

	(Rupees in '000)			
	January to September		July to September	
	2016	2015	2016	2015
Net Premium Revenue	761,600	655,854	264,500	201,333
Net Claims	(360,462)	(281,726)	(150,214)	(86,429)
Management expenses	(128,523)	(123,607)	(48,228)	(45,679)
Net Commission	(146,799)	(144,670)	(49,000)	(54,836)
Underwriting results	125,816	105,851	17,058	14,389
Investment income	93,595	44,288	41,216	13,131
Rental income	5,993	8,118	1,863	2,960
Other income	5,387	63,712	1,118	53,238
General and administrative expenses	(56,808)	(61,483)	(21,367)	(29,186)
Workers welfare fund	(2,682)	(2,119)	-	-
	45,485	52,516	22,830	40,143
Profit before Tax	171,301	158,367	39,888	54,532
Provision for taxation				
Current	(44,628)	(34,329)	(10,000)	(10,000)
Deferred	18,577	(3,561)	-	(1,235)
	(26,051)	(37,890)	(10,000)	(11,235)
Profit for the period	145,250	120,477	29,888	43,297
Profit and loss appropriation account:				
Balance at commencement of the period	204,324	163,410		
Profit for the period	145,250	120,477		
Interim cash dividend 10%	-	(40,150)		
Balance unappropriated profit at the end of the period	349,574	243,737		
Earning per share - basic and diluted	3.22	2.67	0.66	0.96



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The Board of Directors
East West Insurance Company Limited,
401-404, Block 'B', 4th Floor,
Lakson Square Building No.3,
Sarwar Shaheed Road,
Karachi.

October 26, 2016
E-24/AA-0733/16

AUDITORS' CERTIFICATE ON FREE RESERVES FOR THE ISSUE OF BONUS SHARES

Dear Sir,

We have been requested to provide you with a certificate that the Company's residual free reserves, in terms of the meaning given to free reserves in the Companies (Issue of Capital) Rules, 1996, after the proposed issue of Bonus shares @ 12.5% in the proportion of 1.25 share for every 10 shares held amounting to Rs. 56.461 million would be higher than fifteen percent of the enhanced paid up capital of the Company.

Scope of certificate

This certificate is being issued at the request of the Company for the purpose of issue of bonus shares in accordance with Rule 6 of the Companies (Issue of Capital) Rules, 1996. The certificate is being issued to be submitted to Board of Directors, Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange Limited.

Management responsibility

The management of East West Insurance Company Limited is responsible for the completeness of the information provided to us with respect to the proposed issue of bonus shares and convening the meeting of the Board of Directors to resolve the issue of bonus shares. The management is also responsible for the maintenance of adequate accounting records and other information supporting the details and the discharge of obligations under the rule 6 of the Companies (Issue of Capital) Rules, 1996.

Auditors' responsibility

Our responsibility is to verify that Company's residual free reserves, in terms of the meaning given to free reserves in the Companies (Issue of Capital) Rules, 1996, after the proposed issue of Bonus shares @ 12.5% in the proportion of 1.25 share for every 10 shares held amounting to Rs. 56.461 million would be higher than fifteen percent of the enhanced paid up capital of the Company only in accordance with the "Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms" issued by the Institute of Chartered Accountants of Pakistan.



Our verification was limited to the procedures as mentioned below:

1. Obtained the Company's annual audited financial statements for the year ended December 31, 2015 and ascertain the amount of free reserves,
2. We have reviewed the contingent liabilities outstanding as at December 31, 2015 to determine the contingent loss, if any, falling within the scope of paragraph 14 of the International Accounting Standard 37 'Provisions, Contingent Liabilities and Contingent Assets'.
3. Reviewed the Company's 'Free Reserves' to ascertain that the 'Free Reserves' retained after the issue of bonus shares do not include any reserves created as a result of revaluation of fixed assets or any intangible or fictitious assets such as preliminary expenses, goodwill, brokerage or commission.
4. We have not reviewed the transactions from December 31, 2015 till the date of issue of bonus shares that could have an impact on the aforementioned figures.

Certificate

Based on procedures mentioned above, we certify that Company's residual free reserves after the issuance of 12.5% bonus shares i.e. Rs. 56.461 million in the proportion of 1.25 shares for every 10 shares held, will be more than 15% of the enhanced paid up capital of the Company in accordance with the meaning defined in the Companies (Issue of Capital) Rules, 1996.

Restriction on use and distribution

This certificate is issued solely for the purpose set forth in the scope of certificate and is given in our capacity as statutory auditors of the Company and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours faithfully,

BDO EBRAHIM & CO.
Chartered Accountants



EAST WEST INSURANCE CO., LTD.

HEAD OFFICE:

EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF EAST WEST INSURANCE COMPANY LIMITED HELD AT HEAD OFFICE 401, LAKSON SQUARE SARWAR SHAHEED ROAD, KARACHI ON THE 28th DAY OF OCTOBER 2016.

To consider and pass the following Resolution details are as under:


The Board of Directors unanimously passed the following resolution.

“Resolved that an interim dividend of 12.5% (Rs. 1.25 per share) amounting to Rs.56,461,290/- be paid out of the profit of the Company for the year 2016 on the equity shares to those shareholders whose names appear in the Register of members of the Company on November 20, 2016”.

To consider and if thought fit to capitalize a sum of Rs. 56,461,290 out of the un-appropriated profit/reserves of the Company for the issuance of the 5,646,129 bonus shares in the proportion of 1.25 bonus share for every 10 (Ten) ordinary shares held by the existing members of the Company on November 20, 2016.

“Resolved that fully paid Bonus Shares amounting to Rs. 56,461,290/- representing Ordinary Shares 5,646,129 of Rs. 10/- each in the ratio of 1.25 Bonus Share to every 10 shares held be and are hereby approved to be issued to the existing members whose names will appear in the Register of Members on November 20, 2016,”.

Karachi.
October 28, 2016


East West Insurance Co. Ltd.
Shabbir A. Kanchwala
Secretary
SHABBIR ALI KANCHWALA
Company Secretary

THE ONLY PUBLIC LIMITED INSURANCE COMPANY OF BALUCHISTAN

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BRANCHES ALL OVER PAKISTAN

