

CONTENTS

Board of Directors & Management	3
Directors' Review Report to the Shareholders (English & Urdu)	4
Auditors' Review Report to the Members	6
Balance Sheet	7
Profit & Loss Account	8 - 9
Statement of Comprehensive Income	10
Statement of Changes in Equity	11
Statement of Investment Income	12
Statement of Cash Flows	13 - 14
Statement of Premiums	15 - 16
Statement of Claims	17 - 18
Statement of Expenses	19 - 20
Notes to the Financial Statements	21 - 30
Pattern of Shareholdings	31

BOARD OF DIRECTORS & MANAGEMENT

CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD	... Chairman
NAVED YUNUS	... Managing Director & Chief Executive Officer
JAVED YUNUS	... Executive Director (Marketing)
PERVEZ YUNUS	... Executive Director (Operations)
MAHEEN YUNUS	... Director
UMEED ANSARI	... Director
AHSAN MAHMOOD ALVI FCA England & Wales	... Director
ENGR. KAZIM RAZA B.SC. (Engineering, UET)	... Director
SHABBIR ALI KANCHWALA	... Director Finance / Company Secretary
SAJJAD ZAFAR	... Regional Director
IFTIKHAR HUSSAIN	... Regional Director
MUHAMMAD FAYYAZ KHOKHAR	... Regional Director
JAN MOHAMMAD	... Regional Director
AUDIT COMMITTEE	
AHSAN MAHMOOD ALVI FCA England & Wales	... Chairman
JAVED YUNUS	... Member
UMEED ANSARI	... Member
ENGR. KAZIM RAZA	... Member
JOHRY LAL, FCCA	... Secretary
KHALID LAW ASSOCIATES	... Legal Advisor
BDO EBRAHIM & CO. Chartered Accountants	... Auditors
AFNAN TAX CONSULTANTS	... Tax Advisor
THK ASSOCIATES (PVT) LTD. 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi.	... Shares Registrar
IFS RATING	... A+ (A Plus) Stable Outlook
WEBSITE	... www.eastwestinsurance.com.pk
BANKERS	... Allied Bank Limited Askari Bank Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited National Bank of Pakistan Limited NIB Bank Limited Summit Bank Limited The Bank of Punjab Limited United Bank Limited The Karakoram Co. Operative Bank Ltd.

DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present their report together with un-audited Half Yearly Financial Statements for the period ended June 30, 2017.

The statistic covers the annexed Financial Statements comprising:

- Balance Sheet;
- Profit and loss account;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of Cash flows;
- Statement of premiums;
- Statement of Claims;
- Statement of Expenses;
- Statement of Investment Income.

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, 2017 are as under: -

	(Rupees in '000) (Unaudited)
Profit before tax	100,461
Less: Taxation for the period	(20,110)
Profit for the period	80,351

Profit and loss appropriation account:

Balance at beginning of the year	273,549
Profit for the period	80,351
Balance unappropriated at the end of the period	353,900

	June, 30 2017	June, 30 2016
	----- (Unaudited) -----	
Gross premium	1,258,423	982,612
Net premium	543,534	497,101
Underwriting results	130,746	108,760
Investment income	10,402	52,378
Profit before tax	100,461	131,413
Profit for the period	80,351	115,362

Earnings per share (Rupees) 1.58 2.27

On behalf of the Board of Directors



Naved Yunus
Managing Director & Chief Executive
Karachi: August 28, 2017

حصص یافتگان کے لیے ڈائریکٹر جائزہ رپورٹ

آپ کے بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کی ششماہی رپورٹ ۳۰ جون، ۲۰۱۷ کو ختم ہونے والے سال کیلئے غیر آڈٹ شد مالیاتی گوشوارے پیش کرنا میرے لیے باعث مسرت ہے

اعدادوشمار پر مشتمل قبضہ مالی بیانات کا احاطہ کرتا ہے

- بیلنس شیٹ:
- فائد اور نقصان اکاؤنٹ:
- جامع آمدنی کا بیان:
- ایکونٹی میں تبدیلی کا بیان:
- کیش فلو کا بیان:
- پریمیم کا بیان:
- دعوے کا بیان:
- اخراجات کا بیان:
- سرمایہ کاری کی آمدنی کا بیان:

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

۳۰ جون، ۲۰۱۷ کی مدت کے لئے کمپنی کی مالی خاص بات حسب ذیل ہیں

(روپے میں '0000)

(غیر آڈٹ شد)
۱۰۰,۴۶۱
(۲۰,۱۱۰)
۸۰,۳۵۱

ٹیکس سے قبل منافع
کم: مدت کے لئے ٹیکسیشن
اس مدت کے لئے منافع

فائد اور نقصان حصول اکاؤنٹ

۲۷۳,۵۴۹
۸۰,۳۵۱
۳۵۳,۹۰۰

سال کے شروع میں توازن قائم
اس مدت کے لئے منافع
مدت کے اختتام پر unappropriated متوازن

۳۰ جون، ۲۰۱۶	(غیر آڈٹ شد)	۳۰ جون، ۲۰۱۷	
۹۸۲,۴۱۲		۱,۲۵۸,۴۲۳	مجموعی پریمیم
۴۹۷,۱۰۱		۵۴۳,۵۳۴	نیٹ پریمیم
۱۰۸,۷۶۰		۱۳۰,۷۴۶	انڈر رائٹنگ نتیجہ
۵۲,۳۷۸		۱۰,۴۰۲	سرمایہ کاری کی آمدنی
۱۳۱,۴۱۳		۱۰۰,۴۶۱	ٹیکس سے قبل منافع
۱۱۵,۳۶۲		۸۰,۳۵۱	اس مدت کے لئے منافع
۲.۲۷		۱.۵۸	فی شیئر آمدنی (روپے)

بورڈ آف ڈائریکٹرز کی جانب



نوید یونس
مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر

کراچی: ۲۸ اگست ۲۰۱۷

AUDITOR'S REPORT TO THE MEMBERS

Introduction

We have reviewed the accompanying

- (i) condensed interim balance sheet
- (ii) condensed interim profit and loss account
- (iii) condensed interim statement of comprehensive income
- (iv) condensed interim statement of changes in equity
- (v) condensed interim statement of cash flows
- (vi) condensed interim statement of premiums
- (vii) condensed interim statement of claims
- (viii) condensed interim statement of expenses; and
- (ix) condensed interim statement of investment income

together with the explanatory notes of EAST WEST INSURANCE COMPANY LIMITED ("the Company") as at and for the six months period ended June 30, 2017 (here-in-after referred to 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 interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standards 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 the International Standard 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 information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the quarters ended June 30, 2017 and June 30, 2016 in the accompanying condensed interim financial information have not been reviewed and we do not express conclusion thereon, as we are required to review only the cumulative figures for the six months period ended June 30, 2017.

BDO Ebrahim & Co.
Chartered Accountants

Engagement partner: Zulfikar Ali Causer

Karachi : August 28, 2017

AS AT JUNE 30, 2017

(Rupees in '000)

Note	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
EQUITY AND LIABILITIES		
Share capital and reserves		
	750,000	750,000
	508,151	508,151
	353,900	273,549
	200,000	200,000
	1,062,051	981,700
LIABILITIES		
Underwriting provisions		
	693,452	544,125
	687,654	568,001
	87,212	86,315
	1,468,318	1,198,441
Deferred Liabilities		
	7,327	20,386
Creditors and accruals		
	4,260	1,823
	8,264	9,873
	75,429	51,839
	51,226	69,349
	139,179	132,884
Other liabilities		
	2,655	2,374
	1,617,479	1,354,085
	2,679,530	2,335,785
CONTINGENCIES AND COMMITMENTS		
ASSETS		
Cash and bank deposits		
	44	10
	23,720	11,653
	41,000	58,000
	64,764	69,663
	1,039,939	1,013,791
	46,838	48,040
Other assets		
	79,887	108,605
	85,166	61,470
	1,788	1,884
	539,590	394,593
	122,295	129,644
	478,325	323,669
	1,327	646
	94,773	57,703
	1,403,151	1,078,214
Fixed assets		
Tangible		
	58,645	59,745
	13,102	13,548
	12,117	12,456
	1,344	1,491
	2,480	2,539
	35,155	34,159
	122,843	123,938
Intangible		
	1,290	1,434
	705	705
	2,679,530	2,335,785

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

CHAIRMAN MANAGING DIRECTOR DIRECTOR DIRECTOR

Karachi : August 28, 2017

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FORM GB

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2017 - UNAUDITED

(Rupees in '000)

Note	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Six Months Ended June 30,	
						2017 Total	2016 Total
REVENUE ACCOUNT							
	203,635	68,458	119,349	152,092	-	543,534	497,101
	(76,209)	(21,773)	(60,411)	(70,724)	-	(229,117)	(210,248)
	(31,660)	(10,822)	(18,630)	(23,618)	-	(84,730)	(80,294)
	(41,558)	(12,543)	(19,490)	(25,350)	-	(98,941)	(97,799)
Underwriting results	54,208	23,320	20,818	32,400	-	130,746	108,760
Investment income						10,402	52,378
Rental income						4,294	4,129
Other income					15	2,122	4,269
General and administrative expenses						(45,053)	(35,441)
Workers welfare fund						(2,050)	(2,682)
						(30,285)	22,653
Profit before tax						100,461	131,413
Provision for taxation							
Current						(33,168)	(34,628)
Deferred						13,058	18,577
						(20,110)	(16,051)
Profit for the period						80,351	115,362
Profit and loss appropriation account:							
Balance at commencement of the period						273,549	204,324
Profit for the period						80,351	115,362
Balance of unappropriated profit at end of the period						353,900	319,686
Earnings per share - basic and diluted (refer note: 16)						1.58	2.27

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

 CHAIRMAN
 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
 DIRECTOR
 DIRECTOR

Karachi : August 28, 2017

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FORM GB

FOR THE QUARTER ENDED JUNE 30, 2017 - UNAUDITED

(Rupees in '000)

	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Quarter Ended June 30,	
						2017 Total	2016 Total
REVENUE ACCOUNT							
	114,472	38,677	47,081	96,719	-	296,949	284,261
	(40,332)	(15,602)	(26,189)	(49,944)	-	(132,067)	(127,344)
	(19,913)	(6,898)	(9,109)	(16,322)	-	(52,242)	(52,025)
	(26,126)	(6,461)	(3,449)	(22,023)	-	(58,059)	(59,213)
Underwriting results	28,101	9,716	8,334	8,430	-	54,581	45,679
Investment income						(8,281)	37,132
Rental income						2,146	2,055
Other income						1,559	4,173
General and administrative expenses						(21,283)	(16,715)
Workers welfare fund						(2,050)	(2,682)
						(27,909)	23,963
Profit before tax						26,672	69,642
Provision for taxation							
Current						(22,668)	(26,128)
Deferred						13,558	19,122
						(9,110)	(7,006)
Profit for the period						17,562	62,636
Earnings per share - basic and diluted						0.35	1.23

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

 CHAIRMAN
 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
 DIRECTOR
 DIRECTOR

Karachi : August 28, 2017

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2017 - UNAUDITED

(Rupees in '000)

	Six months period ended		Quarter ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Profit for the period	80,351	115,362	17,562	62,636
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	80,351	115,362	17,562	62,636

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

 CHAIRMAN
 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
 DIRECTOR
 DIRECTOR

Karachi : August 28, 2017

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2017 - UNAUDITED

(Rupees in '000)

	Issued, Subscribed and Paid-up share capital	Retained Earning	General Reserve	Total Shareholders Equity
Balance as at January 01, 2016	451,690	204,324	100,000	756,014
Total comprehensive income for the period ended June 30, 2016	-	115,362	-	115,362
Transactions with owners				
Balance as at June 30, 2016	451,690	319,686	100,000	871,376
Balance as at January 01, 2017	508,151	273,549	200,000	981,700
Total comprehensive income for the period ended June 30, 2017	-	80,351	-	80,351
Balance as at June 30, 2017	508,151	353,900	200,000	1,062,051

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

 CHAIRMAN
 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
 DIRECTOR
 DIRECTOR

Karachi : August 28, 2017

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME FORM GC

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2017 - UNAUDITED

		(Rupees in '000)			
		Six Months Ended		Quarter Ended	
Note	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	
Income from trading investments					
Held - for - trading					
Gain on sale of investments	12	10,940	29,763	9,078	26,844
Unrealized (loss) / gain on revaluation of investments	13	(27,227)	(2,192)	(41,789)	(10,313)
Dividend income		22,952	20,615	22,520	20,086
		<u>6,665</u>	<u>48,186</u>	<u>(10,191)</u>	<u>36,617</u>
Income from non-trading investments					
Available-for-sale					
(Loss) / gain on sale of investments	12	-	(2,747)	-	(2,747)
Return on government securities		3,742	3,898	1,881	1,878
Return on other fixed income securities and deposits	14	973	3,876	429	1,967
Amortisation of premium and discount - net		(275)	(208)	(129)	(159)
		<u>4,440</u>	<u>4,819</u>	<u>2,181</u>	<u>939</u>
Less: Investment related expenses		(703)	(627)	(271)	(424)
Investment Income		<u>10,402</u>	<u>52,378</u>	<u>(8,281)</u>	<u>37,132</u>

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

 CHAIRMAN	 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER	 DIRECTOR	 DIRECTOR
---	---	---	--

Karachi : August 28, 2017

CONDENSED INTERIM STATEMENT OF CASH FLOWS FORM GC

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2017 - UNAUDITED

		(Rupees in '000)	
		June 30, 2017	June 30, 2016
OPERATING CASH FLOWS			
<i>Underwriting activities</i>			
Premium received		1,289,578	919,785
Reinsurance premiums ceded		(775,197)	(507,289)
Claims paid		(359,756)	(286,897)
Reinsurance and other recoveries received		134,969	85,209
Commission paid		(209,979)	(178,622)
Commission received		119,284	118,302
Underwriting payments		(141,319)	(115,157)
Net cash generated from underwriting activities		57,580	35,331
<i>Other operating activities</i>			
Income tax paid		(9,580)	(10,996)
Other operating payments		(37,751)	(17,037)
Net cash used in other operating activities		(47,331)	(28,033)
Net cash generated from all operating activities		10,249	7,298
INVESTING ACTIVITIES			
Profit / return received		8,345	10,714
Dividend received		22,952	20,615
Investment made		(1,154,828)	(1,133,265)
Proceeds from disposal of investment		1,112,394	1,090,414
Purchase of fixed assets		(6,443)	(14,131)
Proceeds from disposal of fixed assets		2,610	3,115
Net cash used in investing activities		(14,970)	(22,538)
FINANCING ACTIVITIES			
Interim dividend paid		-	-
Loan received from directors		393	885
Loan repaid to directors		(571)	(5,885)
Net cash used in financing activities		(178)	(5,000)
Net cash decrease in cash and cash equivalent		(4,899)	(20,240)
Cash and cash equivalents at beginning of the period		69,663	66,944
Cash and cash equivalents at end of the period		<u>64,764</u>	<u>46,704</u>

 CHAIRMAN	 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER	 DIRECTOR	 DIRECTOR
---	---	---	---

Karachi : August 28, 2017

CONDENSED INTERIM STATEMENT OF PREMIUMS FORM GD

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2017 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class of Business	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Six Months Ended June 30,	
		Opening	Closing			Opening	Closing		2017 Net Premium revenue	2016 Net Premium revenue
Fire and property damage	406,641	212,780	189,236	430,185	207,649	139,035	120,134	226,550	203,635	185,635
Marine, aviation and transport	135,732	33,742	30,792	138,682	58,521	20,688	8,985	70,224	68,458	73,841
Motor	148,683	62,073	61,260	149,496	43,836	12,012	25,701	30,147	119,349	109,241
Miscellaneous	567,367	259,406	406,366	420,407	439,886	151,934	323,505	268,315	152,092	128,384
Total	1,258,423	568,001	687,654	1,138,770	749,892	323,669	478,325	595,236	543,534	497,101
Treaty Proportional										
Grand-total	1,258,423	568,001	687,654	1,138,770	749,892	323,669	478,325	595,236	543,534	497,101

Note: The company does not underwrite business outside Pakistan

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

(Rupees in '000)

	June 30, 2017	June 30, 2016
Reconciliation to the Profit and Loss Account		
Operating cash flows	10,249	7,298
Depreciation expense	(8,178)	(8,017)
Profit on disposal of fixed assets	1,904	2,381
Investment income	8,345	10,714
Dividend income	22,952	20,615
Gain / (loss) on disposal of investment securities	(16,287)	27,016
Increase in assets other than cash	324,937	156,768
Decrease in operating liabilities	(263,571)	(101,413)
Profit for the period	80,351	115,362

Definition of cash

Cash comprises cash in hand, policy stamps, 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, 2017	June 30, 2016
Cash and other equivalents	44	102
Current and other accounts	23,720	16,602
Deposits maturing within 12 months	41,000	30,000
	64,764	46,704

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

 CHAIRMAN
 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
 DIRECTOR
 DIRECTOR

Karachi : August 28, 2017

 CHAIRMAN
 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
 DIRECTOR
 DIRECTOR

Karachi : August 28, 2017

CONDENSED INTERIM STATEMENT OF PREMIUMS

FORM GD

FOR THE QUARTER ENDED JUNE 30, 2017 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class of Business	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Quarter Ended June 30,	
		Opening	Closing			Opening	Closing		2017 Net Premium revenue	2016 Net Premium revenue
Direct and Facultative										
Fire and property damage	234,225	141,875	189,236	186,864	129,269	63,257	120,134	72,392	114,472	110,352
Marine, aviation and transport	75,858	27,564	30,792	72,630	31,062	11,876	8,985	33,953	38,677	44,832
Motor	74,557	48,417	61,260	61,714	34,719	5,615	25,701	14,633	47,081	59,094
Miscellaneous	180,010	502,876	406,366	276,550	81,621	421,685	323,505	179,801	96,719	69,983
Total	564,650	720,732	687,654	597,728	276,671	502,433	478,325	300,779	296,949	284,261
Treaty Proportional										
Grand-total	564,650	720,732	687,654	597,728	276,671	502,433	478,325	300,779	296,949	284,261

Note: The company does not underwrite business outside Pakistan

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.


CHAIRMAN


MANAGING DIRECTOR
& CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

Karachi : August 28, 2017

CONDENSED INTERIM STATEMENT OF CLAIMS

FORM GE

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2017 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class of Business	Claims Paid	Outstanding claims		Claims Expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Six Months Ended June 30,	
		Opening	Closing			Opening	Closing		2017 Net Claims expense	2016 Net Claims expense
Direct and Facultative										
Fire and property damage	145,287	345,907	286,662	86,042	79,667	293,360	223,526	9,833	76,209	65,108
Marine, aviation and transport	30,799	21,239	24,018	33,578	9,588	4,923	7,140	11,805	21,773	31,685
Motor	66,801	28,846	31,671	69,626	7,318	4,044	5,941	9,215	60,411	58,951
Miscellaneous	116,869	148,133	351,101	319,837	38,396	92,266	302,983	249,113	70,724	54,504
Total	359,756	544,125	693,452	509,083	134,969	394,593	539,590	279,966	229,117	210,248
Treaty Proportional										
Grand-total	359,756	544,125	693,452	509,083	134,969	394,593	539,590	279,966	229,117	210,248

Note: The company does not underwrite business outside Pakistan.

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.


CHAIRMAN


MANAGING DIRECTOR
& CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

Karachi : August 28, 2017

CONDENSED INTERIM STATEMENT OF CLAIMS

FORM GE

FOR THE QUARTER ENDED JUNE 30, 2017 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class of Business	Claims Paid	Outstanding claims		Claims Expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Quarter Ended June 30,	
		Opening	Closing			Opening	Closing		2017 Net Claims expenses	2016 Net Claims expenses
Fire and property damage	78,707	329,749	286,662	35,620	40,509	268,747	223,526	(4,712)	40,332	39,241
Marine, aviation and transport	13,952	16,256	24,018	21,714	3,098	4,126	7,140	6,112	15,602	20,985
Motor	32,389	31,699	31,671	32,361	4,077	3,846	5,941	6,172	26,189	33,735
Miscellaneous	80,409	135,756	351,101	295,754	21,811	78,984	302,983	245,810	49,944	33,386
Total	205,457	513,460	693,452	385,449	69,495	355,703	539,590	253,382	132,067	127,347
Treaty Proportional										
Grand-total	205,457	513,460	693,452	385,449	69,495	355,703	539,590	253,382	132,067	127,347

Note: The company does not underwrite business outside Pakistan.
The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

 CHAIRMAN
 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
 DIRECTOR
 DIRECTOR

Karachi : August 28, 2017

CONDENSED INTERIM STATEMENT OF EXPENSES

FORM GF

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2017 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class of Business	Commission paid or payable	Deferred Commission		Net Commission Expense	Other Management Expenses	Underwriting Expenses	* Commission from Reinsurance	Six Months Ended June 30,	
		Opening	Closing					2017 Net underwriting expense	2016 Net underwriting expense
Fire and property damage	100,087	39,946	45,276	94,757	31,660	126,417	53,199	73,239	74,372
Marine, aviation and transport	25,371	13,292	7,019	31,644	10,822	42,466	19,101	23,365	20,615
Motor	28,995	10,126	14,074	25,047	18,630	43,677	5,557	38,120	32,866
Miscellaneous	55,526	66,280	55,926	65,880	23,618	89,498	40,530	48,968	50,240
Total	209,979	129,644	122,295	217,328	84,730	302,058	118,387	183,671	178,093
Treaty Proportional									
Grand-total	209,979	129,644	122,295	217,328	84,730	302,058	118,387	183,671	178,093

Note: The Company does not underwrite business outside Pakistan.

* Commission from reinsurers is arrived after taking impact of opening and closing unearned commission.

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

 CHAIRMAN
 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
 DIRECTOR
 DIRECTOR

Karachi : August 28, 2017

FOR THE QUARTER ENDED JUNE 30, 2017 - UNAUDITED

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

Class of Business	Commission paid or payable	Deferred Commission		Net Commission Expense	Other Management Expenses	Underwriting Expenses	* Commission from Reinsurance	Quarter Ended June 30,	
		Opening	Closing					2017 Net underwriting expense	2016 Net underwriting expense
Direct and Facultative									
Fire and property damage	53,828	31,584	45,276	40,136	19,913	60,049	14,010	46,039	49,622
Marine, aviation and transport	10,585	11,759	7,019	15,325	6,898	22,223	8,864	13,359	13,910
Motor	11,516	8,686	14,074	6,128	9,109	15,237	2,679	12,558	16,334
Miscellaneous	29,868	41,586	55,926	15,528	16,322	31,850	(6,495)	38,345	31,372
Total	105,797	93,615	122,295	77,117	52,242	129,359	19,058	110,301	111,238
Treaty Proportional									
Grand-total	105,797	93,615	122,295	77,117	52,242	129,359	19,058	110,301	111,238

Note: The Company does not underwrite business outside Pakistan.

* Commission from reinsurers is arrived after taking impact of opening and closing unearned commission.

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.



CHAIRMAN



MANAGING DIRECTOR
& CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

Karachi : August 28, 2017

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2017 - UNAUDITED

1. STATUS AND NATURE OF BUSINESS

East West Insurance Company Limited (the Company) was incorporated as a Public Limited Company in the year 1983 under the Companies Act, 1913, the shares of Company are quoted on the Pakistan Stock Exchange (formerly Karachi Stock Exchange (Guarantee) Limited merged / integrated with Lahore Stock Exchange Limited and Islamabad Stock Exchange Limited effective from January 11, 2016). The Company is engaged in the general insurance business and operates through 3 (2016: 3) principal offices and 24 (2016:24) branches in Pakistan. 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of International Accounting Standards (IAS) 34 "Interim Financial Reporting", provisions of and directives issued under the companies ordinance 1984, the Insurance Ordinance 2000 and the SEC(Insurance) Rules 2002. In case where requirement differs, the provisions or directives of the Companies Ordinance 1984, the Insurance Ordinance 2000 and the SEC(Insurance) Rules, shall prevail.

The disclosure made in these condensed interim financial information has been limited based on the format prescribed by Securities and Exchange Commission of Pakistan vide Circular No 7 of 2003 and International Accounting Standard (IAS) 34 "Interim Financial Reporting" and does not include all the information required for full annual financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2016.

The condensed interim financial information of the Company has been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984 as per the directive of Securities and Exchange Commission of Pakistan issued vide Circular No.17 date July 20, 2017.

During the period, Securities and Exchange Commission of Pakistan has issued Insurance Accounting Regulations, 2017 and Insurance Rules, 2017, vide its S.R.O. No. 88 (I) / 2017 dated February 09, 2017 and S.R.O. No. 89 (I) / 2017 dated February 09, 2017 respectively. These accounting regulations and rules are applicable from the date of issue on every company engaged in the business of Insurance / Takaful. These accounting regulations and rules require the companies to prepare its financial statements and regulatory returns containing the particulars and formats specified in these regulations.

The Company requested the Securities and Exchange Commission of Pakistan (the "Commission") vide their letter dated August 18, 2017 to grant exemption from the preparation of half yearly account for the period ended June 30, 2017 in accordance with the requirements of the aforesaid rules and regulations. In this regard, the Commission vide their letter dated August 22, 2017 has granted the exemption to the Company to prepare its half yearly accounts for the period ended June 30, 2017 in accordance with the requirements of previous rules.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

2.4 Use of significant accounting estimates and judgments

The basis and methods used for critical accounting estimates and judgements adopted in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2016.

(Rupees in '000)

2.5 Standards, amendments and interpretations

New standards, amendments and interpretations that are mandatory for accounting period beginning on or after January 1, 2016 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the annual financials statements as at end for the year ended December 31, 2016.

	June 30, 2017 Unaudited	December 31, 2016 Audited
	Rupees	
4. OTHER CREDITORS AND ACCRUALS		
Federal excise duty	3,679	4,053
Federal insurance fee	362	347
Withholding tax	1,421	2,815
Dividend payable	31	3
Sundry creditors	15,037	16,460
Commission payable	9,298	26,323
Workers welfare fund	21,398	19,348
	<u>51,226</u>	<u>69,349</u>

5. CONTINGENCIES AND COMMITMENTS

There is no contingency and commitment as at June 30, 2017 (December 31, 2016: Nil).

	Note	June 30, 2017	December 31, 2016
6. INVESTMENTS			
At fair value through profit and loss held-for-trading		790,595	898,962
Available-for-sale			
Marketable securities		163,899	5,619
Government securities	6.1	81,856	101,921
Term finance certificates - listed/unlisted	6.2	3,589	7,289
		<u>1,039,939</u>	<u>1,013,791</u>

6.1 This represents Pakistan Investment Bonds (PIBs) and sharia compliant GOP Ijara Sukuk carrying interest ranging from 5.89% to 12% (2016: 5.89% to 12%).

6.2 This represents term finance certificates of Bank Al-Falah Limited carrying interest rate of 15% (2016: 15%).

(Rupees in '000)

6.3 The fair value of available-for-sale investment is Rs.279.879 million/- (December 31, 2016: Rs. 118.056 million). Available for sale investments are stated at lower of cost or market value (market value being taken as lower if the reduction is other than temporary) as required by the Securities and Exchange Commission Rules, 2002. However, the International Accounting Standard 39 Financial Instruments, Recognition and Measurement requires that these instruments should be measured at fair value. Had these instruments been measured at fair value, their carrying values as at June 30, 2017 would have been higher by Rs. 10.535 million (December 31, 2016: Rs. 3.226 million).

7. INVESTMENTS PROPERTIES

7.1 Investment properties comprise of five properties having market value of Rs.174.291 million as at June 30, 2017 (December 2016: 174.291 million). Revaluation was carried out by the Company on March 31, 2017. The exercise was carried out by independent valuers M/s. Al-Shabaz Surveyors (Private) Limited and M/s. Salam Associates (Private) Limited.

7.2 Rental income from investment property amounts to Rs. 5.495 million and has been recorded net of depreciation in profit and loss account.

8. PREMIUM DUE BUT UNPAID - Net

	Note	June 30, 2017	December 31, 2016
Considered good		80,444	108,823
Provision for doubtful debts		(472)	(218)
Written off during the period/year		(85)	-
		<u>79,887</u>	<u>108,605</u>

9. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Advances	9.1	62,640	47,473
Deposits	9.2	6,925	5,997
Other receivables		25,208	4,233
		<u>94,773</u>	<u>57,703</u>

9.1 This represents advances against expenses in the normal course of business and does not carry any interest or mark-up.

9.2 This represents short term deposits in the normal course of business and does not carry any interest or mark-up.

(Rupees in '000)

10. FIXED ASSETS - Tangibles and Intangibles

The details of additions and disposals during the six month period ended June 30, 2017 are as follows:

	Additions (at cost)		Disposals (at NBV)	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Tangibles				
Office premises	400	-	-	-
Furniture & fixtures	237	3,155	-	-
Electric fittings & equipments	299	658	-	-
Computers equipments	117	311	-	-
Office equipment	70	93	-	-
Vehicles	5,245	9,914	706	733
	<u>6,368</u>	<u>14,131</u>	<u>706</u>	<u>733</u>
Intangible				
Website development cost	75	-	-	-
	<u>6,443</u>	<u>14,131</u>	<u>706</u>	<u>733</u>

11. DIVIDEND INCOME

	Note	Six months period ended	
		June 30, 2017	June 30, 2016
Available-for-sale	11.1	-	-
Held-for-trading	11.2	22,952	20,615
		<u>22,952</u>	<u>20,615</u>
11.1 Available-for-sale			
Agritech Limited		-	-
East West Life Assurance Company Limited		-	-
		<u>-</u>	<u>-</u>
11.2 Held-for-trading			
National Investment Trust		13,017	3,567
Askari Cash Fund		-	2,841
JS Cash Fund		-	2,657
HBL Money Market Fund		-	2,305
PICIC Cash Fund		-	1,987
Pakistan State Oil Company Limited		-	1,500
Pakistan Cash Management		-	1,117
First Habib Cash Fund		-	1,108
ABL Cash Fund		-	1,063
AKD Cash Fund		-	1,053
Pakistan Oilfields Limited		-	375
Oil and Gas Development Company Limited		513	246
Fauji Fertilizer Company Limited		191	237
Bank Al-Falah Limited		-	200
Pakistan Petroleum Limited		-	180
Habib Bank Limited		-	175
Fauji Cement Company Limited		-	2
Kot Addu Power Company Limited		2	2
Nafa Islamic Asset Allocation Fund		5,167	-
Nafa Stock Fund		4,062	-
		<u>22,952</u>	<u>20,615</u>

(Rupees in '000)

	Note	Six months period ended	
		June 30, 2017	June 30, 2016
12. (LOSS) / GAIN ON SALE OF INVESTMENT			
Available for sale	12.1	-	(2,747)
Held for trading	12.2	<u>10,940</u>	<u>29,763</u>
		<u>10,940</u>	<u>27,016</u>
12.1 Available for sale			
Shariah non compliant arrangements		-	(2,747)
Arrangements permissible under Shariah		-	-
		<u>-</u>	<u>(2,747)</u>
12.2 Held for trading			
Shariah non compliant arrangements		11,094	29,357
Arrangements permissible under Shariah		(154)	406
		<u>10,940</u>	<u>29,763</u>
13. UNREALIZED (LOSS) / GAIN ON HELD FOR TRADING			
Shariah non compliant arrangements		(15,755)	(2,365)
Arrangements permissible under Shariah		(11,472)	173
		<u>(27,227)</u>	<u>(2,192)</u>
14. RETURN ON OTHER FIXED INCOME SECURITIES & DEPOSITS			
Shariah non compliant arrangements		973	3,876
Arrangements permissible under Shariah		-	-
		<u>973</u>	<u>3,876</u>
15. OTHER INCOME			
Gain on sale of fixed assets		1,904	2,381
Others		218	1,888
		<u>2,122</u>	<u>4,269</u>
15.1			
This represent reversal of provision for doubtful premium due but unpaid.			

(Rupees in '000)

	Six months period ended		Three months period ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
16. EARNINGS PER SHARE - basic and diluted				
	----- Rupees in ('000) -----			
Profit for the period	<u>80,351</u>	<u>115,362</u>	<u>17,562</u>	<u>62,636</u>
	----- Number of shares -----			
Weighted average number of ordinary shares of Rs. 10 each	<u>50,815,164</u>	<u>50,815,164</u>	<u>50,815,164</u>	<u>50,815,164</u>
	----- Rupees -----			
Earnings per share	<u>1.58</u>	<u>2.27</u>	<u>0.35</u>	<u>1.23</u>
16.1				
There is no dilutive effect on basic earning per share of the Company.				
17. 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 and balances with related parties are as follows:				
		Six Months Period Ended June 30,		
		June 30,	June 30,	
		2017	2016	
Loan received from directors		393	885	
Loan repaid to directors		571	5,885	
Remuneration to key management personnel		6,300	7,576	
Investment in associated company		158,280	44,490	
18. FAIR VALUE OF FINANCIAL INSTRUMENTS				
The carrying values of all financial assets and liabilities reflected in the financial statements are appropriate to their fair values except for non-trading investments. Fair value is determined on the basis of the objective evidence at each required date.				

(Rupees in '000)

18.1 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, 2017.

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

	As at June 30, 2017		As at Dec 31, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and other equivalent	44	44	10	10
Current and other accounts	23,720	23,720	11,653	11,653
Deposit maturing within 12 months	41,000	41,000	58,000	58,000
Investments				
Available-for-sale				
Marketable securities	163,899	171,844	5,619	7,050
Government securities	81,856	84,373	101,921	103,640
Term finance certificates	3,589	3,663	7,289	7,691
Held-For-Trading				
Marketable securities	790,595	790,595	898,962	898,962
	1,039,939	1,050,475	1,013,791	1,017,343
Premiums due but unpaid	79,887	79,887	108,605	108,605
Amounts due from other				
insurers/reinsurers	85,166	85,166	61,470	61,470
Accrued investment income	1,788	1,788	1,884	1,884
Reinsurance recoveries against				
outstanding claims	539,590	539,590	394,593	394,593
Other receivables	25,208	25,208	4,233	4,233
Financial Liabilities				
Provision for outstanding claims				
(including IBNR)	693,452	693,452	544,125	544,125
Amounts due to other insurers /				
reinsurers	8,264	8,264	9,873	9,873
Other creditors and accruals	51,226	51,226	69,349	69,349

18.2 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.

(Rupees in '000)

The fair value hierarchy has the following levels:

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

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

	As at June 30, 2017	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Held-For-Trading				
Marketable securities	790,595	45,110	779,755	-
	As at Dec 31, 2016	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Held-For-Trading				
Marketable securities	898,962	42,605	856,357	-

18.3 Transfers during the period

During the period ended June 30, 2017:

- 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

18.4 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.

19. SEGMENT REPORTING

(Rupees in '000)

The following is a schedule of class of business wise assets and liabilities:

	Fire and Property Damage		Marine Aviation and Transport		Motor		Miscellaneous		Total	
	June 2017 Un-audited	Dec 2016 Audited	June 2017 Un-audited	Dec 2016 Audited	June 2017 Un-audited	Dec 2016 Audited	June 2017 Un-audited	Dec 2016 Audited	June 2017 Un-audited	Dec 2016 Audited
Segment assets	421,777	395,081	140,784	142,442	154,217	136,758	588,485	469,777	1,305,263	1,144,058
Unallocated corporate assets									1,374,267	1,191,727
Consolidated total assets									<u>2,679,530</u>	<u>2,335,785</u>
Segment Liabilities	526,665	417,900	174,459	150,669	191,106	144,657	729,249	496,911	1,617,479	1,210,137
Unallocated corporate liabilities									-	143,948
Consolidated total liabilities									<u>1,617,479</u>	<u>1,354,085</u>
									Six months period ended	
									June 30, 2017	June 30, 2016
Capital Expenditure									6,443	14,131
Depreciation									8,178	8,017

20. GENERAL

20.1 This condensed interim financial information was authorised for issue in the Board of Directors meeting of the company held on August 28, 2017.

20.2 The figures for the quarter and six month period ended June 30, 2017 have been rounded off to the nearest Rupee.


CHAIRMAN


MANAGING DIRECTOR
& CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

Karachi : August 28, 2017

PATTERN OF SHAREHOLDINGS

PATTERN OF SHAREHOLDINGS AS AT JUNE 30, 2017

Number of Shareholders	Shareholding		Total Shares Held	Percentage
	From	To		
16	1	100	1,100	0.0022
172	101	200	20,681	0.0407
4	201	800	2,306	0.0045
3	1,001	3,000	6,642	0.0131
2	3,001	8,000	10,267	0.0202
5	8,001	10,000	47,804	0.0941
3	10,001	11,000	30,511	0.0600
7	11,001	12,000	80,465	0.1583
7	12,001	15,000	99,034	0.1949
2	15,001	19,000	32,365	0.0637
6	20,001	23,000	125,613	0.2472
4	23,001	25,000	95,031	0.1870
5	25,001	30,000	142,238	0.2799
1	30,001	62,000	61,645	0.1213
2	800,001	1,000,000	1,815,771	3.5733
1	1,200,001	2,000,000	1,712,453	3.3700
7	2,000,001	3,000,000	16,446,263	32.3649
6	3,000,001	4,000,000	21,728,144	42.7592
2	4,000,001	4,500,000	8,356,831	16.4455
255			50,815,164	100.0000

Categories of Shareholders	Number	Shares Held	Percentage
CEO, Directors and their spouses and minor children	14	32,755,206	64.4595
Joint Stock Companies, Insurance Companies, Investment Companies & Modarabas	1	3,062	0.0060
Individual	240	18,056,896	35.5345
Total	255	50,815,164	100.0000

Information as required under the Code of Corporate Governance

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Associated Company			
M/s. East West Life Assurance Co., Ltd.	1	3,062	0.0060
CEO, Directors, their Spouses and Minor Children			
Chief Justice (R) Mian Mahboob Ahmed	1	2,055	0.0040
Javed Yunus	1	3,926,428	7.7269
Pervez Yunus	1	3,881,051	7.6376
Naved Yunus	1	3,756,633	7.3927
Maheen Yunus	1	4,271,865	8.4067
Umeed Ansari	1	765	0.0015
Ahsan Mahmood Alvi	1	695	0.0014
Mirza Kazim Raza	1	632	0.0012
Ambreen N. Yunus	1	4,084,966	8.0389
Rubina J. Yunus	1	2,517,500	4.9542
Samina P. Yunus	1	2,537,459	4.9935
Shamaila M. Yunus	1	3,262,270	6.4199
Samad M. Yunus	1	2,222,682	4.3741
Anum M. Yunus	1	2,290,205	4.5069
Individual	240	18,056,896	35.5345
Total	255	50,815,164	100.0000