

**EAST WEST INSURANCE COMPANY  
LIMITED**

**FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
JUNE 30, 2022**

## DIRECTORS' REVIEW REPORT TO THE MEMBERS'

Your Directors are pleased to present their report together with un-audited Nine months Financial Statements for the period ended June 30, 2022 .

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.

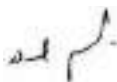
The financial highlight of the company for the period ended June 30, 2022 is as follows:

	(Unaudited)	
Result of operating activites	250,900,541	
Profit before tax from Window Takaful Operations	17,865,190	
Profit before tax	268,765,731	
Income tax expenses	(71,201,558)	
Profit after taxation	197,564,173	
Other Comprehensive income	1,488,269	
Total Comprehensive income	199,052,442	
Unappropriated profit at beginning of the year	231,950,574	
Profit for the period	197,564,173	
Issue of bonus shares	(102,064,630)	
Unappropriated at the end of the period	327,450,117	

	June, 30 2022	June, 30 2021
	----- (Unaudited) -----	
Gross premium	2,179,205,610	1,781,209,700
Net premium	1,317,508,978	1,061,909,909
Underwriting results	257,371,314	236,042,153
Investment income	74,089,421	42,273,740
Profit before tax (including Window Takaful Operations)	268,765,731	225,607,573
Profit after tax (including Window Takaful Operations)	197,564,173	164,384,253
Earnings per share - basic and diluted (Rupees)	1.24	1.03

On behalf of the Board of Directors



Naved Yunus

Chief Executive Officer  
Karachi : August 30, 2022

## حصص یافتگان کے لیے ڈائریکٹر جائزہ رپورٹ

آپ کے بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کی سہماہی رپورٹ ۳۰ جون، ۲۰۲۲ کو ختم ہونے والے سال کیلئے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنا میرے لیے باعث مسرت ہے

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

مالی پوزیشن کا منسلک عبوری بیان  
جامع آمدنی کا کمڈیننس عبوری بیان  
مساوات میں متعدد بیانات کا مساوات  
نقد کی بہاؤ کے کنسرسی عبوری بیان  
متناسب عبوری کیش فلو بیان

مالی پوزیشن عبوری مالی معلومات کے نوٹس

ہمیں یقین ہے مندرجہ بالا معلومات معزز حصص یافتگان کو مناسب طور پر ان کی کمپنی کی کارکردگی کے بارے میں آگاہ کریگی۔  
۳۰ جون، ۲۰۲۲ کی مدت کے لئے کمپنی کی مالی خاص بات حسب ذیل ہیں

۲۵۰۹۰۰۵۴۱
۱۷۸۶۵۱۹۰
۲۶۸۷۶۵۱۳۱
(۷۱۲۰۱۵۵۸)
۱۹۷۵۶۴۱۷۳
۱۴۸۸۲۶۹
<u>۱۹۹۰۵۲۴۴۲</u>

آپریٹنگ سرگرمیوں کا نتیجہ  
ونڈو تاکافول آپریشن ٹیکس سے پہلے فائدہ  
منافع قبل از محصول  
آمدنی پر ٹیکس کا خرچہ  
ٹیکس کے بعد منافع  
دیگر جا مع آمدنی  
کل جامع آمدنی

فائدہ اور نقصان حصول اکاؤنٹ

۲۳۱۹۵۰۵۷۴
۱۹۷۵۶۴۱۷۳
(۱۰۲۰۶۴۶۳۰)
<u>۳۲۷۴۵۰۱۱۷</u>

سال کے آغاز میں غیر ضروری منافع  
اس مدت کے لئے منافع  
بونس شینرز کا اجراء  
مدت کے اختتام پر unappropriated متوازن

( روپے میں '000 )

۳۰ جون، ۲۰۲۲	۳۰ جون، ۲۰۲۱
۲۱۷۹۲۰۵۶۱۰	۱۷۸۱۲۰۹۷۰۰
۱۳۱۷۵۰۸۹۷۸	۱۰۶۱۹۰۹۹۰۹
۲۵۷۳۷۱۳۱۴	۲۳۶۰۴۲۱۵۳
۷۴۰۸۹۴۲۱	۴۲۲۷۳۷۴۰
۲۶۸۷۶۵۷۳۱	۲۲۵۶۰۷۵۷۳
۱۹۷۵۶۴۱۷۳	۱۶۴۳۸۴۲۵۳
۱,۲۴	۱,۰۳

مجموعی پریمیم  
نیٹ پریمیم  
انڈر رائٹنگ نتیجہ  
سرمایہ کاری کی آمدنی [نقصان]  
ٹیکس سے قبل منافع  
اس مدت کے لئے منافع

فی شینر آمدنی (روپے)

نوید یونس

چیف ایگزیکٹو آفیسر

کراچی: ۳۰ اگست ۲۰۲۲

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF EAST WEST INSURANCE LIMITED  
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **East West Insurance Company Limited** ("the Company") as at June 30, 2022 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 based 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 persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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.

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

**Crowe Hussain Chaudhury & Co.  
Chartered Accountants**

HC

**Place:** KARACHI

**Date:**

**UDIN:**

**EAST WEST INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT JUNE 30, 2022**

		June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	
		Rupees		
Note				
<b>ASSETS</b>				
	Property and equipment	6	112,882,574	115,337,232
	Intangible assets	7	909,889	946,046
	Investment properties	8	44,100,813	45,231,603
	Investments			
	Equity securities	9	1,350,000,775	1,306,177,282
	Debt securities	10	313,541,613	402,638,123
	Term deposit receipts (TDRs)	11	90,000,000	163,382,338
			1,753,542,388	1,872,197,743
	Loans and other receivables	12	154,037,147	100,416,094
	Insurance / reinsurance receivables	13	942,665,129	799,710,582
	Reinsurance recoveries against outstanding claims	21	1,018,388,699	535,855,031
	Deferred commission expense	22	338,813,285	329,200,886
	Deferred tax assets		1,788,071	
	Prepayments	14	609,893,568	535,261,819
	Cash and bank	15	194,893,020	27,915,325
			5,171,914,583	4,362,072,361
	Total assets of window takaful operations			
	Operator's fund		188,810,497	171,732,299
	<b>TOTAL ASSETS</b>		<b>5,360,725,080</b>	<b>4,533,804,660</b>
<b>EQUITY AND LIABILITIES</b>				
	Capital and reserves attributable to Company's equity holders			
	Issued, subscribed and paid-up capital		1,599,012,620	1,360,861,810
	Reserves	16	369,618,106	368,129,837
	Unappropriated profit		327,450,117	231,950,574
	<b>TOTAL EQUITY</b>		<b>2,296,080,843</b>	<b>1,960,942,221</b>
<b>LIABILITIES</b>				
	Underwriting provisions			
	Outstanding claims including IBNR	21	1,261,607,354	798,276,118
	Unearned premium reserves	20	1,298,684,428	1,335,760,872
	Unearned reinsurance commission	22	126,678,017	120,510,380
			2,686,969,799	2,254,547,370
	Retirement benefit obligations		2,859,834	2,679,452
	Premium received in advance	17	44,302,072	45,610,434
	Insurance / reinsurance payables		18,953,894	3,665,035
	Other creditors and accruals	18	124,793,852	137,163,438
	Deferred taxation		-	254,684
	Taxation - net		125,866,267	69,763,189
	<b>TOTAL LIABILITIES</b>		<b>3,003,745,718</b>	<b>2,513,683,602</b>
	Total liabilities of window Takaful Operations - Operator's Fund		60,898,519	59,178,837
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,360,725,080</b>	<b>4,533,804,660</b>
<b>CONTINGENCIES AND COMMITMENTS</b>				
		19		

The annexed notes from 1 to 36 form an integral part of this condensed interim financial information.

*CMC*

*Chairman* CHAIRMAN *Chief Executive Officer* CHIEF EXECUTIVE OFFICER *Director* DIRECTOR *Director* DIRECTOR *Chief Financial Officer* CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022**

	Note	Six months period ended		Three months period ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net insurance premium	20	<b>1,317,508,978</b>	1,061,909,909	<b>699,814,328</b>	552,489,613
Net insurance claims	21	<b>(588,075,311)</b>	(461,671,453)	<b>(310,356,514)</b>	(249,821,887)
Net commission	22	<b>(284,370,651)</b>	(210,599,554)	<b>(192,292,838)</b>	(141,321,939)
Insurance claims and acquisition expenses		<b>(872,445,962)</b>	(672,271,007)	<b>(502,649,352)</b>	(391,143,826)
Management expenses	23	<b>(187,691,702)</b>	(153,596,749)	<b>(102,545,851)</b>	(80,721,264)
Underwriting results		<b>257,371,314</b>	236,042,153	<b>94,619,125</b>	80,624,523
Investment income / (loss)	24	<b>74,089,421</b>	42,273,740	<b>34,806,533</b>	24,134,475
Other income	25	<b>5,543,720</b>	4,880,141	<b>4,961,875</b>	2,149,028
Other expenses	26	<b>(85,856,054)</b>	(72,162,269)	<b>(49,907,596)</b>	(40,848,345)
Finance cost	27	<b>(247,860)</b>	(341,726)	<b>(218,012)</b>	(203,614)
<b>Results of operating activities</b>		<b>250,900,541</b>	210,692,039	<b>84,261,925</b>	65,856,067
Profit / (loss) before tax from Window takaful operations	28	<b>17,865,190</b>	14,915,534	<b>11,213,600</b>	11,272,346
<b>Profit before tax</b>		<b>268,765,731</b>	225,607,573	<b>95,475,525</b>	77,128,413
Income tax expense		<b>(71,201,558)</b>	(61,223,320)	<b>(56,190,579)</b>	(51,212,341)
<b>Profit after taxation</b>		<b>197,564,173</b>	164,384,253	<b>39,284,946</b>	25,916,072
		(Restated)		(Restated)	
<b>Earnings per share - basic and diluted</b>	30	<b>1.24</b>	1.03	<b>0.25</b>	0.16

The annexed notes from 1 to 36 form an integral part of this condensed interim financial information.

      
**CHAIRMAN    CHIEF EXECUTIVE OFFICER    DIRECTOR    DIRECTOR    CHIEF FINANCIAL OFFICER**

**EAST WEST INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE PERIOD ENDED JUNE 30, 2022**

	<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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Note----- Rupees----- Rupees-----</b>				
Profit after taxation	<b>197,564,173</b>	203,276,003	<b>39,284,946</b>	25,916,072
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss account				
Unrealised (loss) / gain on available for sale investments - net of deferred tax	-	-	-	-
Reclassification of loss included in profit and loss account	<b>1,488,269</b>	1,378,515	<b>753,737</b>	1,229,014
	<b>1,488,269</b>	1,378,515	<b>753,737</b>	1,229,014
Total comprehensive income for the period	<b>199,052,442</b>	204,654,518	<b>40,038,683</b>	27,145,086

The annexed notes from 1 to 36 form an integral part of this condensed interim financial information.

*AK*

*[Signature]*  
**CHAIRMAN**

*[Signature]*  
**CHIEF EXECUTIVE OFFICER**

*[Signature]*  
**DIRECTOR**

*[Signature]*  
**DIRECTOR**

*[Signature]*  
**CHIEF FINANCIAL OFFICER**

**EAST WEST INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022**

	Share capital Issued subscribed and paid-up	Reserves		Total reserves	Unappropriated profit	Total
		General reserve	Unrealized gain on available for sale investment			
-----Rupees-----						
Balance as at January 01, 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 loss	-	-	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
Balance as at January 01, 2022	1,360,861,810	440,000,000	(71,870,163)	368,129,837	231,950,574	1,960,942,221
Total comprehensive income for the period						
Profit for the period	-	-	-	-	197,564,173	197,564,173
Other comprehensive income	-	-	1,488,269	1,488,269	-	1,488,269
	-	-	1,488,269	1,488,269	197,564,173	199,052,442
Issue of bonus shares (3 bonus shares for every 40 shares held)	102,064,630	-	-	-	(102,064,630)	-
Right shares application money	136,086,180	-	-	-	-	136,086,180
	238,150,810	-	-	-	(102,064,630)	136,086,180
Balance as at June 30, 2022	1,599,012,620	440,000,000	(70,381,894)	369,618,106	327,450,117	2,296,080,843

The annexed notes from 1 to 36 form an integral part of this condensed interim financial information.

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*Signature*

*Signature*

*Signature*

**CHAIRMAN**

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**

**EAST WEST INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT CASH FLOWS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022**

	June 30, 2022	June 30, 2021
	----- Rupees -----	
<b>OPERATING CASH FLOWS</b>		
(a) Underwriting activities		
Insurance premium received	2,186,285,756	1,760,059,001
Reinsurance premium paid	(1,109,475,375)	(863,034,095)
Claims paid	(1,052,645,713)	(695,861,048)
Reinsurance and other recoveries received	445,367,970	271,214,046
Commission paid	(574,761,411)	(415,726,098)
Commission received	266,091,224	209,102,214
Underwriting payments	(171,840,762)	(145,587,543)
Net cash inflows from underwriting activities	(10,978,311)	120,166,477
(b) Other operating activities		
Income tax paid	(17,141,235)	(17,070,825)
Other expenses paid	(68,459,973)	(58,645,924)
Other operating receipts/( payments)	(68,745,272)	26,991,085
Net cash used in other operating activities	(154,346,480)	(48,725,664)
Total cash (used in) / generated from all operating activities	(165,324,791)	71,440,813
<b>INVESTMENT ACTIVITIES</b>		
Profit / return received	16,833,828	16,505,798
Dividend received	64,323,421	27,252,890
Other income received	2,381,438	17,167,816
Payment for investments	(71,110,424)	(477,232,825)
Proceeds from investment	116,383,436	81,013,349
Fixed capital expenditure	(5,028,509)	(674,168)
Proceeds from sale of property and equipment	2,950,778	28,000
Total cash used in all operating activities	126,733,968	(335,939,140)
<b>FINANCING ACTIVITIES</b>		
Loan received from director	1,000,000	10,302,500
Loan repaid to director	(4,900,000)	(15,000,000)
Right share subscription money	136,086,180	-
payment of financial charges	-	(3,911,278)
Total cash (used in) / generated from all financing activities	132,186,180	(8,608,778)
Net cash (used in) / generated from all activities	93,595,357	(273,107,105)
Cash and cash equivalents at beginning of the period	191,297,663	411,767,288
Cash and cash equivalents at end of the period	284,893,020	138,660,183

The annexed notes from 1 to 36 form an integral part of this condensed interim financial information.

CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT CASH FLOWS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022**

	June 30, 2022	June 30, 2021
	----- Rupees-----	
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	(165,324,791)	71,440,813
Depreciation expense	(8,577,601)	(9,458,810)
Amortization of intangible	(36,157)	(51,653)
Profit on disposal of fixed assets	2,914,422	26,964
Investment income	16,833,828	16,505,798
Loss on disposal of investment securities	(7,799,841)	(2,156,879)
Dividend income	64,323,421	27,252,890
Other income	2,381,438	17,167,816
Gain / (loss) on takaful operations	17,865,190	14,915,534
Increase/ (decrease) in assets other than cash	782,219,685	(88,305,735)
(Increase)/decrease in operating liabilities	(507,235,421)	117,047,515
<b>Profit for the period</b>	<b>197,564,173</b>	<b>164,384,253</b>

**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, 2022	June 30, 2021
	----- Rupees-----	
Cash and other equivalents	356,957	37,102
Current and other accounts	194,536,063	70,123,081
Deposits maturing within 12 months	90,000,000	68,500,000
	<b>284,893,020</b>	<b>138,660,183</b>

The annexed notes from 1 to 36 form an integral part of this condensed interim financial information.

CHC

CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE PERIOD ENDED JUNE 30, 2022**

**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 25 (2021: 25) 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, 2021 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.

*CH*

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, 2021, 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, 2021.

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.

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**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, 2021.

**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, 2021.

**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, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees	
Note			
<b>6</b>	<b>PROPERTY AND EQUIPMENT</b>		
	Operating fixed assets	6.1	112,882,574
<b>6.1</b>	<b>Operating fixed assets</b>		
	Opening balance as at January 1	115,337,232	128,693,753
	Additions during the period / year		
	Furniture and fixtures	13,000	33,000
	Electrical fittings and equipments	1,626,285	1,269,523
	Office equipments	82,000	-
	Motor vehicles	3,055,250	2,039,350
	Computers equipments	251,974	120,704
		5,028,509	3,462,577
	Less:		
	Written down value of assets disposed during the period / year	(36,356)	(44,264)
	Deprecation charge for the period / year	(7,446,811)	(16,774,834)
		112,882,574	115,337,232
<b>7</b>	<b>INTANGIBLE ASSETS</b>		
	Computer software	7.1	204,889
	Capital work in progress	7.2	705,000
		909,889	946,046
<b>7.1</b>	<b>Net carrying value basis</b>		
	Opening net book value	241,046	344,352
	Amortization charge	(36,157)	(103,306)
	Closing net book value	204,889	241,046
7.2	This represents amount paid to the vendor for the development of computer software.		
<b>8</b>	<b>INVESTMENT PROPERTIES</b>		
	Investment properties	8.2	44,100,813
8.1	Balance as at January 01	45,231,603	47,612,214
	Additions / Transfer in during the period / year	-	-
	Depreciation charge during the period / year	(1,130,790)	(2,380,611)
	Deletion / Transfer out during the period / year	-	-
		44,100,813	45,231,603
8.2	Revaluation was carried out by the Company in the month of September 2021. 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 (2021: Rs. 172.50 million).		

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		June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	Note	Rupees	
<b>9 INVESTMENTS IN EQUITY SECURITIES</b>			
<b>Held For Trading</b>			
Listed shares	9.1	78,448,129	84,002,788
Mutual funds	9.1	1,052,177,245	1,003,642,775
<b>Available For Sale</b>			
Listed shares	9.1	219,375,401	218,531,719
		<u>1,350,000,775</u>	<u>1,306,177,282</u>

**9.1 Detail of investments in equities securities is as follows**

	June 30, 2022 (Unaudited)			December 31, 2021 (Audited)		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
	Rupees					
Investments - Held for Trading						
Listed securities	84,782,440	(6,334,311)	78,448,129	93,969,321	(9,966,533)	84,002,788
Mutual funds	1,053,637,776	(1,460,531)	1,052,177,245	1,002,441,673	1,201,102	1,003,642,775
	<u>1,138,420,216</u>	<u>(7,794,842)</u>	<u>1,130,625,374</u>	<u>1,095,410,994</u>	<u>(8,765,431)</u>	<u>1,087,645,563</u>
Investments - Available For Sale						
Related Party						
Listed securities (Note 9.2)	291,149,366		291,149,366	290,305,684	(3,988,715)	286,316,969
Others						
Listed securities	10,593,327		10,593,327	10,593,327	(399,391)	10,193,936
Deficit on revaluation	-	-	(82,367,292)	-	-	(77,979,186)
	<u>301,742,693</u>	<u>-</u>	<u>219,375,401</u>	<u>300,899,011</u>	<u>(4,388,106)</u>	<u>218,531,719</u>
			<u>1,350,000,775</u>			<u>1,306,177,282</u>

**9.2** This represent investment in associated undertaking.

		June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees	
<b>10 INVESTMENTS IN DEBT SECURITIES</b>			
<b>Held To Maturity</b>			
Government Securities			
Pakistan Investment Bonds	10.1	293,541,613	282,088,168
T - Bills	10.1	-	100,549,955
<b>Available for sale</b>			
Term Finance Certificates	10.1	10,000,000	10,000,000
Corporate Sukuk	10.1	10,000,000	10,000,000
		<u>313,541,613</u>	<u>402,638,123</u>

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**10.1 Detail of investments in debt securities is as follows**

	June 30, 2022 (Unaudited)			December 31, 2021 (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)	293,541,613	-	293,541,613	282,088,168	-	282,088,168
T - Bills	-	-	-	100,549,955	-	100,549,955
	<u>293,541,613</u>	<u>-</u>	<u>293,541,613</u>	<u>382,638,123</u>	<u>-</u>	<u>382,638,123</u>
Available for sale						
Others						
Term Finance Certificates	10,000,000	-	10,000,000	10,000,000	-	10,000,000
Corporate Sukuk	10,000,000	-	10,000,000	10,000,000	-	10,000,000
	<u>20,000,000</u>	<u>-</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>-</u>	<u>20,000,000</u>
Deficit on revaluation	-	-	-	-	-	-
			<u>313,541,613</u>			<u>402,638,123</u>

**10.2** This represents Pakistan Investment Bonds (PIBs) carrying interest ranging from 7% to 12% (2021: 7% to 12%).

**10.3** The amount of Pakistan Investment Bonds includes Rs. 235 million (2021: Rs. 150 million) deposited with the State Bank of Pakistan as required by Section 29 of the Insurance Ordinance, 2000.

		June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	Note	----- Rupees -----	
<b>11 INVESTMENTS IN TERM DEPOSITS</b>			
Deposits maturing within 12 months	11.1	<u>90,000,000</u>	<u>163,382,338</u>
<b>11.1</b> These represent Term Deposit Receipts (TDRs) in local currency carrying interest rates ranging from 7.2% to 12.25% per annum (2021: 7.2% to 13.90% per annum).			
<b>12 LOANS AND OTHER RECEIVABLES</b>			
(Unsecured - considered good)	Note	----- Rupees -----	
Accrued investment income			
Pakistan Investment bonds		5,621,854	5,552,501
Corporate Sukuks		112,849	80,940
Others		662,397	545,716
		<u>6,397,100</u>	<u>6,179,157</u>
Advances	12.1	113,692,062	72,256,600
Deposits		15,226,136	13,909,779
Other receivables		18,721,849	8,070,558
		<u>154,037,147</u>	<u>100,416,094</u>

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

		June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	Note	Rupees	
<b>13</b>	<b>INSURANCE / REINSURANCE RECEIVABLES</b>		
(Unsecured - considered good)			
Premium due but unpaid		309,527,997	313,075,295
Less: Provision for impairment of receivables from insurance contract holders		(6,890,535)	-
Premium written off		-	(2,049,325)
		302,637,462	311,025,970
Amount due from other insurers / reinsurers		640,027,667	488,684,612
		<u>942,665,129</u>	<u>799,710,582</u>
<b>14</b>	<b>PREPAYMENTS</b>		
Prepaid reinsurance premium ceded		609,521,257	534,873,154
Prepaid rent		146,667	163,021
Others		225,644	225,644
		<u>609,893,568</u>	<u>535,261,819</u>
<b>15</b>	<b>CASH AND BANK</b>		
Cash and cash equivalents		356,957	14,384
Cash at bank			
Current accounts		57,492,054	8,448,655
Saving accounts	15.1	137,044,009	19,452,286
		<u>194,893,020</u>	<u>27,915,325</u>
<b>15.1</b>	These include interest bearing accounts carrying interest rates ranging from 4.10% to 8.20% (December 31, 2021: 4.10% to 8.20% ) per annum.		
<b>16</b>	<b>RESERVES</b>	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees	
General reserve		440,000,000	440,000,000
Unrealized loss on available for sale investments		(70,381,894)	(71,870,163)
		<u>369,618,106</u>	<u>368,129,837</u>
<b>17</b>	<b>PREMIUM RECEIVED IN ADVANCE</b>		
Premium received in advance		44,302,072	45,610,434
<b>17.1</b>	This includes cash margin (bond) received from policy holders amounting to Rs. 41.69 million (2021: Rs. 45.298 million).		

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18	OTHER CREDITORS AND ACCRUALS	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
			Rupees	
	Sundry creditors		17,935,924	15,921,122
	Commission payable		46,660,689	61,347,826
	Federal excise duty		3,959,071	2,022,492
	Federal insurance fee		2,017,100	1,287,701
	Workers' welfare fund		44,055,542	44,055,542
	Withholding tax		1,529,212	2,082,091
	Unclaimed dividend		31,303	31,303
	Due to director	18.1	8,605,011	10,415,361
			<u>124,793,852</u>	<u>137,163,438</u>

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

## 19 CONTINGENCIES AND COMMITMENTS

There is no contingency and commitment as at June 30, 2022 (December 31, 2021: Nil).

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Note	Six months period ended		Three months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees)		(Rupees)	

**20 NET INSURANCE PREMIUM**

Written gross premium	2,179,205,610	1,781,209,700	1,239,555,584	967,010,103
Add: Unearned premium reserve - opening	1,335,760,872	1,223,128,077	1,207,353,020	1,108,889,414
Less: Unearned premium reserve - closing	(1,298,684,428)	(1,113,462,770)	(1,298,684,428)	(1,113,462,770)
Premium earned	2,216,282,054	1,890,875,007	1,148,224,176	962,436,747
Less: Reinsurance premium ceded	973,421,179	886,223,867	565,318,509	511,855,819
Add: Prepaid reinsurance premium - opening	534,873,154	565,677,650	492,612,596	521,027,734
Less: Prepaid reinsurance premium - closing	(609,521,257)	(622,936,419)	(609,521,257)	(622,936,419)
Reinsurance expense	898,773,076	828,965,098	448,409,848	409,947,134
	1,317,508,978	1,061,909,909	699,814,328	552,489,613

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	Six months period ended		Three months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Note	(Rupees)		(Rupees)	

**21 NET INSURANCE CLAIMS EXPENSE**

Claims paid	1,052,645,713	695,861,048	489,742,280	340,699,407
Add: Outstanding claims (including IBNR) -	1,261,607,354	629,937,577	1,261,607,354	629,937,577
Less: Outstanding claims (including IBNR) - opening	(798,276,118)	(652,587,244)	(1,263,374,802)	(566,965,735)
Claims expense	1,515,976,949	673,211,381	487,974,832	403,671,249
Less: Reinsurance and other recoveries received	445,367,970	271,214,046	182,721,238	151,527,427
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	1,018,388,699	395,992,043	1,018,388,699	395,992,043
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	(535,855,031)	(455,666,161)	(1,023,491,619)	(393,670,108)
Reinsurance and other recoveries revenue	927,901,638	211,539,928	177,618,318	153,849,362
	588,075,311	461,671,453	310,356,514	249,821,887

**22 NET COMMISSION**

Commission paid or payable	560,074,274	384,769,573	345,757,722	203,452,205
Add: Deferred commission expense - opening	329,200,886	290,582,372	289,077,185	239,359,769
Less: Deferred commission expense - closing	(338,813,285)	(258,775,274)	(338,813,285)	(258,775,274)
Net commission	550,461,875	416,576,671	296,021,622	184,036,700
Less: Commission received or recoverable	272,258,861	209,102,214	155,011,355	101,697,937
Add: Unearned reinsurance commission - opening	120,510,380	125,918,778	75,395,446	70,060,700
Less: Unearned reinsurance commission - closing	(126,678,017)	(129,043,875)	(126,678,017)	(129,043,876)
Commission from reinsurers	266,091,224	205,977,117	103,728,784	42,714,761
	284,370,651	210,599,554	192,292,838	141,321,939

60

Note	Six months period ended		Three months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees)		(Rupees)	

**23 MANAGEMENT EXPENSES**

Employee benefit cost	23.1	86,675,668	73,327,792	44,890,444	36,858,518
Office repairs and maintenance		4,033,293	2,832,474	2,490,176	1,525,807
Vehicle running expenses		38,445,506	29,951,437	23,069,482	16,524,090
Traveling expenses		29,118,444	21,368,941	15,653,968	10,187,493
Electricity, gas and water		4,722,113	4,096,058	3,252,120	2,462,445
Printing and stationery		6,188,029	3,280,606	3,553,399	907,544
Office rent		3,228,429	2,648,205	1,751,436	997,297
Entertainment		10,175,041	6,257,041	5,648,226	3,179,109
Postage, telegram and telephone		3,221,968	1,993,859	1,832,449	775,415
Advertisement and publicity		281,128	105,104	69,644	105,104
Rent, rates and taxes		28,600	5,176	10,600	1,900
Miscellaneous		1,573,483	7,730,056	323,907	7,196,542
		<u>187,691,702</u>	<u>153,596,749</u>	<u>102,545,851</u>	<u>80,721,264</u>

**23.1 Employee benefit cost**

Salaries, allowance and other benefits	84,866,837	71,790,744	43,994,244	36,051,884
Charges for post employment benefit	1,808,831	1,537,048	896,200	806,634
	<u>86,675,668</u>	<u>73,327,792</u>	<u>44,890,444</u>	<u>36,858,518</u>

**24 INVESTMENT INCOME / (LOSS)**

## Income from equity securities

## Held-for-trading

## Gain on sale of

## investments

## Dividend income

	-	5,224	-	5,224
	<u>64,323,421</u>	<u>27,252,890</u>	<u>35,510,505</u>	<u>18,994,411</u>
	<u>64,323,421</u>	<u>27,258,114</u>	<u>35,510,505</u>	<u>18,999,635</u>

## Income from debt securities

## Held-to-maturity

## Pakistan Investment

## Bond

## Treasury Bills

	14,319,513	11,252,367	7,170,902	6,042,391
	<u>514,070</u>	<u>47,017</u>	<u>-</u>	<u>-</u>
	<u>14,833,583</u>	<u>11,299,384</u>	<u>7,170,902</u>	<u>6,042,391</u>

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	Six months period ended		Three months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Note	(Rupees)		(Rupees)	

**Available for sale**

Pakistan Investment Bond	-	-	-	-
Gop Ijara Sukuk	-	-	-	-
Treasury Bills	-	-	-	-
Term Finance Certificate	982,362	476,048	652,198	239,336
Corporate Sukuk	641,158	455,515	342,309	232,611
	1,623,520	931,563	994,507	471,947
Return on term deposits	1,818,193	5,612,058	1,657,361	1,142,881
Net unrealised (losses) / gain on investments at fair value through profit or loss (held for trading)	(7,799,841)	(2,156,879)	(10,173,072)	(2,156,879)
	74,798,876	42,944,240	35,160,203	24,499,975
Less: Investment related expenses	(709,455)	(670,500)	(353,670)	(365,500)
	74,089,421	42,273,740	34,806,533	24,134,475

**25 OTHER INCOME**

Return on bank balances	2,429,298	692,560	2,047,453	402,488
Profit on disposal of fixed assets	2,914,422	26,964	2,914,422	-
Reversal of bad debts	-	2,414,077	-	-
Others	200,000	1,746,540	-	1,746,540
	5,543,720	4,880,141	4,961,875	2,149,028

**26 OTHER EXPENSES**

Employee benefit cost	26.1	33,993,728	30,467,827	20,124,516	16,202,819
Office repairs and maintenance		9,218,201	5,815,085	5,920,710	3,445,992
Vehicle running expenses		6,346,094	4,505,836	2,964,934	2,452,195
Auditors' remuneration		1,055,392	832,964	968,692	565,264
Remuneration of directors and executives		7,870,000	7,750,000	3,875,000	4,750,000
Legal and professional charges		2,773,069	1,066,602	1,484,765	618,754
Depreciation and amortization		8,613,756	9,510,465	4,349,172	4,765,362
Subscription and membership		3,083,210	218,059	2,948,137	66,511
Annual supervision fee		4,583,587	2,986,022	-	-
Bad debts expense		6,890,535	7,392,652	6,890,535	7,392,652
Rent, rates and taxes		502,106	479,826	(5,400)	44,500
Electricity, gas and water		209,541	315,190	71,740	119,920
Postage, telegram and telephone		662,166	671,828	304,143	303,268
Others		54,669	149,913	10,652	121,108
		85,856,054	72,162,269	49,907,596	40,848,345

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	Six months period ended		Three months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Note	(Rupees)		(Rupees)	

**26.1 Employee benefit cost**

Salaries, allowance and other benefits	28,465,406	26,812,197	15,129,814	13,049,994
Charges for post employment benefit	5,528,322	3,655,630	4,994,702	3,152,825
	<u>33,993,728</u>	<u>30,467,827</u>	<u>20,124,516</u>	<u>16,202,819</u>

**27 FINANCE COST**

Bank charges	247,860	186,818	218,012	149,026
Lease finance charges	-	154,908	-	54,588
	<u>247,860</u>	<u>341,726</u>	<u>218,012</u>	<u>203,614</u>

**28 Window takaful operations - Operator's fund**

Wakala fee	61,651,666	52,628,943	36,467,721	37,601,065
Management expense	(5,647,742)	(8,328,243)	(2,548,817)	(4,327,747)
Commission expense	(39,516,911)	(30,563,507)	(23,185,015)	(22,550,263)
Modarib's share	6,352	13,688	3,863	4,031
Investment income	29,645	11,253	4,868	9,860
Rental income	1,491,180	1,253,400	619,980	635,400
Other expenses	(149,000)	(100,000)	(149,000)	(100,000)
Profit / (loss) for the period	<u>17,865,190</u>	<u>14,915,534</u>	<u>11,213,600</u>	<u>11,272,346</u>

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Note	Six months period ended		Three months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees)		(Rupees)	

**30 EARNINGS PER SHARE - BASIC AND DILUTED**

Profit for the period	<u>197,564,173</u>	<u>164,384,253</u>	<u>39,284,946</u>	<u>25,916,072</u>
	----- (No. of shares) -----		----- (No. of shares) -----	
	(Restated)		(Restated)	
Weighted average number of ordinary shares of Rs. 10 each	<u>159,901,262</u>	<u>159,901,262</u>	<u>159,901,262</u>	<u>159,901,262</u>
	(Restated)		(Restated)	
Earning per share-rupees	<u>1.24</u>	<u>1.03</u>	<u>0.25</u>	<u>0.16</u>

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

**31 TRANSACTIONS WITH RELATED PARTIES**

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

Nature of relationship	Nature of transaction	Six months period ended		Three months period ended	
		June 30 2022	June 30 2021	June 30 2022	June 30 2021
		-----Rupees-----		-----Rupees-----	
Directors and Key Management Personnel	Loan received from directors	<u>1,000,000</u>	<u>39,203,000</u>	<u>223,000</u>	<u>205,000</u>
	Loan repaid to directors	<u>4,900,000</u>	<u>25,478,000</u>	<u>223,000</u>	<u>7,698,629</u>
	Remuneration paid	<u>7,990,000</u>	<u>6,265,000</u>	<u>7,870,000</u>	<u>3,000,000</u>
Nature of Transaction	Nature of relationship with the Company	-----Rupees-----		-----Rupees-----	
<b>Loan received from directors</b>					
Javed Yunus	Director	<u>1,000,000</u>	<u>3,953,000</u>	<u>223,000</u>	<u>205,000</u>
Naved Yunus	Director	<u>-</u>	<u>35,205,000</u>	<u>-</u>	<u>-</u>
		<u>1,000,000</u>	<u>39,203,000</u>	<u>223,000</u>	<u>205,000</u>
<b>Loan repaid to directors</b>					
Javed Yunus	Director	<u>4,900,000</u>	<u>1,653,000</u>	<u>223,000</u>	<u>2,698,629</u>
Naved Yunus	Director	<u>-</u>	<u>23,823,000</u>	<u>-</u>	<u>5,000,000</u>
		<u>4,900,000</u>	<u>25,478,000</u>	<u>223,000</u>	<u>7,698,629</u>

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**32 FAIR VALUE OF FINANCIAL INSTRUMENTS****32.1 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, 2022.

	As at June 30, 2022 - (Unaudited)		As at December 31, 2021 - (Audited)	
	Carrying amount	Fair value	Carrying amount	Fair value
	Rupees		Rupees	
<b>Financial Assets</b>				
Investment property	44,100,813	172,500,000	45,231,603	172,500,000
Investments				
<b>Equity securities</b>				
<b>Held for trading</b>				
Ordinary shares - listed	78,448,129	78,448,129	84,002,788	84,002,788
Mutual fund units	1,052,177,245	1,052,177,245	1,003,642,775	1,003,642,775
<b>Available for sale</b>				
Ordinary shares - listed	301,742,693	219,375,401	300,899,011	218,531,719
<b>Debt securities</b>				
Government securities-PIBs	293,541,613	293,541,613	282,086,168	282,086,168
Others	20,000,000	20,000,000	120,549,955	120,549,955
Loans and other receivables	154,037,147	154,037,147	100,416,094	100,416,094
Insurance / reinsurance receivables	942,665,129	942,665,129	799,710,582	799,710,582
Reinsurance recoveries against outstanding claims	1,018,388,699	1,018,388,699	535,855,031	535,855,031
Cash and bank	194,893,020	194,893,020	27,915,325	27,915,325
<b>Financial Liabilities</b>				
Outstanding claims including IBNR	1,261,607,354	1,261,607,354	798,276,118	798,276,118
Retirement benefit obligations	2,859,834	2,859,834	2,679,452	2,679,452
Insurance / reinsurance payables	18,953,894	18,953,894	3,665,035	3,665,035
Other creditors and accruals	124,793,852	124,793,852	137,163,438	137,163,438

**32.2 Fair value hierarchy**

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

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

The fair value hierarchy has the following levels:

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

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

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

	As at June 30, 2022	Level 1	Level 2	Level 3
	-----Rupees-----			
<b>Financial assets measured at fair value</b>				
<b>Investments at fair value through profit or loss - held for trading</b>				
Ordinary shares - Listed	78,448,129	78,448,129	-	-
Mutual funds	1,052,177,245	-	1,052,177,245	-
<b>Investments- Available For Sale</b>				
Ordinary shares - Listed	301,742,693	301,742,693	-	-
Corporate sukuk	10,000,000	-	10,000,000	-
Term finance certificates	10,000,000	-	10,000,000	-

### 32.3 Transfers during the period

During the period ended June 30, 2022:

- 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

### 32.4 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.

## 33 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, 2022 stood at Rs. 2,179.205 million with only a 22.30% increase from the same period last year of Rs. 1,781.209 million. However, an increase is witnessed in profit before tax of Rs. 268.765 million against Rs. 225.607 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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**34 CORRESPONDING FIGURES**

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

**35 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorised for issue in the Board of Directors meeting of the Company held on August 30, 2022.

**36 GENERAL**

The figures for the quarter and six month period ended June 30, 2022 have been rounded off to the

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 <b>CHAIRMAN</b>	 <b>CHIEF EXECUTIVE OFFICER</b>	 <b>DIRECTOR</b>	 <b>DIRECTOR</b>	 <b>CHIEF FINANCIAL OFFICER</b>
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**EAST WEST INSURANCE COMPANY  
LIMITED - WINDOW TAKAFUL  
OPERATIONS**

**FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
JUNE 30, 2022**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF EAST WEST INSURANCE LIMITED  
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS** ("the Operator") as at June 30, 2022 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 based 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 persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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.

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

**Crowe Hussain Chaudhury & Co.  
Chartered Accountants**

HC

**Place:** KARACHI

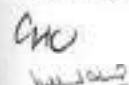
**Date:**

**UDIN:**

**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT JUNE 30, 2022**

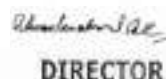
		Operator's Fund		Participant's Takaful Fund	
		June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Note		Rupees	Rupees	Rupees	Rupees
<b>ASSETS</b>					
Property and equipment	8	9,896,288	10,250,060	-	-
Investment property - at cost	9	32,645,680	33,482,748	-	-
Investment - Term Deposits		-	1,000,000	-	-
Accrued investment income	10	4,613	4,460	4,381	2,410
Qard-e-Hasna to Participants' Takaful Fund (PTF)	11	18,150,000	18,150,000	-	-
Takaful / re-takaful receivables	12	-	-	179,983,465	150,447,508
Receivable from PTF	13	100,183,593	63,454,307	-	-
Taxation - payment less provision	14	25,409	23,392	8,988	7,783
Deferred wakala fee expense		-	-	45,915,961	41,586,885
Deferred commission expense	24	27,546,377	24,336,954	-	-
Prepayments	15	308,500	810,300	53,423,834	61,240,665
Cash and bank	16	50,037	220,070	6,093,188	783,022
<b>TOTAL ASSETS</b>		<b>188,810,497</b>	<b>171,732,299</b>	<b>285,429,817</b>	<b>254,068,281</b>
<b>FUND AND LIABILITIES</b>					
<b>Operators' Fund</b>					
Statutory Fund		50,000,000	50,000,000	-	-
Accumulated profit		75,166,187	57,300,997	-	-
<b>Total Operators Fund</b>		<b>125,166,187</b>	<b>107,300,997</b>	<b>-</b>	<b>-</b>
<b>Participants' Takaful Fund</b>					
Ceded money		-	-	500,000	500,000
Accumulated surplus		-	-	39,182,097	30,618,322
<b>Balance of Participant Takaful Fund</b>		<b>-</b>	<b>-</b>	<b>39,682,097</b>	<b>31,118,322</b>
Qard-e-Hasna from Operator's Fund	11	-	-	18,150,000	18,150,000
<b>LIABILITIES</b>					
<b>Underwriting provisions</b>					
Unearned contribution reserve		-	-	115,927,802	110,072,202
Unearned Re-takaful rebate		-	-	6,599,558	9,412,256
		-	-	122,527,360	119,484,458
Takaful / Re-takaful payable	17	-	-	5,250,237	816,714
Unearned wakala fee		45,915,961	41,586,885	-	-
Contribution received in advance		-	-	-	134,486
Payable to OPF	13	-	-	99,683,595	82,954,307
Other creditors and accruals	18	14,982,556	17,591,952	136,528	1,409,994
Payable to East West Insurance Company Limited	19	2,745,793	5,252,465	-	-
<b>TOTAL LIABILITIES</b>		<b>63,644,310</b>	<b>64,431,302</b>	<b>227,597,720</b>	<b>204,799,959</b>
<b>TOTAL FUND AND LIABILITIES</b>		<b>188,810,497</b>	<b>171,732,299</b>	<b>285,429,817</b>	<b>254,068,281</b>
<b>CONTINGENCIES AND COMMITMENTS</b>					
	20				

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

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE PERIOD ENDED JUNE 30, 2022**

	Six months period ended		Three months period ended	
	June 30	June 30	June 30	June 30
	2022	2021	2022	2021
	-----Rupees-----		-----Rupees-----	
<b>Participants' Takaful Fund</b>				
Surplus / (deficit) for the period	<b>8,563,775</b>	9,531,947	<b>1,128,386</b>	2,064,221
Other comprehensive income	-	-	-	-
Total comprehensive surplus / (deficit) for the period	<b>8,563,775</b>	9,531,947	<b>1,128,386</b>	2,064,221
<b>Operator's Fund</b>				
Profit for the period	<b>17,865,190</b>	14,915,534	<b>11,213,600</b>	11,272,346
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<b>17,865,190</b>	14,915,534	<b>11,213,600</b>	11,272,346

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

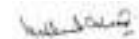
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**CHAIRMAN   CHIEF EXECUTIVE OFFICER   DIRECTOR   DIRECTOR   CHIEF FINANCIAL OFFICER**

**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UNAUDITED)**  
**FOR THE PERIOD ENDED JUNE 30, 2022**

		Six months period ended		Three months period ended	
		June 30 2022	June 30 2021	June 30 2022	June 30 2021
Note		-----Rupees-----		-----Rupees-----	
<b>Participants' Takaful Fund</b>					
Contributions earned	21	<b>107,806,708</b>	87,652,419	<b>51,525,198</b>	44,349,822
Less: Contributions ceded to retakaful	21	<b>(79,997,933)</b>	(70,762,972)	<b>(41,270,847)</b>	(47,296,350)
Net contributions revenue		<b>27,808,775</b>	16,889,447	<b>10,254,351</b>	(2,946,528)
Retakaful rebate	23	<b>12,705,817</b>	10,053,447	<b>6,836,905</b>	6,520,144
Net underwriting income		<b>40,514,592</b>	26,942,894	<b>17,091,256</b>	3,573,616
Net claims - reported / settled	22	<b>(31,956,769)</b>	(17,424,408)	<b>(15,969,201)</b>	(1,513,424)
Other direct expenses		<b>(400)</b>	(226)	<b>2,468</b>	-
Surplus before investment income		<b>8,557,423</b>	9,518,260	<b>1,124,523</b>	2,060,192
Investment income	27	<b>12,704</b>	27,375	<b>7,725</b>	8,060
Less: Modarib share of investment income	27	<b>(6,352)</b>	(13,688)	<b>(3,863)</b>	(4,031)
Surplus / (deficit) transferred to accumulated surplus		<b>8,563,775</b>	9,531,947	<b>1,128,386</b>	2,064,221
<b>Operator's Fund</b>					
Wakala fee	25	<b>61,651,666</b>	52,628,943	<b>36,467,721</b>	37,601,065
Commission expense	24	<b>(39,516,911)</b>	(30,563,507)	<b>(23,185,015)</b>	(22,550,263)
Management expenses	26	<b>(5,647,742)</b>	(8,328,243)	<b>(2,548,817)</b>	(4,327,747)
		<b>16,487,013</b>	13,737,193	<b>10,733,889</b>	10,723,055
Modarib's share of PTF investment income		<b>6,352</b>	13,688	<b>3,863</b>	4,031
Investment income	27	<b>29,645</b>	11,253	<b>4,868</b>	9,860
Rental income		<b>1,491,180</b>	1,253,400	<b>619,980</b>	635,400
Other expenses	28	<b>(149,000)</b>	(100,000)	<b>(149,000)</b>	(100,000)
Profit for the period		<b>17,865,190</b>	14,915,534	<b>11,213,600</b>	11,272,346

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

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**



**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIOD ENDED JUNE 30, 2022**

	Operator's Fund		Participant's Takaful Fund	
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
	Rupees			
<b>OPERATING CASH FLOWS</b>				
<b>(a) Takaful activities</b>				
Contribution received	-	-	150,077,054	87,011,012
Retakaful contribution paid	-	-	(72,181,102)	(64,014,005)
Claims paid	-	-	(88,479,722)	(71,070,534)
Retakaful and recoveries received	-	-	56,522,953	53,646,126
Commission paid	(44,068,527)	(26,818,723)	-	-
Retakaful rebate received	-	-	9,893,119	8,919,342
Wakulla fee received	65,980,742	51,643,878	-	-
Wakulla fee paid	-	-	(65,980,742)	(51,643,878)
Net cash flow tactful activities	21,912,215	24,825,155	(10,148,440)	(37,151,937)
<b>(b) Other operating activities</b>				
Income tax paid	(2,017)	(6,569)	(1,205)	(5,442)
Direct expenses paid	-	-	(400)	(226)
Other operating payment	(46,969)	-	-	-
Management expenses paid	(5,826,136)	(8,208,159)	-	-
Other operating receipts	(18,734,158)	(14,738,062)	15,455,822	16,970,708
Net cash flow from other operating activities	(24,609,280)	(22,952,790)	15,454,217	16,965,040
Total cash (used in) / gerenrated from all operating activities	(2,697,065)	1,872,365	5,305,777	(20,186,897)
<b>INVESTMENT ACTIVITIES</b>				
Profit received on investment income	35,852	21,573	4,389	22,602
Rental income	1,491,180	1,253,400	-	-
Proceeds from disposal of investments	1,000,000	-	-	-
Total cash flow generated from investing activities	2,527,032	1,274,973	4,389	22,602
Net cash flow from all activities	(170,033)	3,147,338	5,310,166	(20,164,295)
Cash and cash equivalents at beginning of the period	220,070	31,357	783,022	20,879,038
Cash and cash equivalents at end of the period	50,037	3,178,695	6,093,188	714,743
<b>Reconciliation to profit and loss account:</b>				
Operating cash flows	(2,697,065)	1,872,365	5,305,777	(20,186,897)
Depreciation	(1,190,840)	(1,279,180)	-	-
Investment income	35,852	21,573	4,389	22,602
Rental income	1,491,180	1,253,400	-	-
Increase / (decrease) in assets other than cash	19,439,070	17,954,270	26,051,370	39,381,958
(decrease) / Increase in liabilities	786,993	(4,906,894)	(22,797,761)	(9,685,716)
Surplus for the period	17,865,190	14,915,534	8,563,775	9,531,947

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

*Signature*

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, 2022**

	Operator's Fund		
	Statutory Fund	Accumulated Profit	Total
	----- Rupees -----		
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	50,000,000	39,143,326	89,143,326
Balance as at January 1, 2022	50,000,000	57,300,997	107,300,997
Total comprehensive income for the period			
Profit for the period	-	17,865,190	17,865,190
Other comprehensive income	-	-	-
	-	17,865,190	17,865,190
Balance as at June 30, 2022	50,000,000	75,166,187	125,166,187

	Participants' Fund		
	Ceded Money	Accumulated Surplus	Total
	----- Rupees -----		
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	500,000	24,636,881	25,136,881
Balance as at January 1, 2022	500,000	30,618,322	31,118,322
Total comprehensive income for the period			
Surplus for the period	-	8,563,775	8,563,775
Other comprehensive income	-	-	-
	-	8,563,775	8,563,775
Balance as at June 30, 2022	500,000	39,182,097	39,682,097

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, 2022**

**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, 2021 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, 2021, 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, 2021.

**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, 2021 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, 2021.

**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, 2021.

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# 8 PROPERTY AND EQUIPMENT (OPF)

June 30, 2022 (Unaudited)									
Cost				Accumulated depreciation		Written down value	Depreciated on rate %		
As at January 1, 2022	Additions during the period	Transfer to investment property	As at June 30, 2022	As at January 1, 2022	Depreciation for the period				
Rupees									
Office Premises	10,000,000	-	-	10,000,000	1,050,208	223,745	1,273,953	8,726,047	5%
Vehicles	2,300,000	-	-	2,300,000	999,732	130,027	1,129,759	1,170,241	20%
	12,300,000	-	-	12,300,000	2,049,940	353,772	2,403,712	9,896,288	
December 31, 2021 - audited	12,300,000	-	-	12,300,000	1,253,832	795,108	2,049,940	10,250,060	

5%  
20%

# 9 INVESTMENT PROPERTIES - AT COST (OPF)

June 30, 2022 (Unaudited)							
Cost				Accumulated depreciation		Written down value	Depreciated on rate %
As at January 1, 2022	Additions during the period	Transfer to investment property	As at June 30, 2022	As at January 1, 2022	Depreciation for the period		
Rupees							
Office premises	38,000,000	-	-	38,000,000	4,517,252	837,068	5,354,320
	38,000,000	-	-	38,000,000	4,517,252	837,068	5,354,320
							32,645,680
December 31, 2021 - audited	38,000,000	-	-	38,000,000	2,755,000	1,762,252	4,517,252
							33,482,748

5%

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

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	Operator's Fund		Participants Takaful Fund	
	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Note	-----Rupees-----			
<b>10 ACCRUED INVESTMENT INCOME</b>				
Income accrued on savings account	4,613	4,468	4,381	2,418
	<u>4,613</u>	<u>4,468</u>	<u>4,381</u>	<u>2,418</u>
<b>11 QARD-E-HASNA TO PARTICIPANT'S TAKAFUL FUND (PTF)</b>				
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>
<b>12 TAKAFUL / RE-TAKAFUL RECEIVABLES (PTF)</b>				
Participants' Takaful Fund				
Due from takaful participant holders	-	-	70,781,011	80,273,075
Due from other takaful / re-takaful operators	-	-	109,202,454	70,174,433
	<u>-</u>	<u>-</u>	<u>179,983,465</u>	<u>150,447,508</u>
<b>13 RECEIVABLE FROM PTF / PAYABLE TO OPF</b>				
Other receivable / payable	100,183,593	83,454,307	(99,683,595)	(82,954,307)
	<u>100,183,593</u>	<u>83,454,307</u>	<u>(99,683,595)</u>	<u>(82,954,307)</u>
<b>14 TAXATION - PAYMENT LESS PROVISION</b>				
Tax deducted at source	25,409	23,392	8,988	7,783
<b>15 PREPAYMENTS</b>				
Prepaid retakaful contribution ceded	-	-	53,423,834	61,240,665
Other prepayments	308,500	810,300	-	-
	<u>308,500</u>	<u>810,300</u>	<u>53,423,834</u>	<u>61,240,665</u>

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Operator's Fund		Participants Takaful Fund	
June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
-----Rupees-----			

**16 CASH AND BANK**

Cash at bank				
Current accounts		1,337	75	75
Savings accounts	16.1	48,700	6,093,113	782,947
		<u>50,037</u>	<u>6,093,188</u>	<u>783,022</u>

**17 TAKAFUL / RETAKAFUL PAYABLE (PTF)**

Participants' Takaful Fund				
Due to other takaful / re-takaful Local		-	5,250,237	816,714
		<u>-</u>	<u>5,250,237</u>	<u>816,714</u>

**18 OTHER CREDITORS AND ACCRUALS**

Salaries payable	593,031	786,810	-	-
Staff provident fund	430,800	467,452	-	-
Commission payable	13,686,088	15,028,281	-	-
Withholding tax payable	15,027	23,187	-	-
Accrued expenses	257,610	1,286,222	136,528	1,409,994
	<u>14,982,556</u>	<u>17,591,952</u>	<u>136,528</u>	<u>1,409,994</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, 2022 (December 31, 2021: Nil).

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	Six months period ended		Three months period ended	
	June 30 2022	June 30 2021	June 30 2022	June 30 2021
Note	-----Rupees-----		-----Rupees-----	

**21 NET TAKAFUL CONTRIBUTION**

Participants' Takaful Fund				
Written gross contribution	175,313,974	137,154,323	104,302,420	72,168,618
Wakala fee	(61,651,666)	(52,628,943)	(36,467,721)	(37,601,065)
Contribution net of wakala	113,662,308	84,525,380	67,834,699	34,567,553
Unearned contribution reserve - opening	110,072,202	86,086,761	99,618,301	92,741,991
Unearned contribution reserve - closing	(115,927,802)	(82,959,722)	(115,927,802)	(82,959,722)
Contribution earned	107,806,708	87,652,419	51,525,198	44,349,822
Less:				
Re-takaful contribution ceded	72,181,102	64,014,005	36,580,882	30,955,401
Prepaid retakaful contribution ceded - Opening	61,240,665	45,757,947	58,113,799	55,349,929
Prepaid retakaful contribution ceded - Closing	(53,423,834)	(39,008,980)	(53,423,834)	(39,008,980)
Retakaful expense	79,997,933	70,762,972	41,270,847	47,296,350
	<b>27,808,775</b>	<b>16,889,447</b>	<b>10,254,351</b>	<b>(2,946,528)</b>

**22 NET TAKAFUL CLAIMS**

Claims paid	88,479,722	71,070,534	44,377,376	29,231,572
Outstanding claims - Opening	-	-	-	-
Outstanding claims - Closing	-	-	-	-
Claim expense	88,479,722	71,070,534	44,377,376	29,231,572
Retakaful and other recoveries received	(56,522,953)	(53,646,126)	(28,408,175)	(27,718,146)
	<b>31,956,769</b>	<b>17,424,408</b>	<b>15,969,201</b>	<b>1,513,424</b>

**23 RETAKAFUL REBATE**

Participants' Takaful Fund				
Retakaful rebate received	9,893,119	8,919,342	5,008,114	4,305,817
Unearned retakaful rebate - opening	9,412,256	6,804,133	8,428,349	7,864,355
Unearned retakaful rebate - closing	(6,599,558)	(5,670,028)	(6,599,558)	(5,670,028)
	<b>12,705,817</b>	<b>10,053,447</b>	<b>6,836,905</b>	<b>6,520,144</b>

**24 COMMISSION EXPENSE**

Operators' Fund				
Commission paid	42,726,334	31,871,295	25,013,141	15,942,467
Deferred commission expense - opening	24,336,954	17,075,306	25,718,251	24,990,890
Deferred commission expense - closing	(27,546,377)	(18,383,094)	(27,546,377)	(18,383,094)
	<b>39,516,911</b>	<b>30,563,507</b>	<b>23,185,015</b>	<b>22,550,263</b>

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	Note	Six months period ended		Three months period ended	
		June 30	June 30	June 30	June 30
		2022	2021	2022	2021
		-----Rupees-----	-----Rupees-----	-----Rupees-----	-----Rupees-----
<b>25 WAKALA EXPENSE</b>		<b>Participants' Takaful Fund</b>			
Gross wakala fee		65,980,742	51,643,878	39,302,789	27,263,458
Deferred wakala expense - opening		41,586,885	31,668,279	43,080,893	41,020,821
Deferred wakala expense - closing		(45,915,961)	(30,683,214)	(45,915,961)	(30,683,214)
		<u>61,651,666</u>	<u>52,628,943</u>	<u>36,467,721</u>	<u>37,601,065</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.

	Note	Six months period ended		Three months period ended	
		June 30	June 30	June 30	June 30
		2022	2021	2022	2021
		-----Rupees-----	-----Rupees-----	-----Rupees-----	-----Rupees-----
<b>26 MANAGEMENT EXPENSES</b>		<b>Operators' Fund</b>			
Salaries, allowances and employee benefit		3,650,802	5,375,407	1,687,776	2,927,707
Staff welfare expenses		9,663	33,890	4,708	12,064
Depreciation expense		1,190,840	1,279,180	595,420	639,590
Office rent and maintenance		163,190	942,356	3,340	394,384
Motor vehicle running expense		23,151	23,480	13,414	7,270
Printing and stationary		1,200	3,678	200	875
Postage and telegram		-	1,050	-	750
Utility expenses		8,020	65,216	(56,185)	41,121
Repair and maintenance		-	-	-	-
Newspaper and periodicals		-	935	-	935
Shariah registrar fees		600,000	600,000	300,000	300,000
Bank charges		876	3,051	144	3,051
		<u>5,647,742</u>	<u>8,328,243</u>	<u>2,548,817</u>	<u>4,327,747</u>

**27 INVESTMENT INCOME**

<b>Return on bank balances</b>					
- Return on saving accounts		29,645	11,253	4,868	9,860
<b>Total investment income</b>		<u>29,645</u>	<u>11,253</u>	<u>4,868</u>	<u>9,860</u>
		<b>Participants' Fund</b>			
<b>Return on bank balances</b>					
- Return on saving accounts		12,704	27,375	7,725	8,060
Less: Investment related expenses		(6,352)	(13,688)	(3,863)	(4,031)
		<u>6,352</u>	<u>13,687</u>	<u>3,863</u>	<u>4,030</u>

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Note	Six months period ended		Three months period ended	
	June 30	June 30	June 30	June 30
	2022	2021	2022	2021
	-----Rupees-----		-----Rupees-----	

**28 OTHER EXPENSES**

	Operators' Fund			
Auditor's remuneration	149,000	100,000	149,000	100,000
	<u>149,000</u>	<u>100,000</u>	<u>149,000</u>	<u>100,000</u>

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## 29 SEGMENT REPORTING

## 29.1 Operator's Fund

June 30, 2022						
Operator's Fund	Fire and property damage	Marine, aviation and transport	Motor	Engineering	Miscellaneous	Total
Rupees						
Wakala fee earned	27,214,911	11,814,086	13,595,979	7,859,291	1,167,399	61,651,666
Commission expense	(16,645,370)	(8,231,836)	(7,876,948)	(5,951,352)	(811,405)	(39,516,911)
Management expenses	(2,493,085)	(1,082,256)	(1,245,491)	(719,968)	(106,942)	(5,647,742)
Underwriting results	8,076,456	2,499,994	4,473,540	1,187,971	249,052	16,487,013
Modarib's share of PTF investment income						6,352
Direct expenses						(149,000)
Investment income						29,645
Rental income						1,491,180
Profit before taxation for the year						17,865,190
Corporate segment assets	10,834,203	3,768,009	6,682,610	5,637,562	623,993	27,546,377
Corporate unallocated assets						161,264,120
Total assets						188,810,497
Corporate segment liabilities	17,257,358	5,173,375	11,454,601	11,229,470	801,157	45,915,961
Corporate unallocated liabilities						17,728,349
Total liabilities						63,644,310

June 30, 2021						
Operator's Fund	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)	(2,739,342)	(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)
	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	3,161,000	10,659,454	6,075,615	882,265	30,683,114
Corporate unallocated liabilities						23,000,297
Total liabilities						53,683,511

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## 29.2 Participants' Takaful Fund

Participants' Fund	June 30, 2022					Total
	Fire and property damage	Marine, aviation and transport	Motor	Engineering	Miscellaneous	
Rupees						
Written gross contribution including administrative surcharge	63,668,646	28,748,390	46,421,462	33,678,453	2,797,023	175,313,974
Gross direct contribution	9,294,976	4,280,597	15,999,777	8,062,333	-	34,637,683
Facultative inward contribution	53,947,853	24,273,036	29,733,142	28,363,006	2,797,023	139,114,060
Administrative surcharge	425,817	194,757	688,543	253,114	-	1,562,231
Wakala Fee	(27,214,911)	(11,814,086)	(13,595,979)	(7,859,291)	(1,167,399)	(61,051,666)
Contribution earned	40,822,369	17,721,131	25,249,674	21,845,507	2,168,027	107,806,708
Contribution ceded	(30,972,650)	(21,940,222)	(11,726,446)	(13,131,039)	(2,227,576)	(79,997,933)
Net takaful contribution	9,849,719	(4,219,091)	13,523,228	8,714,468	(59,549)	27,808,775
Retakaful rebate earned	5,770,889	3,538,119	1,749,572	1,313,103	334,134	12,705,817
Net underwriting income	15,620,608	(680,972)	15,272,800	10,027,571	274,585	40,514,592
Takaful claims	(36,949,045)	(17,110,180)	(12,358,143)	(20,513,973)	(1,548,381)	(88,479,722)
Takaful claims recovered from retakaful	23,731,955	11,369,197	6,190,286	13,837,972	1,393,543	56,522,953
Net claims	(13,217,090)	(5,740,983)	(6,167,857)	(6,676,001)	(154,838)	(31,956,769)
Direct expenses	(400)	-	-	-	-	(400)
Surplus/(Deficit) before investment income	2,403,118	(6,421,955)	9,104,943	3,351,570	110,747	8,557,423
Investment income						12,704
Modarib's share of investment income						(6,352)
Surplus transferred to accumulated surplus						8,563,775
Corporate segment assets	105,769,274	45,914,806	65,420,987	56,600,914	5,617,279	279,323,260
Corporate unallocated assets						6,106,557
Total assets						285,429,817
Segment Liabilities	48,384,598	21,003,921	29,927,105	25,892,326	2,569,648	127,777,597
Unallocated Liabilities						99,820,123
						227,597,720

Participants' Fund	June 30, 2021					227,937,720
	Fire and property damage	Marine, aviation and transport	Motor	Engineering	Miscellaneous	Total
Rupees						
Written gross contribution including administrative surcharge	49,036,316	23,760,995	34,585,450	26,873,415	2,898,147	137,154,322
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)	(9,527,086)	(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 contribution revenue	(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	(17,424,400)
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						(13,680)
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
Corporate segment liabilities	34,139,026	13,355,374	29,007,459	19,720,909	1,469,020	97,691,787
Corporate unallocated liabilities						58,591,981
Total liabilities						156,283,768

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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	
			June 30 2022	June 30 2021	June 30 2022	June 30 2021
Name of related party	Nature of relationship	Nature of transaction	-----Rupees-----		-----Rupees-----	
East West Insurance Company	Management company	Interest free loan received /paid	(2,506,672)	1,898,483	709,563	(492,359)
Remuneration Paid	Key Management	Services	1,260,000	900,000	630,000	450,000
<b>Period end balances</b>					<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>Payable to related parties</b>					<b>(Unaudited) Rupees</b>	<b>(Audited) Rupees</b>
East West Insurance Company Limited					2,745,793	5,252,465
Key management personnel					200,000	300,000
					<u>2,945,793</u>	<u>5,552,465</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.

CW

  
CHAIRMAN

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE CO., LIMITED**  
**Pattern of Shareholdings**  
**As At June 30, 2022**

Number of Shareholders	Shareholdings		Share Held	Percentage
	From	To		
48	1	200	4,224	0.0026
168	201	500	50,480	0.0316
7	501	1,000	4,540	0.0028
5	1,001	5,000	13,397	0.0084
5	5,001	10,000	33,377	0.0209
4	10,001	25,000	97,058	0.0607
5	25,001	30,000	139,026	0.0869
5	30,001	35,000	165,213	0.1033
5	35,001	50,000	205,925	0.1288
3	50,001	70,000	178,197	0.1114
2	70,001	100,000	145,436	0.0910
1	100,001	200,000	157,180	0.0983
2	2,000,001	3,000,000	4,769,628	2.9829
1	3,000,001	5,000,000	4,382,226	2.7406
3	5,000,001	6,000,000	16,686,964	10.4358
4	6,000,001	7,000,000	25,817,576	16.1459
1	7,000,001	8,000,000	7,706,251	4.8194
1	8,000,001	9,000,000	8,348,269	5.2209
2	9,000,001	10,000,000	9,955,609	6.2261
1	10,000,001	11,000,000	21,517,446	13.4567
3	11,000,001	12,000,000	34,432,277	21.5335
1	12,000,001	13,000,000	25,090,963	15.6915
<b>277</b>			<b>159,901,262</b>	<b>100.0000</b>

Categories Of Shareholders	Number	Share Held	Percentage
CEO, Directors and their spouses and minor children	12	69,021,413	43.1650
Joint Stock Companies, Insurance Companies, Investment Companies & Modaraba	2	25,098,794	15.6964
<b>Individual</b>	<b>263</b>	<b>65,781,055</b>	<b>41.1385</b>
<b>Total</b>	<b>277</b>	<b>159,901,262</b>	<b>100.0000</b>

**Information as required under the Code of Corporate Governance**

Categories of Shareholders	Shareholders	Share Held	Percentage
<b>Associated Company</b>			
M/s. Askari Life Assurance Co., Ltd.	1	7,831	0.0049
M/s. East West Holding Company Ltd.	1	25,090,963	15.6915
<b>CEO, Directors, their Spouses and Minor Children</b>			
Chief Justice ( R ) Mian Mahboob Ahmed	1	5,255	0.0033
Javed Yunus	1	6,249,046	3.9081
Pervez Yunus	1	11,000,219	6.8794
Naved Yunus	1	10,585,595	6.6201
Saad Yunus	1	6,782,222	4.2415
Urooj Yunus Ansari	1	4,382,226	2.7406
Umeed Ansari	1	1,955	0.0012
Ahsan Mahmood Alvi	1	1,775	0.0011
Mazhar Zubair Abbasi	1	618	0.0004
Ambreen N. Yunus	1	11,947,941	7.4721
Rubina J. Yunus	1	11,484,117	7.1820
Samina P. Yunus	1	6,580,444	4.1153
<b>Individual</b>	<b>263</b>	<b>65,781,055</b>	<b>41.1385</b>
<b>Total</b>	<b>277</b>	<b>159,901,262</b>	<b>100.0000</b>