<u>238,242,984</u>	<u>-</u>	<u>238,242,984</u>	<u>239,785,281</u>	<u>-</u>	<u>239,785,281</u>
Available for sale						
Term Finance Certificates	10,000,000	-	10,000,000	15,730,000	(5,730,000)	10,000,000
Corporate Sukuk	10,000,000	-	10,000,000	15,600,000	(5,600,000)	10,000,000
	<u>20,000,000</u>	<u>-</u>	<u>20,000,000</u>	<u>31,330,000</u>	<u>(11,330,000)</u>	<u>20,000,000</u>
Deficit on revaluation	-	-	-	-	-	-
			<u>258,242,984</u>			<u>259,785,281</u>

10.2 This represents Pakistan Investment Bonds (PIBs) carrying interest ranging from 7% to 12% (2020: 7% to 12%).

10.3 The amount of Pakistan Investment Bonds includes Rs. 120 million (2020: Rs. 120 million) deposited with the State Bank of Pakistan as required by Section 29 of the Insurance Ordinance, 2000.

11 INVESTMENTS IN TERM DEPOSITS

Deposits maturing within 12 months	11.1	<u>68,500,000</u>	<u>385,045,476</u>
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11.1 These represent Term Deposit Receipts (TDRs) in local currency carrying interest rates ranging from 7.2% to 11.40% per annum (2020: 7.2% to 13.90% per annum).

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		June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees	
12	LOANS AND OTHER RECEIVABLES		
	Unsecured - considered good		
	Accrued investment income		
	Pakistan Investment bonds	5,118,033	4,846,134
	Corporate Sukuks	76,685	76,438
	Others	955,210	607,666
		6,149,928	5,530,238
	Advances	51,922,852	103,780,668
	Deposits	16,802,767	15,564,275
	Other receivables	9,571,014	2,637,002
		84,446,561	127,512,183
12.1	This represents advances in the normal course of business which do not carry any interest / mark-up.		
13	INSURANCE / REINSURANCE RECEIVABLES		
	Unsecured - considered good		
	Premium due but unpaid	463,981,075	479,067,029
	Less: Provision for impairment of receivables from insurance contract holders	(7,392,652)	(2,414,077)
	Premium written off	-	(3,425,699)
		456,588,423	473,227,253
	Amount due from other insurers / reinsurers	244,996,240	259,077,714
		701,584,663	732,304,967
14	PREPAYMENTS		
	Prepaid reinsurance premium ceded	622,936,419	565,677,650
	Prepaid rent	294,787	414,577
	Others	231,374	231,374
		623,462,580	566,323,601
15	CASH AND BANK		
	Cash in hand	37,102	14,069
	Cash at bank		
	Current accounts	36,542,046	20,752,663
	Saving accounts	33,581,035	5,955,081
		70,160,183	26,721,813
15.1	These include interest bearing accounts carrying interest rates ranging from 5% to 10% (December 31, 2020: 5% to 10%) per annum.		

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		June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
	Note	----- Rupees -----	
16 RESERVES			
General reserve		440,000,000	440,000,000
Unrealized loss on available for sale investments		(70,202,857)	(71,581,372)
		<u>369,797,143</u>	<u>368,418,628</u>
17 LIABILITIES AGAINST RIGHT OF USE ASSET			
Current portion		1,463,801	5,375,079
		<u>1,463,801</u>	<u>5,375,079</u>
18 PREMIUM RECEIVED IN ADVANCE			
Premium received in advance		<u>24,753,586</u>	<u>62,543,115</u>
18.1 This includes cash margin (bond) received from policy holders amounting to Rs. 24.15 million (2020: Rs. 61.98 million).			
19 OTHER CREDITORS AND ACCRUALS			
Sundry creditors		22,818,876	18,484,965
Commission payable		-	30,956,525
Federal excise duty		6,717,303	4,858,214
Federal insurance fee		5,106,433	3,234,804
Workers' welfare fund		36,057,172	36,057,172
Withholding tax		7,487,591	6,888,125
Unclaimed dividend		31,303	31,303
Due to director	19.1	<u>6,378,003</u>	<u>8,658,471</u>
		<u>84,596,681</u>	<u>109,169,579</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 June 30, 2020 (December 31, 2020: Nil).			

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		Six months period ended		Three months period ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Note		----- (Rupees) -----		----- (Rupees) -----	
21	NET INSURANCE PREMIUM				
	Written gross premium	1,781,209,700	1,349,752,304	967,010,103	615,087,463
	Add: Unearned premium reserve - opening	1,223,128,077	1,252,193,521	1,108,889,414	1,109,487,133
	Less: Unearned premium reserve - closing	(1,113,462,770)	(1,062,479,626)	(1,113,462,770)	(1,062,479,626)
	Premium earned	1,890,875,007	1,539,466,199	962,436,747	662,094,970
	Less: Reinsurance premium ceded	886,223,867	608,283,792	511,855,819	270,864,746
	Add: Prepaid reinsurance premium - opening	565,677,650	577,141,443	521,027,734	459,769,213
	Less: Prepaid reinsurance premium - closing	(622,936,419)	(409,230,150)	(622,936,419)	(409,230,150)
	Reinsurance expense	828,965,098	776,195,085	409,947,134	321,403,809
		1,061,909,909	763,271,114	552,489,613	340,691,161
22	NET INSURANCE CLAIMS EXPENSE				
	Claims paid	695,861,048	433,820,364	340,699,407	198,627,577
	Add: Outstanding claims (including IBNR) - closing	629,937,577	569,679,636	629,937,577	569,679,636
	Less: Outstanding claims (including IBNR) - opening	(652,587,244)	(596,061,338)	(566,965,735)	(580,157,492)
	Claims expense	673,211,381	407,438,662	403,671,249	188,149,721
	Less: Reinsurance and other recoveries received	271,214,046	128,162,867	151,527,427	58,299,887
	Add: Reinsurance and other recoveries in respect	395,992,043	424,572,504	395,992,043	424,572,504
	Less: Reinsurance and other recoveries in respect of outstanding claims - Reinsurance and other recoveries revenue	(455,666,161)	(465,459,802)	(393,670,108)	(437,669,451)
		211,539,928	87,275,569	153,849,362	45,202,940
		461,671,453	320,163,093	249,821,887	142,946,781
23	NET COMMISSION				
	Commission paid or payable	384,769,573	295,219,016	203,452,205	125,654,177
	Add: Deferred commission expense - opening	290,582,372	328,921,034	239,359,769	273,438,109
	Less: Deferred commission expense - closing	(258,775,274)	(272,541,776)	(258,775,274)	(272,541,776)
	Net commission	416,576,671	351,598,274	184,036,700	126,550,510
	Less: Commission received or recoverable	209,102,214	171,033,695	101,697,937	76,788,002
	Add: Unearned reinsurance commission - opening	125,918,778	130,735,978	70,060,700	60,137,270
	Less: Unearned reinsurance commission - closing	(129,043,876)	(92,538,047)	(129,043,876)	(92,538,047)
	Commission from reinsurers	205,977,117	209,231,626	42,714,761	44,387,225
		210,599,554	142,366,648	141,321,939	82,163,285

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		Six months period ended		Three months period ended	
		June 30,	June 30,	June 30,	June 30,
		2021	2020	2021	2020
	Note	(Rupees)		(Rupees)	
24 MANAGEMENT EXPENSES					
Employee benefit cost	24.1	73,327,792	61,206,174	36,858,518	28,094,805
Office repairs and maintenance		2,832,474	1,382,017	1,525,807	656,308
Vehicle running expenses		29,951,437	20,142,005	16,524,090	12,260,632
Traveling expenses		21,368,941	12,132,298	10,187,493	5,935,189
Electricity, gas and water		4,096,058	3,193,821	2,462,445	1,757,202
Printing and stationery		3,280,606	3,849,101	907,544	1,476,066
Office rent		2,648,205	2,769,803	997,297	1,259,724
Entertainment		6,257,041	4,221,788	3,179,109	2,302,904
Postage, telegram and telephone		1,993,859	996,955	775,415	818,494
Advertisement and publicity		105,104	315,794	105,104	204,585
Rent, rates and taxes		5,176	4,800	1,900	-
Miscellaneous		7,730,056	357,443	7,196,542	219,510
		<u>153,596,749</u>	<u>110,571,999</u>	<u>80,721,264</u>	<u>54,985,419</u>

24.1 Employee benefit cost

Salaries, allowance and other benefits	71,790,744	59,663,686	36,051,884	27,328,261
Charges for post employment benefit	1,537,048	1,542,488	806,634	766,544
	<u>73,327,792</u>	<u>61,206,174</u>	<u>36,858,518</u>	<u>28,094,805</u>

25 INVESTMENT INCOME

Income from equity securities				
Held-for-trading				
Gain on sale of investments	5,224	5,573,644	5,224	4,985,161
Dividend income	27,252,890	26,323,083	18,994,411	16,135,741
	<u>27,258,114</u>	<u>31,896,727</u>	<u>18,999,635</u>	<u>21,120,902</u>

Income from debt securities

Held-to-maturity				
Pakistan Investment Bond	11,252,367	7,641,265	6,042,391	3,467,978
Treasury Bills	47,017	77,647	-	-
	<u>11,299,384</u>	<u>7,718,912</u>	<u>6,042,391</u>	<u>3,467,978</u>

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		Six months period ended		Three months period ended		
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	
Note		(Rupees)		(Rupees)		
	Available for sale					
	Term Finance Certificate	476,048	782,214	239,336	389,010	
	Corporate Sukuk	455,515	693,710	232,611	306,554	
		931,563	1,475,924	471,947	695,564	
	Return on term deposits	5,612,058	13,755,869	1,142,881	6,672,584	
	Net unrealised (losses) / gain on investments at fair value through profit or loss (held for trading)	(2,156,879)	(16,543,887)	(2,156,879)	16,106,258	
		42,944,240	38,303,545	24,499,975	48,063,286	
	Less: Investment related expenses	(670,500)	(1,064,750)	(365,500)	(770,750)	
		42,273,740	37,238,795	24,134,475	47,292,536	
26	OTHER INCOME					
	Return on bank balances	692,560	1,367,984	402,488	461,565	
	Profit on disposal of fixed assets	26,964	1,024,299	-	435,816	
	Reversal of bad debts	2,414,077	-	-	-	
	Others	1,746,540	9,119,283	1,746,540	9,119,283	
		4,880,141	11,511,566	2,149,028	10,016,664	
27	OTHER EXPENSES					
	Employee benefit cost	27.1	30,467,827	30,147,493	16,202,819	15,660,244
	Office repairs and maintenance		5,815,085	5,834,512	3,445,992	3,386,120
	Vehicle running expenses		4,505,836	4,977,122	2,452,195	3,319,779
	Auditors' remuneration		832,964	822,800	565,264	443,600
	Remuneration of directors and executive		7,750,000	6,360,000	4,750,000	3,260,000
	Legal and professional charges		1,066,602	924,490	618,754	366,737
	Depreciation and amortization		9,510,465	11,004,934	4,765,362	5,697,173
	Subscription and membership		218,059	626,206	66,511	88,312
	Annual supervision fee		2,986,022	3,671,535	-	-
	Bad debts expense		7,392,652	-	7,392,652	-
	Rent, rates and taxes		479,826	13,000	44,500	6,000
	Electricity, gas and water		315,190	359,530	119,920	73,920
	Postage, telegram and telephone		671,828	677,454	303,268	333,106
	Others		149,913	30,080	121,108	4,784
			72,162,269	65,449,156	40,848,345	32,639,775
27.1	Employee benefit cost					
	Salaries, allowance and other benefits		26,812,197	29,210,150	13,049,994	15,195,935
	Charges for post employment benefit		3,655,630	937,343	3,152,825	464,309
			30,467,827	30,147,493	16,202,819	15,660,244

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	Six months period ended		Three months period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- (Rupees) -----		----- (Rupees) -----	
28 FINANCE COST				
Bank charges	186,818	196,197	149,026	120,866
Lease finance charges	154,908	844,830	54,588	340,568
	<u>341,726</u>	<u>1,041,027</u>	<u>203,614</u>	<u>461,434</u>
29 Window takaful operations - Operator's fund				
Wakala fee	52,628,943	39,103,308	37,601,065	15,258,050
Management expense	(8,328,243)	(10,383,850)	(4,327,747)	(4,783,857)
Commission expense	(30,563,507)	(23,796,605)	(22,550,263)	(9,115,272)
Modarib's share	13,688	11,221	4,031	3,574
Investment income	11,253	5,038	9,860	981
Rental income	1,253,400	1,146,000	635,400	573,000
Other expenses	(100,000)	(381,908)	(100,000)	(327,908)
Profit / (loss) for the period	<u>14,915,534</u>	<u>5,703,204</u>	<u>11,272,346</u>	<u>1,608,568</u>

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30 SEGMENT REPORTING

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

Segment Current Period	June 30, 2021					
	Fire and property damage	Marine, aviation and transport	Motor	Engineering	Miscellaneous	TOTAL
	Rupees					
Gross written premium	611,289,521	205,010,210	201,503,535	478,271,783	285,134,651	1,781,209,700
Unearned-Opening	361,270,936	71,682,629	222,248,890	402,465,683	165,459,939	1,223,128,077
Unearned-Closing	(373,116,045)	(56,987,863)	(167,339,337)	(354,502,706)	(161,516,819)	(1,113,462,770)
Premium Earned	599,444,412	219,704,976	256,413,088	526,234,760	289,077,771	1,890,875,007
Reinsurance-Ceded	(279,289,330)	(93,197,615)	(39,336,718)	(411,189,814)	(63,210,390)	(886,223,867)
Prepaid Reinsurance-opening	(171,486,152)	(27,890,167)	(37,021,358)	(288,530,121)	(40,749,852)	(565,677,650)
Prepaid Reinsurance - closing	178,448,870	24,341,926	28,348,523	356,690,500	35,106,600	622,936,419
Reinsurance Expenses	(272,326,612)	(96,745,856)	(48,009,553)	(343,029,435)	(68,853,642)	(828,965,098)
Net insurance premium	327,117,800	122,959,120	208,403,535	183,205,325	220,224,129	1,061,909,909
Commission income	83,668,413	23,776,806	9,916,888	69,252,181	19,362,829	205,977,117
Net underwriting income	410,786,213	146,735,926	218,320,423	252,457,506	239,586,958	1,267,887,026
Insurance claims paid	(192,126,646)	(77,842,303)	(97,017,979)	(222,185,868)	(106,688,252)	(695,861,048)
Outstanding-opening	104,633,446	38,286,714	27,232,803	421,315,674	61,118,607	652,587,244
Outstanding-closing	(106,906,002)	(24,832,710)	(43,200,133)	(377,903,718)	(77,095,014)	(629,937,577)
Insurance claims expenses	(194,399,202)	(64,388,299)	(112,985,309)	(178,773,912)	(122,664,659)	(673,211,381)
Reinsurance Recoveries Received	94,674,265	26,574,267	13,506,377	127,338,503	9,120,634	271,214,046
Recovery-opening	(58,984,408)	(6,271,179)	(9,364,005)	(355,505,935)	(25,540,634)	(455,666,161)
Recovery-closing	47,258,713	5,038,870	6,878,945	320,395,515	16,420,000	395,992,043
Insurance claims recovered from reinsurers	82,948,570	25,341,958	11,021,317	92,228,083	-	211,539,928
Net claims	(111,450,632)	(39,046,341)	(101,963,992)	(86,545,829)	(122,664,659)	(461,671,453)
Commission expense	(167,336,773)	(47,247,448)	(55,764,875)	(90,263,624)	(55,963,951)	(416,576,671)
Management expense	(47,314,965)	(17,785,050)	(30,143,899)	(26,499,180)	(31,853,653)	(153,596,749)
Net insurance claims and expenses	(326,102,370)	(104,078,839)	(187,872,766)	(203,308,633)	(210,482,263)	(1,031,844,873)
Underwriting results	84,683,843	42,657,087	30,447,657	49,148,873	29,104,695	236,042,153
Net investment income						42,273,740
Rental income						-
Other expenses						(72,162,269)
Finance cost						(341,726)
Other income						4,880,141
Window takaful operations						14,915,534
Profit before tax						225,607,573
Segment Assets	691,321,799	259,858,436	440,434,323	387,181,116	465,415,642	2,244,211,315
Unallocated Assets						1,742,980,179
						3,987,191,494
Segment Liabilities	606,370,944	227,926,569	386,312,968	339,603,610	408,224,539	1,968,438,630
Unallocated Liabilities						204,225,856
						2,172,664,485

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-----June 30, 2020-----

Segment Prior Period	Fire and property damage	Marine, aviation and transport	Motor	Engineering	Miscellaneous	TOTAL
	Rupees-----					
Gross written premium	459,019,923	130,022,179	154,242,786	400,817,063	205,650,353	1,349,752,304
Unearned-Opening	362,733,454	54,466,378	197,527,644	439,393,118	198,072,927	1,252,193,521
Unearned-Closing	(351,866,315)	(38,538,314)	(145,090,615)	(341,185,595)	(185,798,787)	(1,062,479,626)
Premium Earned	469,887,062	145,950,243	206,679,815	499,024,586	217,924,493	1,539,466,199
Reinsurance-Ceded	(206,742,740)	(61,543,006)	(26,107,627)	(244,944,155)	(68,946,264)	(608,283,792)
Prepaid Reinsurance-Opening	(129,520,247)	(9,616,320)	(43,294,769)	(359,900,741)	(34,809,366)	(577,141,443)
Prepaid Reinsurance-Closing	117,745,893	13,170,730	36,854,783	193,550,637	47,908,105	409,230,148
Reinsurance Expenses	(218,517,094)	(57,988,596)	(32,547,613)	(411,294,259)	(55,847,525)	(776,195,087)
Net insurance premium	251,369,968	87,961,647	174,132,202	87,730,327	162,076,968	763,271,112
Commission income	61,827,644	14,054,979	10,030,376	110,396,409	12,922,118	209,231,526
Net underwriting income	313,197,612	102,016,626	184,162,578	198,126,736	174,999,086	972,502,638
Insurance claims paid	(124,007,146)	(33,335,774)	(91,686,918)	(109,699,608)	(75,090,918)	(433,820,364)
Outstanding-opening	103,892,000	16,741,421	36,921,124	387,419,515	51,087,278	596,061,338
Outstanding-closing	(106,420,235)	(21,303,623)	(29,276,801)	(325,996,761)	(86,682,216)	(569,679,636)
Insurance claims expenses	(126,535,381)	(37,897,976)	(84,042,595)	(48,276,854)	(110,685,856)	(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)	(367,226,623)	(28,878,046)	(465,459,802)
Recovery-closing	51,933,306	3,900,775	6,233,004	333,627,873	28,878,046	424,573,004
Insurance claims recovered from reinsures	42,955,156	15,160,206	5,645,839	23,514,868	-	87,276,069
Net claims	(83,580,225)	(22,737,770)	(78,396,756)	(24,761,986)	(110,685,856)	(320,162,593)
Commission expense	(117,810,054)	(33,906,140)	(49,198,108)	(81,711,160)	(68,972,812)	(351,598,274)
Management expense	(36,414,951)	(12,742,648)	(25,225,828)	(12,709,138)	(23,479,435)	(110,572,000)
Net insurance claims and expenses	(237,805,230)	(69,386,558)	(152,820,692)	(119,182,284)	(203,138,103)	(782,332,867)
Underwriting results	75,392,382	32,630,068	31,341,886	78,944,452	(28,139,017)	190,169,771
Net investment income						37,238,795
Rental income						29,000
Other expenses						(65,449,156)
Finance cost						(1,041,027)
Other income						11,511,566
Window takaful operations						5,703,204
Profit before tax						178,162,153
Segment Assets	653,466,701	228,666,963	452,677,766	228,065,619	421,338,724	1,984,215,774
Unallocated Assets						1,553,212,621
						3,537,428,395
Segment Liabilities	604,552,550	211,550,483	418,793,333	210,994,151	389,800,123	1,835,690,640
Unallocated Liabilities						146,097,011
						1,981,787,651

30 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.

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Six months period ended		Three months period ended	
June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
----- (Rupees) -----		----- (Rupees) -----	

31 EARNINGS PER SHARE - basic and diluted

Profit for the period	164,384,253	143,243,548	25,916,071	58,264,483
	----- (No. of shares) -----		----- (No. of shares) -----	
	Restated		Restated	
Weighted average number of ordinary shares of Rs. 10 each	118,335,810	118,335,810	118,335,810	118,335,810
	Restated		Restated	
Earnings per share - rupees	1.39	1.21	0.22	0.49

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:

		Six months period ended		Three months period ended	
		June 30 2021	June 30 2020	June 30 2021	June 30 2020
		----- Rupees -----		----- Rupees -----	
Nature of relationship	Nature of transaction				
Directors and Key Management Personnel	Loan received from directors	10,302,500	39,203,000	10,400,000	10,400,000
	Loan repaid to directors	15,000,000	25,478,000	25,600,000	25,600,000
	Remuneration paid	7,870,000	6,265,000	3,000,000	6,480,000
Nature of Transaction	Nature of relationship with the Company				
		----- Rupees -----		----- Rupees -----	
Loan received from directors					
Javed Yunus	Director	10,302,500	3,953,000	-	2,000,000
Naved Yunus	Director	-	35,205,000	1,400,000	8,400,000
		10,302,500	39,203,000	1,400,000	10,400,000
Loan repaid to directors					
Javed Yunus	Director	10,000,000	1,653,000	1,000,000	2,000,000
Naved Yunus	Director	5,000,000	23,823,000	1,600,000	23,600,000
		15,000,000	25,478,000	2,600,000	25,600,000

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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 June 30, 2020.

	As at June 30, 2021 - (Unaudited)		As at December 31, 2020 - (Audited)	
	Carrying amount	Fair value	Carrying amount	Fair value
	-----Rupees-----		-----Rupees-----	
Financial Assets				
Investment property	46,421,909	172,500,000	47,612,214	172,500,000
Investments				
Equity securities				
Held for trading				
Ordinary shares - listed	91,299,248	91,299,248	75,258,466	37,967,269
Mutual fund units	900,463,309	900,463,309	393,390,236	584,340,415
Available for sale				
Ordinary shares - listed	300,899,011	222,919,824	296,423,563	214,828,149
Debt securities				
Government securities-PIBs	238,242,984	238,242,984	141,642,159	158,450,922
Others	18,470,000	20,000,000	31,330,000	31,330,000
Loans and other receivables	84,446,561	84,446,561	127,512,183	127,512,183
Insurance / reinsurance receivables	701,584,663	701,584,663	732,304,967	732,304,967
Reinsurance recoveries against outstanding claims	395,992,043	395,992,043	455,666,161	455,666,161
Cash and bank	70,160,183	70,160,183	26,721,813	26,721,813
Financial Liabilities				
Outstanding claims including IBNR	629,937,577	629,937,577	652,587,244	652,587,244
Retirement benefit obligations	3,043,868	3,043,868	3,698,757	3,698,757
Insurance / reinsurance payables	26,230,943	26,230,943	17,122,645	17,122,645
Other creditors and accruals	84,596,682	84,596,682	109,169,579	109,169,579

33.2 Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorized 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:

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	As at June 30, 2021	Level 1	Level 2	Level 3
Financial assets measured				
Investments at fair value through profit or loss - held for trading				
Ordinary shares - Listed	91,299,248	91,299,248	-	-
Mutual funds	900,463,309	-	900,463,309	-
Investments-Available For Sale				
Ordinary shares - Listed	300,899,011	300,899,011	-	-
Corporate sukuks	10,000,000	-	10,000,000	-
Term finance certificates	10,000,000	-	10,000,000	-

33.3 Transfers during the period

During the period ended June 30, 2021:

- 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, 2021 stood at Rs. 1,781.209 million with only a 31.96% increase for the same period last year of Rs. 1,349.752 million. However, an increase is witnessed in profit before tax of Rs. 225.608 million against Rs. 178.162 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.

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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 authorized for issue in the Board of Directors meeting of the Company held on _____.

37 GENERAL

The figures for the quarter and six month period ended June 30, 2021 have been rounded off to the nearest

4x

				
CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE COMPANY
LIMITED - WINDOW TAKAFUL
OPERATIONS**

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
JUNE 30, 2021**

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **EAST WEST INSURANCE COMPANY LIMITED - WINDOW KAFUL OPERATIONS** ("the Operator") as at June 30, 2021 and condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the accounts for the six-months period then ended (here-in-after referred as the 'condensed interim financial information'). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information base on our review.

Scope of review

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

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim financial information for the three months quarter ended June 30, 2021 have not been reviewed and we do not express a conclusion on them.

The condensed interim financial information for the half year ended June 30, 2020 and the annual financial statements for the year ended December 31, 2020 were reviewed and audited by another firm of chartered accountants, whose review report dated September 10, 2020 and audit report dated April 5, 2021, expressed unmodified opinion respectively.

The engagement partner on the review resulting in this independent auditor's review report is Imran shaikh

gx

**CROWE HUSSAIN CHAUDHURY
CHARTERED ACCOUNTANTS**

PLACE: KARACHI

DATE:

EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT JUNE 30, 2021

	Note	Operator's Fund		Participant's Takaful Fund	
		June 30, 2021 (Unaudited)	December 31, 2020 (Audited)	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees		Rupees	

ASSETS

Property and equipment	8	10,648,112	11,046,167	-	-
Investment property - at cost	9	34,363,875	35,245,000	-	-
Accrued investment income	10	4,568	1,200	4,638	13,553
Qard-e-Hasna to Participants' Takaful Fund (PTF)	11	18,150,000	18,150,000	-	-
Takaful / re-takaful receivables	12	-	-	129,147,852	82,028,389
Receivable from PTF	13	58,010,885	41,212,140	-	-
Taxation - payment less provision	14	23,808	17,239	11,222	5,780
Deferred wakala fee expense		-	-	30,683,214	31,668,279
Deferred commission expense	24	18,383,094	17,075,306	-	-
Prepayments	15	63,800	226,000	39,008,980	45,757,947
Cash and bank	16	3,178,695	31,357	714,743	20,879,038
TOTAL ASSETS		142,826,837	123,004,409	199,570,649	180,352,986

FUND AND LIABILITIES

Operators' Fund

Statutory Fund		50,000,000	50,000,000	-	-
Accumulated profit		39,143,326	24,227,792	-	-
Total Operators Fund		89,143,326	74,227,792	-	-

Participants' Takaful Fund

Ceded money		-	-	500,000	500,000
Accumulated surplus		-	-	24,636,881	15,104,934
Balance of Participant Takaful Fund		-	-	25,136,881	15,604,934
Qard-e-Hasna from Operator's Fund	11	-	-	18,150,000	18,150,000

LIABILITIES

Underwriting provisions

Unearned contribution reserve		-	-	82,959,722	86,086,761
Unearned Re-takaful rebate		-	-	5,670,028	6,804,133
Takaful / Re-takaful payable	17	-	-	88,629,750	92,890,894
Unearned wakala fee		30,683,214	31,668,279	7,732,103	10,130,951
Contribution received in advance		-	-	-	-
Payable to OPF	13	-	-	1,329,934	1,954,934
Other creditors and accruals	18	14,326,664	10,333,188	57,510,885	40,712,140
Payable to East West Insurance Company Limited	19	8,673,633	6,775,150	1,081,096	909,133
TOTAL LIABILITIES		53,683,511	48,776,617	156,283,768	146,598,052

TOTAL FUND AND LIABILITIES

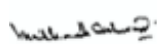
TOTAL FUND AND LIABILITIES		142,826,837	123,004,409	199,570,649	180,352,986
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CONTINGENCIES AND COMMITMENTS

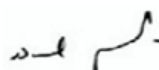
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The annexed notes from 1 to 33 form an integral part of this condensed interim financial statement.

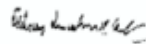
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CHAIRMAN



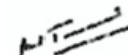
CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2021

		Six months period ended		Three months period ended	
		June 30	June 30	June 30	June 30
		2021	2020	2021	2020
	Note	-----Rupees-----		-----Rupees-----	
Participants' Takaful Fund					
Contributions earned	21	87,652,419	66,006,846	44,349,822	22,469,221
Less: Contributions ceded to retakaful	21	(70,762,972)	(53,926,743)	(47,296,350)	(20,394,710)
Net contributions revenue		16,889,447	12,080,103	(2,946,528)	2,074,511
Retakaful rebate	23	10,053,447	8,263,506	6,520,144	2,698,558
Net underwriting income		26,942,894	20,343,609	3,573,616	4,773,069
Net claims - reported / settled	22	(17,424,408)	(15,111,665)	(1,513,424)	(4,919,675)
Other direct expenses		(226)	-	-	-
Surplus before investment income		9,518,260	5,231,944	2,060,192	(146,606)
Investment income	27	27,375	22,442	8,060	7,148
Less: Modarib share of investment income	27	(13,688)	(11,221)	(4,031)	(3,574)
Surplus / (deficit) transferred to accumulated surplus		9,531,947	5,243,165	2,064,222	(143,032)
Operator's Fund					
Wakala fee	25	52,628,943	39,103,308	37,601,065	15,258,050
Commission expense	24	(30,563,507)	(23,796,605)	(22,550,263)	(9,115,272)
Management expenses	26	(8,328,243)	(10,383,850)	(4,327,747)	(4,783,857)
		13,737,193	4,922,853	10,723,055	1,358,921
Modarib's share of PTF investment income		13,688	11,221	4,031	3,574
Investment income	27	11,253	5,038	9,860	981
Rental income		1,253,400	1,146,000	635,400	573,000
Other expenses	28	(100,000)	(381,908)	(100,000)	(327,908)
Profit for the period		14,915,534	5,703,204	11,272,346	1,608,568

The annexed notes from 1 to 33 form an integral part of this condensed interim financial statement.

GK

[Signature]

CHAIRMAN

[Signature]

CHIEF EXECUTIVE OFFICER

[Signature]

DIRECTOR

[Signature]

DIRECTOR

[Signature]

CHIEF FINANCIAL OFFICER

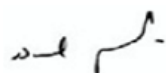
**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2021**

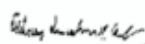
	Six months period ended		Three months period ended	
	June 30 2021	June 30 2020	June 30 2021	June 30 2020
	-----Rupees-----		-----Rupees-----	
Participants' Takaful Fund				
Surplus / (deficit) for the period	9,531,947	5,243,165	2,064,222	(143,032)
Other comprehensive income	-	-	-	-
Total comprehensive surplus / (deficit) for the period	<u>9,531,947</u>	<u>5,243,165</u>	<u>2,064,222</u>	<u>(143,032)</u>
Operator's Fund				
Profit for the period	14,915,534	5,703,204	11,272,346	1,608,568
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>14,915,534</u>	<u>5,703,204</u>	<u>11,272,346</u>	<u>1,608,568</u>

The annexed notes from 1 to 33 form an integral part of this condensed interim financial statement.

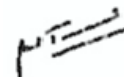
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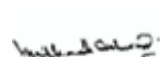
CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICE

EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2021

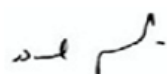
	Operator's Fund		Participant's Takaful Fund	
	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
	-----Rupees-----			
OPERATING CASH FLOWS				
(a) Takaful activities				
Contribution received	-	-	87,011,012	73,787,822
Retakaful contribution paid	-	-	(64,014,005)	(46,575,130)
Claims paid	-	-	(71,070,534)	(53,353,810)
Retakaful and recoveries received	-	-	53,646,126	38,792,145
Commission paid	(26,818,723)	(15,403,593)	-	-
Retakaful rebate received	-	-	8,919,342	6,271,073
Wakulla fee received	51,643,878	30,417,180	-	-
Wakulla fee paid	-	-	(51,643,878)	(30,417,180)
Net cash flow tactful activities	24,825,155	15,013,587	(37,151,937)	(11,495,080)
(b) Other operating activities				
Income tax paid	(6,569)	(8,354)	(5,442)	(2,540)
Direct expenses paid	-	-	(226)	-
Other operating payment	-	(381,908)	-	-
Management expenses paid	(8,208,159)	(8,712,750)	-	-
Other operating receipts	(14,738,062)	(6,674,408)	16,970,708	11,323,078
Net cash flow from other operating activities	(22,952,790)	(15,777,420)	16,965,040	11,320,538
Total cash (used in) / gerenrated from all operating activities	1,872,365	(763,833)	(20,186,897)	(174,542)
INVESTMENT ACTIVITIES				
Profit received on investment income	21,573	16,298	22,602	14,177
Rental income	1,253,400	1,146,000	-	-
Total cash flow generated from investing activities	1,274,973	1,162,298	22,602	14,177
Net cash flow from all activities	3,147,338	398,465	(20,164,295)	(160,365)
Cash and cash equivalents at beginning of the period	31,357	16,341	20,879,038	811,959
Cash and cash equivalents at end of the period	3,178,695	414,806	714,743	651,594
Reconciliation to profit and loss account:				
Operating cash flows	1,872,365	(763,833)	(20,186,897)	(174,542)
Depreciation	(1,279,180)	(1,378,583)	-	-
Investment income	21,573	16,298	22,602	14,177
Rental income	1,253,400	1,146,000	-	-
Increase / (decrease) in assets other than cash	17,954,270	5,926,783	39,381,958	(9,998,420)
(decrease) / Increase in liabilities	(4,906,894)	756,539	(9,685,716)	15,401,950
Surplus for the period	14,915,534	5,703,204	9,531,947	5,243,165

The annexed notes from 1 to 33 form an integral part of this condensed interim financial statement.

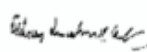
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CHAIRMAN



CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2021

	Operator's Fund		
	Statutory Fund	Accumulated Profit	Total
	----- Rupees -----		
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	-	5,703,204	5,703,204
Other comprehensive income	-	-	-
	-	5,703,204	5,703,204
Balance as at June 30, 2020	<u>50,000,000</u>	<u>16,792,522</u>	<u>66,792,522</u>
Balance as at January 1, 2021	50,000,000	24,227,792	74,227,792
Total comprehensive income for the period			
Profit for the period	-	14,915,534	14,915,534
Other comprehensive income	-	-	-
	-	14,915,534	14,915,534
Balance as at June 30, 2021	<u>50,000,000</u>	<u>39,143,326</u>	<u>89,143,326</u>

	Participants' Fund		
	Ceded Money	Accumulated Surplus	Total
	----- Rupees -----		
Balance as at January 1, 2020	500,000	9,440,023	9,940,023
Total comprehensive income for the period			
Surplus for the period	-	5,243,165	5,243,165
Other comprehensive income	-	-	-
	-	5,243,165	5,243,165
Balance as at June 30, 2020	<u>500,000</u>	<u>14,683,188</u>	<u>15,183,188</u>
Balance as at January 1, 2021	500,000	15,104,934	15,604,934
Total comprehensive income for the period			
Surplus for the period	-	9,531,947	9,531,947
Other comprehensive income	-	-	-
	-	9,531,947	9,531,947
Balance as at June 30, 2021	<u>500,000</u>	<u>24,636,881</u>	<u>25,136,881</u>

The annexed notes from 1 to 33 form an integral part of this condensed interim financial statement.

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CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2021**

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, 2020 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, 2020, 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 June 30, 2020.

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.

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3 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE YEAR

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally including Pakistan. Government of Pakistan has taken certain measures to reduce the spread of the COVID-19 including lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. The Company is conducting business with some modifications to employee working and cancellation of certain events, among other modifications while following all necessary Standard Operating Procedures (SOPs). The Company will continue to actively monitor the situation and may take further actions that alter its business operations as may be required by federal, provincial or local authorities or that are in the best interests of our employees, customers, partners, suppliers and stockholders. However, the management based on its assessment considered that there would be no significant impact that will adversely affect its businesses, results of operations and financial condition in future period.

4 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.

5 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, 2020 except as disclosed below.

5.1 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,

5.2 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.

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6 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, 2020.

7 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, 2020.

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8 PROPERTY AND EQUIPMENT (OPF)

June 30, 2021 (Unaudited)						
Cost			Accumulated depreciation		Written down	Depreciated on rate %
As at January 1, 2021	Additions during the period	Transfer to investment property	As at June 30, 2021	As at January 1, 2021	Depreciation for the period	As at June 30, 2021
----- Rupees -----						
Office Premises	10,000,000	-	10,000,000	579,166	235,522	814,688
Vehicles	2,300,000	-	2,300,000	674,666	162,534	837,200
	12,300,000	-	12,300,000	1,253,832	398,056	1,651,888
						10,648,112
----- Rupees -----						
December 31, 2020 - audited	12,300,000	-	12,300,000	351,666	902,167	1,253,833
						11,046,167

9 INVESTMENT PROPERTIES - AT COST (OPF)

June 30, 2021 (Unaudited)						
Cost			Accumulated depreciation		Written down	Depreciated on rate %
As at January 1, 2021	Additions during the period	Transfer to investment property	As at June 30, 2021	As at January 1, 2021	Depreciation for the period	As at June 30, 2021
----- Rupees -----						
Office premises	38,000,000	-	38,000,000	2,755,000	881,125	3,636,125
	38,000,000	-	38,000,000	2,755,000	881,125	3,636,125
						34,363,875
----- Rupees -----						
December 31, 2020 - audited	38,000,000	-	38,000,000	900,000	1,855,000	2,755,000
						35,245,000

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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.

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	Operator's Fund		Participants Takaful Fund	
	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Note	-----Rupees-----			
10 ACCRUED INVESTMENT INCOME				
Income accrued on savings account	4,568	1,200	4,638	13,553
	<u>4,568</u>	<u>1,200</u>	<u>4,638</u>	<u>13,553</u>
11 QARD-E-HASNA TO PARTICIPANT'S TAKAFUL FUND (PTF)				
Opening as at January 1st	-	-	18,150,000	18,150,000
Closing	<u>-</u>	<u>-</u>	<u>18,150,000</u>	<u>18,150,000</u>
12 TAKAFUL / RE-TAKAFUL RECEIVABLES (PTF)				
Participants' Takaful Fund				
Due from takaful participant holders	-	-	58,642,080	24,751,565
Due from other takaful / re-takaful operators	-	-	70,505,772	57,276,824
	<u>-</u>	<u>-</u>	<u>129,147,852</u>	<u>82,028,389</u>
13 RECEIVABLE FROM PTF / PAYABLE TO OPF				
Other receivable / payable	58,010,885	41,212,140	(57,510,885)	(40,712,140)
	<u>58,010,885</u>	<u>41,212,140</u>	<u>(57,510,885)</u>	<u>(40,712,140)</u>
14 TAXATION - PAYMENT LESS PROVISION				
Tax deducted at source	<u>23,808</u>	<u>17,239</u>	<u>11,222</u>	<u>5,780</u>
15 PREPAYMENTS				
Prepaid retakaful contribution ceded	-	-	39,008,980	45,757,947
Other prepayments	63,800	226,000	-	-
	<u>63,800</u>	<u>226,000</u>	<u>39,008,980</u>	<u>45,757,947</u>

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Operator's Fund		Participants Takaful Fund	
June 30, 2021 (Unaudited)	December 31, 2020 (Audited)	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
-----Rupees-----			

16 CASH AND BANK

Cash at bank				
Current accounts		1,337	1,337	75
Savings accounts	16.1	3,177,358	30,020	714,668
		<u>3,178,695</u>	<u>31,357</u>	<u>714,743</u>
				<u>20,878,963</u>
				<u>20,879,038</u>

17 TAKAFUL / RETAKAFUL PAYABLE (PTF)

Participants' Takaful Fund				
Due to other takaful / re-takaful				
Local		-	-	7,732,103
		<u>-</u>	<u>-</u>	<u>10,130,951</u>
				<u>7,732,103</u>
				<u>10,130,951</u>

18 OTHER CREDITORS AND ACCRUALS

Salaries payable	534,137	925,706	-	-
Staff provident fund	445,502	396,952	-	-
Commission payable	11,782,779	6,730,207	-	-
Withholding tax payable	145,978	83,052	-	-
Accrued expenses	<u>1,418,268</u>	<u>2,197,271</u>	<u>1,081,096</u>	<u>909,133</u>
	<u>14,326,664</u>	<u>10,333,188</u>	<u>1,081,096</u>	<u>909,133</u>

19 PAYABLE TO EAST WEST INSURANCE COMPANY LIMITED

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

20 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 (December 31, 2020: Nil).

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Note	Six months period ended		Three months period ended	
	June 30 2021	June 30 2020	June 30 2021	June 30 2020
	Rupees		Rupees	

21 NET TAKAFUL CONTRIBUTION

Participants' Takaful Fund				
Written gross contribution	137,154,323	80,765,448	72,168,618	25,737,508
Wakala fee	(52,628,943)	(39,103,308)	(37,601,065)	(15,258,050)
Contribution net of wakala	84,525,380	41,662,140	34,567,553	10,479,458
Unearned contribution reserve - opening	86,086,761	86,423,643	92,741,991	74,068,700
Unearned contribution reserve - closing	(82,959,722)	(62,078,937)	(82,959,722)	(62,078,937)
Contribution earned	87,652,419	66,006,846	44,349,822	22,469,221
Less:				
Re-takaful contribution ceded	64,014,005	46,575,130	30,955,401	15,823,606
Prepaid retakaful contribution ceded-Opening	45,757,947	44,454,864	55,349,929	41,674,355
Prepaid retakaful contribution ceded -Closing	(39,008,980)	(37,103,251)	(39,008,980)	(37,103,251)
Retakaful expense	70,762,972	53,926,743	47,296,350	20,394,710
	16,889,447	12,080,103	(2,946,528)	2,074,511

22 NET TAKAFUL CLAIMS

Claims paid	71,070,534	53,353,810	29,231,572	18,135,188
Outstanding claims -Opening	-	-	-	(550,000)
Outstanding claims -Closing	-	550,000	-	550,000
Claim expense	71,070,534	53,903,810	29,231,572	18,135,188
Retakaful and other recoveries received	(53,646,126)	(38,792,145)	(27,718,148)	(13,215,513)
	17,424,408	15,111,665	1,513,424	4,919,675

23 RETAKAFUL REBATE

Participants' Takaful Fund				
Retakaful rebate received	8,919,342	6,271,073	4,305,817	1,615,905
Unearned retakaful rebate - opening	6,804,133	7,319,085	7,884,355	6,409,305
Unearned retakaful rebate - closing	(5,670,028)	(5,326,652)	(5,670,028)	(5,326,652)
	10,053,447	8,263,506	6,520,144	2,698,558

24 COMMISSION EXPENSE

Operators' Fund				
Commission paid	31,871,295	18,702,559	15,942,467	6,308,794
Deferred commission expense - opening	17,075,306	19,571,136	24,990,890	17,283,568
Deferred commission expense - closing	(18,383,094)	(14,477,090)	(18,383,094)	(14,477,090)
	30,563,507	23,796,605	22,550,263	9,115,272

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	Note	Six months period ended		Three months period ended	
		June 30 2021	June 30 2020	June 30 2021	June 30 2020
		-----Rupees-----		-----Rupees-----	
25 WAKALA EXPENSE		Participants' Takaful Fund			
Gross wakala fee		51,643,878	30,417,180	27,263,458	10,961,311
Deferred wakala expense - opening		31,668,279	31,701,100	41,020,821	27,311,711
Deferred wakala expense - closing		(30,683,214)	(23,014,972)	(30,683,214)	(23,014,972)
		<u>52,628,943</u>	<u>39,103,308</u>	<u>37,601,065</u>	<u>15,258,050</u>

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.

26 MANAGEMENT EXPENSES

	Operators' Fund			
Salaries, allowances and employee benefit	5,375,407	7,087,154	2,927,707	3,128,818
Staff welfare expenses	33,890	8,078	12,064	8,078
Depreciation expense	1,279,180	1,378,583	639,590	689,292
Office rent and maintenance	942,356	984,934	394,384	479,842
Motor vehicle running expense	23,480	171,117	7,270	87,333
Printing and stationary	3,678	1,570	875	1,570
Postage and telegram	1,050	2,500	750	2,500
Utility expenses	65,216	127,534	41,121	64,044
Repair and maintenance	-	22,380	-	22,380
Newspaper and periodicals	935	-	935	-
Shariah registrar fees	600,000	600,000	300,000	300,000
Bank charges	3,051	-	3,051	-
	<u>8,328,243</u>	<u>10,383,850</u>	<u>4,327,747</u>	<u>4,783,857</u>

27 INVESTMENT INCOME

Return on bank balances

- Return on saving accounts	11,253	5,038	9,860	981
Total investment income	<u>11,253</u>	<u>5,038</u>	<u>9,860</u>	<u>981</u>

Return on bank balances

- Return on saving accounts	27,375	22,442	8,060	7,148
Less: Investment related expenses	(13,688)	(11,221)	(4,031)	(3,574)
	<u>13,687</u>	<u>11,221</u>	<u>4,030</u>	<u>3,574</u>

28 OTHER EXPENSES

	Operators' Fund			
Auditor's remuneration	100,000	381,908	100,000	327,908
	<u>100,000</u>	<u>381,908</u>	<u>100,000</u>	<u>327,908</u>

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29 SEGMENT REPORTING

29.1 Operator's Fund

Operator's Fund	June 30, 2021					
	Fire and property damage	Marine, aviation and transport	Motor	Engineering	Miscellaneous	Total
Rupees						
Wakala fee earned	20,416,904	7,961,787	14,014,263	9,527,686	708,303	52,628,943
Commission expense	(12,789,902)	(5,281,710)	(7,739,342)	(4,412,510)	(340,043)	(30,563,507)
Management expenses	(3,230,864)	(1,259,909)	(2,217,681)	(1,507,704)	(112,085)	(8,328,243)
Underwriting results	4,396,138	1,420,168	4,057,240	3,607,472	256,175	13,737,193
Modarib's share of PTF investment income						13,688
Direct expenses						(100,000)
Investment income						11,253
Rental income						1,253,400
Profit before taxation for the year						14,915,534
Corporate segment assets	6,299,291	2,344,059	5,917,184	3,252,775	569,785	18,383,094
Corporate unallocated assets						124,443,743
Total assets						142,826,837
Corporate segment liabilities	9,904,790	3,161,090	10,659,454	6,075,615	882,265	30,683,214
Corporate unallocated liabilities						23,000,297
Total liabilities						53,683,511

Operator's Fund	June 30, 2020					
	Fire and property damage	Marine, aviation and transport	Motor	Engineering	Miscellaneous	Total
Rupees						
Wakala fee earned	15,339,579	6,177,500	10,528,352	6,474,649	583,228	39,103,308
Commission expense	(9,360,008)	(4,240,124)	(6,073,206)	(3,813,384)	(309,883)	(23,796,605)
Management expenses	(4,073,412)	(1,640,430)	(2,795,795)	(1,719,338)	(154,875)	(10,383,850)
	1,906,159	296,946	1,659,351	941,927	118,470	4,922,853
Modarib's share of PTF investment income						11,221
Direct expenses						(381,908)
Investment income						5,038
Rental income						1,146,000
Profit before taxation for the year						5,703,204
Corporate segment assets	5,281,817	1,628,217	4,683,725	2,842,794	40,537	14,477,090
Corporate unallocated assets						94,311,961
Total assets						108,789,051
Corporate segment liabilities	7,919,861	2,378,851	7,899,135	4,758,529	58,596	23,014,972
Corporate unallocated liabilities						18,981,557
Total liabilities						41,996,529

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29.2 Participants' Takaful Fund

Participants' Fund	Fire and property damage	Marine, aviation and transport	Motor	Engineering	Miscellaneous	Total
-----June 30, 2021-----						
-----Rupees-----						
Written gross contribution including						
administrative surcharge	49,036,316	23,760,995	34,585,450	26,873,415	2,898,147	137,154,323
Gross direct contribution	15,348,739	3,663,677	3,630,258	13,139,955	670,400	36,453,029
Facultative inward contribution	32,928,212	19,914,268	30,777,790	13,093,155	2,194,227	98,907,652
Administrative surcharge	759,365	183,050	177,402	640,305	33,520	1,793,642
Wakala Fee	(20,416,904)	(7,961,787)	(14,014,263)	(9,527,686)	(708,303)	(52,628,943)
Contribution earned	30,630,704	11,982,899	26,026,486	17,694,275	1,318,055	87,652,419
Contribution ceded	(31,035,450)	(12,412,984)	(11,139,540)	(14,725,856)	(1,449,142)	(70,762,972)
Net takaful contribution	(404,746)	(430,085)	14,886,946	2,968,419	(131,087)	16,889,447
Retakaful rebate earned	4,691,351	1,861,942	1,844,972	1,488,901	166,281	10,053,447
Net underwriting income	4,286,605	1,431,857	16,731,918	4,457,320	35,194	26,942,894
Takaful claims	(28,189,425)	(13,285,407)	(13,479,811)	(15,085,685)	(1,030,206)	(71,070,534)
Takaful claims recovered from retakaful	24,321,657	10,219,446	5,745,286	12,108,637	1,251,100	53,646,126
Net claims	(3,867,768)	(3,065,961)	(7,734,525)	(2,977,048)	220,894	(17,424,408)
Direct expenses	(226)	-	-	-	-	(226)
Surplus/(Deficit) before investment income	418,611	(1,634,104)	8,997,393	1,480,272	256,088	9,518,260
Investment income						27,375
Modarib's share of investment income						(13,688)
Surplus transferred to accumulated surplus						9,531,947
Corporate segment assets	69,485,938	27,183,279	59,041,242	40,139,571	2,990,016	198,840,046
Corporate unallocated assets						730,603
Total assets						199,570,649
Segment Liabilities	34,139,026	13,355,374	29,007,459	19,720,909	1,469,020	97,691,787
Unallocated Liabilities						58,591,981
						156,283,768

Participants' Fund	Fire and property damage	Marine, aviation and transport	Motor	Engineering	Miscellaneous	Total
-----June 30, 2020-----						
-----Rupees-----						
Written gross contribution including						
administrative surcharge	27,794,084	15,191,378	22,119,604	15,394,393	265,989	80,765,448
Gross direct contribution	8,255,537	4,813,443	4,973,210	6,679,881	106,040	24,828,111
Facultative inward contribution	19,158,212	10,145,130	16,903,187	8,380,523	159,949	54,747,001
Administrative surcharge	380,335	232,805	243,207	333,989	-	1,190,336
Wakala fee	(15,339,579)	(6,177,500)	(10,528,352)	(6,474,649)	(583,228)	(39,103,308)
Contribution earned	23,009,370	9,266,249	19,552,713	12,024,350	2,154,164	66,006,846
Contribution ceded	(19,992,997)	(9,950,268)	(11,505,444)	(10,912,432)	(1,565,602)	(53,926,743)
Net contribution revenue	3,016,373	(684,019)	8,047,269	1,111,918	588,562	12,080,103
Retakaful rebate earned	2,988,038	1,969,087	1,773,282	1,298,258	234,841	8,263,506
Net underwriting income	6,004,411	1,285,068	9,820,551	2,410,176	823,403	20,343,609
Takaful claims	(18,954,663)	(11,882,751)	(10,888,404)	(8,912,957)	(3,265,035)	(53,903,810)
Takaful claims recovered from retakaful	15,617,232	8,541,468	4,464,171	8,400,926	1,768,348	38,792,145
Net claims	(3,337,431)	(3,341,283)	(6,424,233)	(512,031)	(1,496,687)	(15,111,665)
Direct expenses	-	-	-	-	-	-
income	2,666,980	(2,056,215)	3,396,318	1,898,145	(673,284)	5,231,944
Investment income						22,442
Modarib's share of investment income						(11,221)
surplus						5,243,165
Corporate segment assets	52,768,156	21,250,600	41,391,547	25,454,624	3,766,652	144,631,579
Corporate unallocated assets						671,393
Total assets						145,302,972
Corporate segment liabilities	30,891,525	12,440,522	24,231,433	14,901,642	2,205,073	84,670,194
Corporate unallocated liabilities						27,299,590
Total liabilities						111,969,784

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30 RELATED PARTY TRANSACTIONS

The Operator has related parties comprising of the associates, directors, key management personnel. 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 are as follows:

Transaction:			Six months period ended		Three months period ended	
Name of related party	Nature of relationship	Nature of transaction	June 30 2021	June 30 2020	June 30 2021	June 30 2020
			-----Rupees-----		-----Rupees-----	
East West Insurance Company	Management company	Interest free loan received /paid	1,898,483	4,338,106	(492,359)	5,838,106
Remuneration Paid	Key Management Personnel	Services	900,000	1,110,000	450,000	555,000
Period end balances					June 30, 2021	December 31, 2020
Payable to related parties					(Unaudited) Rupees	(Audited) Rupees
East West Insurance Company Limited					8,673,633	6,775,150
Key management personnel					250,000	306,667
					<u>8,923,633</u>	<u>7,081,817</u>

31 CORRESPONDING FIGURES

The corresponding figures have been reclassified or re-arranged, wherever considered necessary.

32 DATE OF AUTHORIZATION FOR ISSUE

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

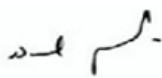
33 GENERAL

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

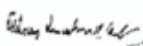
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CHAIRMAN



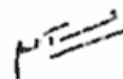
CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE CO., LIMITED

Pattern of Shareholdings

As At June 30, 2021

Number of Shareholders	Shareholdings		Share Held	Percentage
	From	To		
26	1	200	3,022	0.0026
181	201	1,000	45,300	0.0383
4	1,001	2,000	6,050	0.0051
2	2,001	5,000	8,688	0.0073
4	5,001	7,000	23,490	0.0199
1	7,001	15,000	14,913	0.0126
2	15,001	20,000	38,219	0.0323
13	20,001	25,000	290,427	0.2454
4	25,001	30,000	113,673	0.0961
4	30,001	35,000	123,273	0.1042
1	35,001	40,000	35,033	0.0296
3	40,001	45,000	128,685	0.1087
11	45,001	95,000	585,443	0.4947
1	95,001	1,500,000	127,646	0.1079
2	1,500,001	3,000,000	3,858,146	3.2603
8	3,000,001	6,000,000	37,890,522	32.0195
2	6,000,001	8,000,000	12,986,469	10.9743
4	8,000,001	9,000,000	33,840,954	28.5974
3	9,000,001	10,000,000	28,215,857	23.8439
276			118,335,810	100.0000

Categories Of Shareholders	Number	Share Held	Percentage
CEO, Directors and their spouses and minor children	12	54,728,761	46.2487
Joint Stock Companies, Insurance Companies, Investment Companies & Modaraba	2	9,818,890	8.2975
Individual	262	53,788,159	45.4538
Total	276	118,335,810	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	6,335	0.0054
M/s. East West Holding Company Ltd.	1	9,812,555	8.2921
<u>CEO, Directors, their Spouses and Minor Children</u>			
Chief Justice (R) Mian Mahboob Ahmed	1	4,252	0.0036
Javed Yunus	1	5,054,842	4.2716
Pervez Yunus	1	8,898,056	7.5193
Naved Yunus	1	8,047,073	6.8002
Saad Yunus	1	5,450,034	4.6056
Urooj Yunus Ansari	1	3,544,774	2.9955
Umeed Ansari	1	1,582	0.0013
Ahsan Mahmood Alvi	1	1,437	0.0012
Mazhar Zubair Abbasi	1	500	0.0004
Ambreen N. Yunus	1	9,113,823	7.7017
Rubina J. Yunus	1	9,289,479	7.8501
Samina P. Yunus	1	5,322,909	4.4981
Individual	262	53,788,159	45.4538
Total	276	118,335,810	100.0000