

EAST WEST INSURANCE CO., LTD.

HEAD OFFICE:

EWI/KHO/CS/2017-1702

October 27, 2017

Assistant Manager - TMAD
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road,
Karachi.

Subject: Financial Results for the Quarter ended September 30, 2017

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on Friday October 27, 2017 at 4:30 P.M at 401, Lakson Square building No.3, Sarwar Shaheed Road, Karachi, recommended the following:

(i) BONUS SHARES

It has been recommended by the Board of Directors to issue Interim Bonus shares in proportion of 2 shares for every 10 shares held i.e.20%.

	(Rupees in '000)			
	January to September		July to September	
	2017	2016	2017	2016
Net Premium Revenue	819,599	761,600	276,064	264,499
Net Claims	(365,346)	(360,462)	(136,228)	(150,214)
Mangement expenses	(136,531)	(128,523)	(51,800)	(48,227)
Net Commission	(162,966)	(146,799)	(64,025)	(49,000)
Underwriting results	154,756	125,816	24,011	17,058
Investment income	16,099	93,595	5,696	41,217
Rental income	6,157	5,993	1,863	1,864
Other income	2,121	5,387	-	1,118
General and administrative expenses	(70,408)	(56,808)	(25,355)	(21,369)
Workers welfare fund	(2,050)	(2,682)	-	-
	(48,081)	45,485	(17,796)	22,830
Profit before Tax	106,675	171,301	6,215	39,888
Provision for taxation				
Current	(36,077)	(44,628)	(2,909)	(10,000)
Deferred	3,817	18,577	(9,240)	-
	(32,260)	(26,051)	(12,149)	(10,000)
Profit for the period	74,415	145,250	(5,934)	29,888
Profit and loss appropriation account:				
Balance at commencement of the year	273,549	204,324		
Profit for the period	74,415	145,250		
Balance unappropriated profit at the end of the period	347,964	349,574		
Earning per share - basic and diluted	1.46	2.86	(0.12)	0.59

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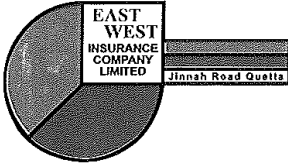
THE ONLY PUBLIC LIMITED INSURANCE COMPANY OF BALUCHISTAN

REGISTERED OFFICE : 27, Regal Plaza, Jinnah Road, Quetta. Phones : (081) 2822913, 2821397 Fax: (081) 2821460

HEAD OFFICE : 401 - 404, Block "B", 4th Floor, Lakson Square Building No. 3, Sarwar Shaheed Road, Karachi.

PABX : 021-35630400-11 Fax: 021-35630414-35630415 E-mail : info@eastwestinsurance.com.pk Web: www.eastwestinsurance.com.pk

BRANCHES ALL OVER PAKISTAN



EAST WEST INSURANCE CO., LTD.

HEAD OFFICE:

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The above entitlement will be paid to the shareholders whose names will appear in the Register of Members on November 23, 2017.

The Share Transfer Books of the Company will remain closed from November 24, 2017, to November 28, 2017, (both days inclusive). Transfers received at the M/s. THK Associates (Pvt) Ltd., 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi at the close of business day on November 23, 2017 will be treated in time for the purpose of above for entitlement of transferees.

Yours faithfully

EAST WEST INSURANCE CO., LTD.

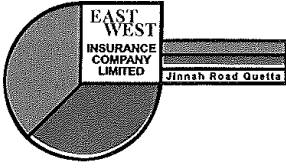
SHABBIR ALI KANCHWALA
Company Secretary

Encl: Copy of Board resolution and free reserves certificate

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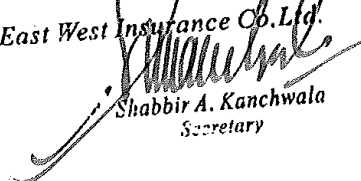
EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF EAST WEST INSURANCE COMPANY LIMITED HELD AT HEAD OFFICE 401, LAKSON SQUARE BUILDING NO.3, SARWAR SHAHEED ROAD, KARACHI ON THE 27th DAY OF OCTOBER 2017.

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

The Board of Directors unanimously passed the following resolution.

To consider and if thought fit to capitalize a sum of Rs.101,630,320 out of the un-appropriated profit/reserves of the Company for the issuance of the 10,163,032 bonus shares in the proportion of two (2) bonus share for every ten (2) ordinary shares held by the existing members of the Company on November 23, 2017.

“Resolved that fully paid Bonus Shares amounting to Rs.101,630,320/- representing Ordinary Shares 10,163,032 of Rs.10/- each in the ratio of two (2) Bonus Share to every Ten (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 23, 2017.”.

East West Insurance Co. Ltd.

Shabbir A. Kanchwala
Secretary

Karachi.
October 27, 2017

SHABBIR ALI KANCHWALA
Company Secretary

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Sarwar Shaheed Road
Karachi-74200
Pakistan

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 27, 2017
E-24/AA-0741/17

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 @ 20% in the proportion of 2 shares for every 10 shares held amounting to Rs. 101.630 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 submit 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 @ 20% in the proportion of 2 shares for every 10 shares held amounting to Rs. 101.630 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.

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BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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, 2016 and ascertain the amount of free reserves,
2. We have reviewed the contingent liabilities outstanding as at December 31, 2016 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 etc.
4. We have not reviewed the transactions from December 31, 2016 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 20% bonus shares i.e. Rs. 101.630 million in the proportion of 2 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.
BDO EBRAHIM & CO.
Chartered Accountants