

## BOARD OF DIRECTORS & MANAGEMENT

CHIEF JUSTICE ( R )	...	Chairman
MIAN MAHBOOB AHMAD	...	Managing Director & Chief Executive Officer
NAVED YUNUS	...	Executive Director (Marketing)
JAVED YUNUS	...	Executive Director (Operations)
PERVEZ YUNUS	...	Director
MAHEEN YUNUS	...	Director
UMEED ANSARI	...	Director
AHSAN MAHMOOD ALVI	...	Director
FCA England & Wales	...	Director
ENGR. KAZIM RAZA	...	Director
B.SC. (Engineering, UET)		
BRENDAN THOMAS D'LIMA	...	Deputy Executive Director
SHABBIR ALI KANCHWALA	...	Director Finance / Company Secretary
ABDUL HAKEEM SIDDIQUI	...	Head of Takaful
SAJJAD ZAFAR	...	Regional Director
IFTIKHAR HUSSAIN	...	Regional Director
MUHAMMAD FAYYAZ KHOKHAR ...	...	Regional Director
JAN MOHAMMAD	...	Regional Director
<b>AUDIT COMMITTEE</b>		
AHSAN MAHMOOD ALVI	...	Chairman
FCA England & Wales	...	
JAVED YUNUS	...	Member
UMEED ANSARI	...	Member
ENGR. KAZIM RAZA	...	Member
JOHRY LAL, FCCA	...	Secretary
KHALID LAW ASSOCIATES	...	Legal Advisor
BDO EBRAHIM & CO.	...	Auditors
Chartered Accountants	...	
AFNAN TAX CONSULTANTS	...	Tax Advisor
THK ASSOCIATES (PVT) LTD....	...	Shares Registrar
1st Floor, 40-C, Block-6,		
P E.C.H.S., Karachi.		
<b>IFS RATING</b>	...	A+ (A Plus) Stable Outlook
<b>WEBSITE</b>	...	<a href="http://www.eastwestinsurance.com.pk">www.eastwestinsurance.com.pk</a>
<b>BANKERS</b>	...	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 MEMBERS'

Your Directors are pleased to present their report together with un-audited Nine months Financial Statements for the period ended June 30, 2019.

Your Directors are pleased to inform that the Company launched Window Takaful Operations to transact General Takaful products.

The statistic covers the annexed Financial Statements of conventional general insurance and Window Takaful operation comprising:

- o Condensed interim statement of financial position;
- o Condensed interim statement of comprehensive income;
- o Condensed interim statement of changes and equity;
- o Condensed interim statement of cash flows;

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, 2019 is as follows:

	(Rupees in '000) (Unaudited)
Profit before tax from General Insurance Operations Loss	118,330
before tax from Window Takaful Operations	(73)
Profit before tax	<u>118,257</u>
Income tax expenses	(36,313)
Profit after taxation	<u>81,944</u>
Other comprehensive income	3,357
Total Comprehensive income	<u>85,301</u>
Unappropriated profit at beginning of the year	228,563
Profit for the period	<u>81,944</u>
Unappropriated at the end of the period	<u><u>310,507</u></u>

	June, 30 2019	June, 30 2018
	----- (Unaudited) -----	
Gross premium Net	1,605,613	1,414,288
Net premium	797,770	645,271
Underwriting results	170,487	161,723
Investment income/(Loss)	(18,662)	40,018
Profit before tax (including Window Takaful Operations)	118,257	149,017
Profit after tax (including Window Takaful Operations)	81,944	110,792
Earnings per share - basic and diluted (Rupees)	1.08	1.45

On behalf of the Board of Directors



Naved Yunus

Managing Director & Chief Executive

آپ کے بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کی ششماہی رپورٹ ۳۰ ستمبر، ۲۰۱۸ کو ختم ہونے والے سال کیلئے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنا میرے لیے باعث مسرت ہے  
آپ کے بورڈ آف ڈائریکٹرز کی طرف سے اطلاع دی جاتی ہے کہ کمپنی نے جنرل ٹاکافول آپریشن کے کاروبار کا آغاز کر دیا ہے

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

مالی پوزیشن کا منسلک عبوری بیان  
جامع آمدنی کا کمڈینس عبوری بیان  
مساوات میں متعدد بیانات کا مساوات  
نقد کی بہاؤ کے کنسرسی عبوری 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 ستمبر، ۲۰۱۸ کی مدت کے لئے کمپنی کی مالی خاص بات حسب ذیل ہیں

۱۲۸,۳۲۰	جنرل انشورنس آپریشن ٹیکس کے پہلے منافع
(۷۳)	ونڈو ٹاکافول آپریشن ٹیکس سے پہلے نقصان۔
<u>۱۱۸,۲۵۷</u>	منافع قبل از حصول
(۳۶,۳۱۳)	آمدنی پر ٹیکس کا خرچہ
<u>۸۱,۹۴۴</u>	ٹیکس کے بعد منافع
۳,۳۵۷	دیگر جامع آمدنی
<u>۸۵,۳۰۱</u>	مجموعی جامع آمدنی

فائدہ اور نقصان حصول اکاؤنٹ

۲۲۸,۵۶۳	سال کے شروع میں توازن قائم
<u>۸۱,۹۴۴</u>	اس مدت کے لئے منافع
<u>۳۱۰,۵۰۷</u>	مدت کے اختتام پر unappropriated متوازن

(روپے میں '000)

۲۰۱۹، جون ۳۰	۲۰۱۸، جون ۳۰	
۱,۵۰۵,۶۱۳	۱,۶۱۶,۲۸۸	مجموعی پرمیم
۷۹۷,۷۷۰	۶۴۵,۲۷۱	نیٹ پرمیم
۱۷۰,۴۸۷	۱۶۱,۷۲۳	انڈر رائٹنگ نتیجہ
<u>(۱۸,۶۶۲)</u>	۶۰,۰۱۸	سرمایہ کاری کی آمدنی [نقصان]
۱۱۸,۲۵۷	۱۶۹,۰۱۷	ٹیکس سے قبل منافع
۸۱,۹۴۴	۱۱۰,۷۹۲	اس مدت کے لئے منافع
۱.۰۸	۱.۴۵	فی شیئر آمدنی (روپے)

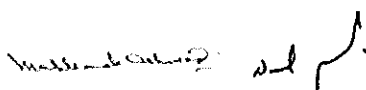
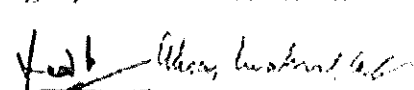

م

نوید یونس  
مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر

**EAST WEST INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT JUNE 30, 2019**

		June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
	Note	----- Rupees-----	
<b>ASSETS</b>			
Property and equipment	6	155,374,365	155,311,984
Intangible assets	7	1,302,345	1,407,759
Investment properties	8	46,236,928	50,442,445
Investments			
Equity securities	9	876,778,258	825,476,105
Debt securities	10	185,710,315	183,760,922
Term deposit receipts (TDRs)	11	72,000,000	64,071,017
		1,134,488,573	1,073,308,044
Loans and other receivables	12	48,295,946	41,331,485
Insurance / Reinsurance receivables	13	313,497,144	289,763,202
Reinsurance recoveries against outstanding claims		459,903,708	442,005,633
Deferred taxation		10,588,990	11,899,403
Deferred commission expense		198,338,807	172,215,623
Prepayments	14	589,369,881	624,193,598
Cash and bank	15	37,932,720	35,776,900
		2,995,329,407	2,897,656,076
Total assets of General Takaful Operations - Operator's Fund		77,383,087	60,425,101
<b>TOTAL ASSETS</b>		<u>3,072,712,494</u>	<u>2,958,081,177</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Ordinary share capital		762,227,450	762,227,450
Reserves	16	136,404,437	133,047,861
Unappropriated profit		310,507,570	228,563,284
<b>TOTAL EQUITY</b>		<u>1,209,139,457</u>	<u>1,123,838,595</u>
<b>LIABILITIES</b>			
Underwriting provisions			
Outstanding claims including IBNR		601,890,360	594,943,384
Unearned premium reserves		908,190,738	981,543,116
Unearned reinsurance commission		109,325,958	99,090,998
		1,619,407,056	1,675,577,498
Retirement benefit obligations		1,734,864	1,741,175
Liabilities against assets subject to finance lease	17	17,787,722	21,503,097
Premium received in advance		16,156,034	13,887,619
Insurance / reinsurance payables		18,969,833	12,714,329
Other creditors and accruals	18	115,666,894	77,956,270
Taxation - provision less payment		52,823,986	25,953,805
<b>TOTAL LIABILITIES</b>		<u>1,842,546,389</u>	<u>1,829,333,793</u>
Total liabilities of General Takaful Operations - Operator's Fund		21,026,648	4,908,789
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,072,712,494</u>	<u>2,958,081,177</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	19		

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.

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

**EAST WEST INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019**

	Note	Six months period ended		Three months period ended	
		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Net insurance premium	20	797,770,246	645,270,759	496,291,369	352,161,749
Net insurance claims	21	(342,332,471)	(266,387,635)	(215,209,999)	(150,185,837)
Net commission	22	(160,215,388)	(123,521,890)	(116,830,615)	(74,831,716)
Insurance claims and acquisition expenses		(502,547,859)	(389,909,525)	(332,040,614)	(225,017,553)
Management expenses		(124,735,025)	(93,638,034)	(87,978,041)	(53,762,350)
Underwriting results		170,487,362	161,723,200	76,272,714	73,381,846
Investment income / (loss)	23	(18,662,052)	40,017,615	(37,572,207)	(12,268,117)
Rental income		4,712,028	3,076,076	3,794,025	1,509,236
Other income		37,682,773	1,591,090	34,987,386	4,500
Other expenses		(75,889,934)	(56,614,987)	(44,160,136)	(30,944,420)
<b>Profit before tax from</b>					
<b>General Insurance Operations</b>		118,330,177	149,792,994	33,321,782	31,683,045
Loss before tax from					
Window Takaful Operations		(72,924)	(775,524)	(597,510)	(775,524)
<b>Profit before tax</b>		118,257,253	149,017,470	32,724,272	30,907,521
Income tax expense		(36,312,967)	(38,225,000)	(29,086,490)	(30,567,823)
<b>Profit after taxation</b>		81,944,286	110,792,470	3,637,782	339,698
<b>Other comprehensive income</b>					
<b>Items that may be reclassified</b>					
<b>subsequently to profit and loss</b>					
Unrealized gain / (loss) on available					
for sale investments		3,356,576	14,463,722	2,312,575	(28,953,922)
<b>Total comprehensive income for the period</b>		<u>85,300,862</u>	<u>125,256,192</u>	<u>5,950,357</u>	<u>(28,614,224)</u>
<b>Earnings per share - basic and diluted</b>	24	<u>1.08</u>	<u>1.45</u>	<u>0.05</u>	<u>0.00</u>

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.







CHAIRMAN    CHIEF EXECUTIVE    DIRECTOR    DIRECTOR    CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019**

	Share capital Issued subscribed and paid-up	Reserves		Total reserves	Unappropriated profit	Total
		General reserve	Unrealized gain on available for sale investment			
-----Rupees-----						
<b>Balance as at January 01, 2018 (as reported)</b>	609,781,960	200,000,000	-	200,000,000	240,499,585	1,050,281,545
Effect of changes in accounting policy	-	-	(11,148,220)	(11,148,220)	8,117,841	(3,030,379)
<b>Balance as at January 01, 2018 (restated)</b>	609,781,960	200,000,000	(11,148,220)	188,851,780	248,617,426	1,047,251,166
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	110,792,470	110,792,470
Unrealized gain on available for sale investments	-	-	14,463,722	14,463,722	-	14,463,722
<b>Total comprehensive income for the period ended June 30, 2018</b>	-	-	14,463,722	14,463,722	110,792,470	125,256,192
<b>Balance as at June 30, 2018 (Restated)</b>	609,781,960	200,000,000	3,315,502	203,315,502	359,409,896	1,172,507,358
<b>Balance as at January 01, 2019 (as reported)</b>	762,227,450	200,000,000	(66,952,139)	133,047,861	228,563,284	1,123,838,595
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	81,944,286	81,944,286
Transfer on reclassification of available for sale investment to loans and receivables (note 27)	-	-	21,972,160	-	-	-
Unrealized Loss on available for sale investments	-	-	(18,615,584)	(18,615,584)	-	(18,615,584)
<b>Total comprehensive income for the period ended June 30, 2019</b>	-	-	3,356,576	(18,615,584)	81,944,286	63,328,702
<b>Balance as at June 30, 2019</b>	762,227,450	200,000,000	(63,595,563)	114,432,277	310,507,570	1,187,167,297

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

CHAIRMAN

CHIEF EXECUTIVE

DIRECTOR

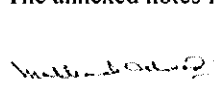
DIRECTOR

CHIEF FINANCIAL OFFICER

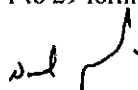
**EAST WEST INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019**

	June 30, 2019	June 30, 2018
	----- Rupees-----	
<b>OPERATING CASH FLOWS</b>		
<b>(a) Underwriting activities</b>		
Insurance premium received	1,503,729,673	1,346,087,911
Reinsurance premium paid	(759,684,227)	(812,085,140)
Claims paid	(482,806,042)	(321,650,116)
Reinsurance and other recoveries received	129,522,472	89,127,118
Commission paid	(337,940,404)	(280,462,068)
Commission received	161,836,792	135,175,745
Underwriting payments	(147,369,721)	(127,427,815)
Net cash inflows from underwriting activities	<u>67,288,543</u>	<u>28,765,635</u>
<b>(b) Other operating activities</b>		
Income tax paid	<u>(9,442,786)</u>	<u>(8,840,952)</u>
Other operating payments	<u>(19,865,903)</u>	<u>(110,234,697)</u>
Net cash used in other operating activities	<u>(29,308,689)</u>	<u>(119,075,649)</u>
Total cash generated from /(used in) all operating activities	<u>37,979,854</u>	<u>(90,310,014)</u>
<b>INVESTMENT ACTIVITIES</b>		
Profit / return received	<u>18,666,190</u>	<u>9,857,329</u>
Dividend received	<u>17,889,499</u>	<u>17,416,680</u>
Payment for investments	<u>(134,458,783)</u>	<u>(71,358,379)</u>
Proceeds from investment	<u>35,628,683</u>	<u>112,613,561</u>
Fixed capital expenditure	<u>(13,699,140)</u>	<u>(28,956,582)</u>
Proceeds from sale of property and equipment	<u>34,353,499</u>	<u>2,700,000</u>
Total cash (used in)/generated from all operating activities	<u>(41,620,052)</u>	<u>42,272,609</u>
<b>FINANCING ACTIVITIES</b>		
Loan received from director	<u>39,203,000</u>	<u>3,893,363</u>
Loan repaid to director	<u>(25,478,000)</u>	<u>(4,306,281)</u>
Total cash generated from /(used in) all financing activities	<u>13,725,000</u>	<u>(412,918)</u>
Net cash generated from/ (used in) all activities	<u>10,084,802</u>	<u>(48,450,323)</u>
Cash and cash equivalents at beginning of the period	<u>99,847,917</u>	<u>90,722,027</u>
Cash and cash equivalents at end of the period	<u>109,932,719</u>	<u>42,271,704</u>

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.



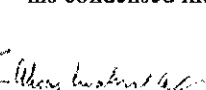
CHAIRMAN



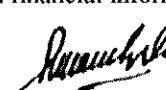
CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE COMPANY LIMITED  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019**

	June 30, 2019	June 30, 2018
	----- Rupees-----	
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	37,979,854	(90,310,014)
Depreciation expense	(11,054,572)	(9,645,015)
Amortization of intangible	(105,414)	(1,034,221)
Profit on disposal of fixed assets	28,814,272	1,586,590
Investment income	18,666,190	6,776,753
(Loss)/gain on disposal of investment securities	(45,708,353)	15,893,379
Dividend income	17,889,499	17,416,680
Other income	8,868,501	3,080,576
Loss on takaful operations	(72,924)	-
Increase in assets other than cash	55,543,518	342,152,416
Decrease in operating liabilities	(28,876,285)	(175,124,675)
<b>Profit for the period</b>	<u>81,944,286</u>	<u>110,792,470</u>

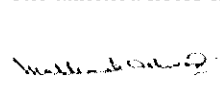
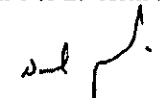

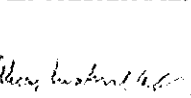

**Definition of cash**

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

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

	June 30, 2019	June 30, 2018
	----- Rupees-----	
Cash and other equivalents	125,008	44,042
Current and other accounts	37,807,712	23,720,196
Deposits maturing within 12 months	72,000,000	41,000,000
	<u>109,932,720</u>	<u>64,764,238</u>

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.

				
CHAIRMAN	CHIEF EXECUTIVE	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019**

**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 Companies Act, 1913, the shares of the Company are quoted on the Pakistan Stock Exchange Limited. The Company is engaged in the general insurance business and operates through 3 (2018: 3) principal offices and 24 (2018: 24) branches in Pakistan.

**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.

**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, 2018 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.

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 and Takaful Rules, 2012, 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, 2018, whereas the comparative 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, 2018.

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 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.

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

### **3.3 Functional and presentation currency**

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

## **4 USE OF ESTIMATES AND JUDGMENTS**

The preparation of condensed interim financial information in conformity with the requirements of approved accounting standards as applicable in Pakistan requires management to make judgments / estimates and associated assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The judgments / estimates and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimate about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the financial statements of the Company for the year ended December 31, 2018.

## **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, 2018 except as disclosed below.

There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Company's accounting period beginning on or after July 01, 2018 and January 01, 2019. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant effect on this condensed interim financial information except as disclosed in note 5.1 below.

### **5.1 IFRS 9 - Financial Instruments and Amendment to IFRS 4 'Insurance Contracts-Applying IFRS 9 'Financial Instruments with IFRS 4**

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year ending on or after June 30, 2019.

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4 (effective for annual periods beginning on or after July 01, 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

### **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.

As at reporting date, the fair value of the 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.

When adopted IFRS 9 replaces the existing IAS 39, 'Financial Instruments - Recognition and Measurement' and will affect the following two areas.

### **Classification and measurement of financial assets and financial liabilities**

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities.

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 (Rupees)	New carrying amount under IFRS 9 (Rupees)
<b>Financial Assets</b>				
<b>Investments</b>				
<b>Equity securities</b>				
Listed shares	Held for trading	Fair value through Profit and loss	38,068,120	38,068,120
Mutual funds	Available for sale	Fair value through Other comprehensive income	652,786,309	652,786,309
Listed shares	Available for sale	Fair value through Other comprehensive income	185,923,829	185,923,829
<b>Debt securities</b>				
Government Securities	Loans and other receivables	Amortised cost	160,400,315	160,400,315
Others	Available for sale	Fair value through Other comprehensive income	25,310,000	25,310,000
Term deposit receipts (TDRs)	Held to maturity	Amortised cost	72,000,000	72,000,000
Other receivables	Loans and receivables	Amortised cost	5,527,191	5,527,191
Insurance / reinsurance receivables	Loans and receivables	Amortised cost	313,497,144	313,497,144
Reinsurance recoveries against outstanding claims	Loans and receivables	Amortised cost	459,903,708	459,903,708
Cash at bank	Loans and receivables	Amortised cost	37,932,720	37,932,720
<b>Financial Liabilities</b>				
Outstanding claims including IBNR	Other financial liabilities	Amortised cost	601,890,360	601,890,360
Insurance / reinsurance payables	Other financial liabilities	Amortised cost	908,190,738	908,190,738
Other creditors and accruals	Other financial liabilities	Amortised cost	115,666,894	115,666,894

## Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss (ECL) model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized. The ECL model involve significant judgments and estimation processes. The Company is currently in the process of analyzing the potential impact of expected credit loss model upon adoption of IFRS 9.

## 5.2 IFRS 16 - Leases

IFRS 16 'Leases' was issued on January 01, 2016. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after January 1, 2019. IFRS 16 replaced IAS 17 'Leases', and IFRIC 4 'Determining whether an Arrangement contains a Lease' The Corporation applied IFRS 16 with a date of initial application of January 01, 2019.

	Note	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
----- Rupees -----			
<b>6</b>	<b>PROPERTY AND EQUIPMENT</b>		
	Opening balance as at	155,311,984	115,774,703
	Additions during the period / year		
	<b>Owned</b>		
	Furniture and fixtures	245,000	262,300
	Electrical fittings and equipments	558,900	1,545,760
	Computers	189,500	451,345
	Office equipments	54,500	196,066
	Vehicles	12,593,660	37,148,215
	<b>Leased</b>		
	Vehicles	57,580	27,383,000
		13,699,140	66,986,686
	Less:		
	Written down value of assets disposed during the period / year	(2,582,187)	(9,124,539)
	Deprecation charge for the period / year	(11,054,572)	(18,324,866)
		<u>155,374,365</u>	<u>155,311,984</u>
<b>7</b>	<b>INTANGIBLE ASSETS</b>		
	Intangible assets	7.1	597,345
	Software under development		702,759
			<u>705,000</u>
			<u>1,302,345</u>
			<u>1,407,759</u>
7.1	Opening balance as at	702,759	1,736,980
	Less: Amortization charge for the period/year	(105,414)	(1,034,221)
		<u>597,345</u>	<u>702,759</u>
<b>8</b>	<b>INVESTMENT PROPERTIES</b>		
	Investment properties	8.1	46,236,928
			<u>50,442,445</u>
8.1	Revaluation was carried out by the Company in the month of February, 2019 and March, 2019. 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. 188.70 million (2018: Rs. 216.70 million).		



	Note	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
----- (Rupees) -----			
<b>11</b>	<b>TERM DEPOSIT RECEIPT</b>		
	Deposits maturing within 12 months	11.1	72,000,000      64,071,017
11.1	These represent Term Deposit Receipts (TDRs) in local currency carrying interest rates ranging from 3.50% to 6.00% per annum (2018: 3.50% to 6.00% per annum).		
<b>12</b>	<b>LOANS AND OTHER RECEIVABLES</b>		
	(Unsecured - considered good)		
	Accrued investment income		
	Pakistan Investment bonds	4,070,428	3,425,403
	Term finance Certificates	3,580	14,290
	Corporate Sukuks	104,058	311,754
	Others	34,515	-
		4,212,581	3,751,447
	Advances	12.1	31,754,486      26,405,005
	Deposits		6,801,688      6,361,689
	Other receivables		5,527,191      4,813,344
			<u>48,295,946</u> <u>41,331,485</u>
12.1	This represents advances in the normal course of business which do not carry any interest / mark-up.		
<b>13</b>	<b>INSURANCE / REINSURANCE RECEIVABLES</b>		
	(Unsecured - considered good)		
	Premium due but unpaid	143,294,188	138,582,483
	Less: Provision for impairment of receivables from insurance contract holders	(8,961,819)	(7,115,351)
	Premium written off	-	(1,286,345)
		134,332,369	130,180,787
	Amount due from other insurers / reinsurers	179,164,775	159,582,415
		<u>313,497,144</u>	<u>289,763,202</u>
<b>14</b>	<b>PREPAYMENTS</b>		
	Prepaid reinsurance premium ceded	588,015,816	622,853,417
	Prepaid rent	1,086,691	1,072,807
	Others	267,374	267,374
		<u>589,369,881</u>	<u>624,193,598</u>

	Note	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
----- (Rupees) -----			
<b>15</b>			
<b>CASH AND BANK</b>			
		125,008	76,348
		26,977,778	26,052,144
	15.1	10,829,934	9,648,408
		<u>37,932,720</u>	<u>35,776,900</u>
15.1	These include interest bearing accounts carrying interest rates ranging from 5% to 10% (December 31, 2018: 5% to 10% ) per annum.		
<b>16</b>			
<b>RESERVES</b>			
		200,000,000	200,000,000
		(63,595,563)	(66,952,139)
		<u>136,404,437</u>	<u>133,047,861</u>
<b>17</b>			
<b>LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>			
		8,022,369	7,692,978
		9,765,353	13,810,119
		<u>17,787,722</u>	<u>21,503,097</u>
<b>18</b>			
<b>OTHER CREDITORS AND ACCRUALS</b>			
		56,518,576	22,871,042
		-	16,660,791
		5,885,423	2,077,439
		1,474,955	2,737,186
		25,284,117	25,284,117
		5,511,796	3,493,668
		31,303	31,303
	18.1	20,960,724	4,800,724
		<u>115,666,894</u>	<u>77,956,270</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, 2019 (December 31, 2018: Nil).

	June 30, 2019	June 30, 2018
	(Unaudited)	
	----- (Rupees) -----	
<b>20 NET INSURANCE PREMIUM</b>		
Written gross premium	1,505,612,840	1,414,288,254
Add: Unearned premium reserve - opening	981,543,116	754,295,174
Less: Unearned premium reserve - closing	<u>(908,190,738)</u>	<u>(892,361,241)</u>
Premium earned	1,578,965,218	1,276,222,187
Less: Reinsurance premium ceded	<u>746,357,371</u>	<u>789,307,017</u>
Add: Prepaid reinsurance premium - opening	622,853,417	426,631,798
Less: Prepaid reinsurance premium - closing	<u>(588,015,816)</u>	<u>(584,987,387)</u>
Reinsurance expense	<u>781,194,972</u>	<u>630,951,428</u>
	<u>797,770,246</u>	<u>645,270,759</u>
<b>21 NET INSURANCE CLAIMS EXPENSE</b>		
Claims paid	482,806,042	321,650,116
Add: Outstanding claims (including IBNR) - closing	601,890,360	660,067,343
Less: Outstanding claims (including IBNR) - opening	<u>(594,943,384)</u>	<u>(660,414,958)</u>
Claims expense	489,753,018	321,302,501
Less: Reinsurance and other recoveries received	<u>129,522,472</u>	<u>89,127,118</u>
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	459,903,708	505,814,975
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	<u>(442,005,633)</u>	<u>(540,027,227)</u>
Reinsurance and other recoveries revenue	<u>147,420,547</u>	<u>54,914,866</u>
	<u>342,332,471</u>	<u>266,387,635</u>
<b>22 NET COMMISSION</b>		
Commission paid or payable	337,940,404	280,462,068
Add: Deferred commission expense - opening	172,215,623	146,599,131
Less: Deferred commission expense - closing	<u>(198,338,807)</u>	<u>(156,599,494)</u>
Net commission	311,817,220	270,461,705
Less: Commission received or recoverable	<u>161,836,792</u>	<u>135,175,745</u>
Add: Unearned reinsurance commission - opening	99,090,998	77,864,150
Less: Unearned reinsurance commission - closing	<u>(109,325,958)</u>	<u>(66,100,080)</u>
Commission from reinsurers	<u>151,601,832</u>	<u>146,939,815</u>
	<u>160,215,388</u>	<u>123,521,890</u>

	June 30, 2019 (Unaudited)	June 30, 2018 (Unaudited)
	----- (Rupees) -----	
<b>23 INVESTMENT INCOME</b>		
<b>Return on investments classified at Held-For-Trading</b>		
Gain on sale of investments	-	36,008
Unrealized (loss)/gain on revaluation of investments	(45,708,353)	15,893,379
Dividend income	17,889,499	17,416,680
	<u>(27,818,854)</u>	<u>33,346,067</u>
<b>Return on investments classified at amortised cost</b>		
Return on government securities	7,495,832	6,102,960
Return on other fixed income securities and deposits	2,195,936	654,866
Amortisation of premium and discount - net	26,034	471,748
Less: Investment related expenses	(561,000)	(558,026)
	<u>9,156,802</u>	<u>6,671,548</u>
	<u>(18,662,052)</u>	<u>40,017,615</u>

**24 EARNINGS PER SHARE - basic and diluted**

	Six months period ended		Three months period ended	
	June 30, 2019 (Unaudited)	June 30, 2018 (Unaudited)	June 30, 2019 (Unaudited)	June 30, 2018 (Unaudited)
Profit for the period	<u>81,944,286</u>	<u>110,792,470</u>	<u>3,637,782</u>	<u>339,697</u>
Weighted average number of ordinary shares of Rs. 10 each	<u>762,227,450</u>	<u>762,227,450</u>	<u>762,227,450</u>	<u>762,227,450</u>
Earnings per share - rupees	<u>1.08</u>	<u>1.45</u>	<u>0.05</u>	<u>0.00</u>

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



Segment Prior Period	June 30, 2018				TOTAL
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	
Gross written premium	459,960,954	158,228,229	205,213,393	590,885,678	1,414,288,254
Unearned-Opening	273,841,488	30,364,400	94,263,763	355,825,523	754,295,174
Unearned-Closing	(265,868,840)	(43,882,463)	(109,097,274)	(473,512,664)	(892,361,241)
Premium Earned	467,933,602	144,710,166	190,379,882	473,198,537	1,276,222,187
Reinsurance-Ceded	(256,941,833)	(62,899,701)	(45,222,977)	(424,242,506)	(789,307,017)
Prepaid Reinsurance-Opening	(125,474,854)	(17,360,923)	(23,083,203)	(260,712,818)	(426,631,798)
Prepaid Reinsurance-Closing	164,089,057	14,287,317	27,110,268	379,500,745	584,987,387
Reinsurance Expenses	(218,327,630)	(65,973,307)	(41,195,912)	(305,454,579)	(630,951,428)
Net insurance premium	249,605,972	78,736,859	149,183,970	167,743,958	645,270,759
Commission income	57,470,425	16,612,138	7,104,455	65,752,797	146,939,815
Net underwriting income	307,076,397	95,348,997	156,288,425	233,496,755	792,210,574
Insurance claims paid	(110,459,950)	(33,218,715)	(63,110,003)	(114,861,448)	(321,650,116)
Outstanding-opening	166,101,769	30,559,341	26,027,800	437,726,048	660,414,958
Outstanding-closing	(166,863,510)	(29,220,120)	(37,267,589)	(426,716,124)	(660,067,343)
Insurance claims expenses	(111,221,691)	(31,879,494)	(74,349,792)	(103,851,524)	(321,302,501)
Reinsurance Recoveries Received	46,142,234	10,945,622	6,901,999	25,137,263	89,127,118
Recovery-opening	(103,651,680)	(15,179,894)	(15,086,607)	(406,109,046)	(540,027,227)
Recovery-closing	87,003,140	13,604,770	14,293,900	390,913,165	505,814,975
Insurance claims recovered from reinsurers	29,493,694	9,370,498	6,109,292	9,941,382	54,914,866
Net claims	(81,727,997)	(22,508,996)	(68,240,500)	(93,910,142)	(266,387,635)
Commission expense	(124,179,125)	(31,916,991)	(41,413,545)	(72,952,044)	(270,461,705)
Management expense	(36,092,898)	(11,717,518)	(21,571,927)	(24,255,692)	(93,638,034)
Net insurance claims and expenses	(242,000,020)	(66,143,505)	(131,225,972)	(191,117,878)	(630,487,374)
Underwriting results	65,076,377	29,205,492	25,062,453	42,378,877	161,723,200
Net investment income					40,017,615
Rental income					3,076,076
General and Admin expenses					(56,614,987)
Other income					1,591,090
Profit before tax					149,792,994
Segment Assets	505,602,383	173,929,045	225,576,497	649,518,627	1,554,626,552
Unallocated Assets					1,381,139,801
Segment Liabilities	590,323,194	203,073,310	263,375,020	758,354,633	2,935,766,353
Unallocated Liabilities					1,815,126,157
					(1,383,022)
					1,813,743,135

25.1 Management has allocated indirect management expenses to underwriting business on the basis of net premium revenue under individual business as per the stated accounting policy of the Company.

## 26 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 June 30	
		2019 Rupees	2018 Rupees
Common directorship	Investment in associated company	-	-
Directors and Key Management Personnel	Loan received from directors	39,203,000	3,893,363
	Loan repaid to directors	25,478,000	4,306,281
	Remuneration paid	6,265,000	6,150,000

Nature of Transaction	Nature of relationship with the Company	----- Rupees -----	
<b>Loan received from directors</b>			
Javed Yunus	Director	3,325,000	5,600,000
Naved Yunus	Director	23,825,000	37,470,000
Pervez Yunus	Director	1,680,000	1,680,000
Maheen Yunus	Director	-	-
Umeed Ansari	Director	-	60,000
Mian Mahboob	Director	-	85,000
Ahsan Mahmood	Director	25,000	60,000
Kazim Raza	Director	3,000	63,000
<b>Less: Loan repaid to directors</b>			
Javed Yunus	Director	(1,675,000)	(1,650,000)
Naved Yunus	Director	-	(2,220,000)
Pervez Yunus	Director	(1,680,000)	(1,680,000)
Umeed Ansari	Director	-	(60,000)
Mian Mahboob	Director	-	(85,000)
Ahsan Mahmood	Director	(25,000)	(60,000)
Kazim Raza	Director	-	(60,000)
		<u>25,478,000</u>	<u>39,203,000</u>

## 27 FAIR VALUE OF FINANCIAL INSTRUMENTS

### 27.1 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, 2019.



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, 2019	Level 1	Level 2	Level 3
-----Rupees-----				
<b>Financial assets</b>				
<b>measured at fair</b>				
<b>Investments at fair value</b>				
<b>through profit or loss - held</b>				
Ordinary shares - Listed	38,068,120	38,068,120	-	-
Mutual funds	652,786,309	-	652,786,309	-
<b>Investments-Available For Sale</b>				
Ordinary shares - Listed	185,923,829	185,923,829	-	-
Corporate sukuku	12,270,000			12,270,000
Term finance certificates	13,040,000			13,040,000

### 27.3 Transfers during the period

During the period ended June 30, 2019:

- 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

### 27.4 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.

**28 CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison. Significant reclassification are as follows:

<b>From</b>	<b>To</b>	<b>June 30, 2019</b>	<b>Opening balance as at 'January 1, 2019</b>
Available for sale	Loans and other receivables	140,134,712	140,412,802

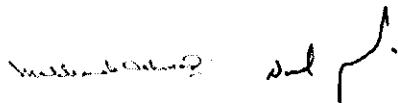
Investment in government securities have been reclassified from available for sale to loans and other receivables resultantly loss amounting to Rs 21.9 million have been reclassified from unrealized gain on available for sale to investment carried at loans and other receivables.

**29 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 29, 2019.

**30 GENERAL**

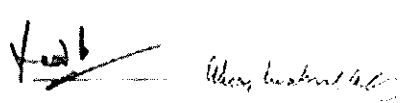
The figures for the quarter and six month period ended June 30, 2019 have been rounded off to the nearest Rupee.



**CHAIRMAN**



**CHIEF EXECUTIVE DIRECTOR**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

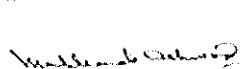
EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
 CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
 AS AT JUNE 30, 2019

	Notes	June 30, 2019 (Unaudited)			December 31, 2018 (Audited)		
		Operators' Fund	Participants' Takaful Fund	Aggregate	Operators' Fund	Participants' Takaful Fund	Aggregate
		Rupees			Rupees		
<b>ASSETS</b>							
Property and equipment	6	30,145,000	-	30,145,000	-	-	-
Investments							
Term Deposit Receipts	7	20,000,000	-	20,000,000	50,000,000	-	50,000,000
Qard-e-Hasna to PTF		6,000,000	-	6,000,000	6,000,000	-	6,000,000
Accrued investment income	9	1,028,483	1,185	1,029,668	130,047	2,660	132,707
Takaful / Re-takaful receivables	10	-	41,984,098	41,984,098	-	8,770,898	8,770,898
Taxation - net	11	213,696	10,858	224,554	121,794	72	121,866
Deferred wakala expense		-	15,133,496	15,133,496	-	4,108,655	4,108,655
Deferred commission expense		8,476,260	-	8,476,260	1,672,779	-	1,672,779
Receivable from PTF		9,229,953	-	9,229,953	1,800,927	-	1,800,927
Prepayments	12	2,041,500	12,603,463	14,644,963	-	366,365	366,365
Cash and bank	13	248,195	303,592	551,787	699,558	511,226	1,210,784
<b>TOTAL ASSETS</b>		<b>77,383,087</b>	<b>70,036,692</b>	<b>147,419,779</b>	<b>60,425,105</b>	<b>13,759,876</b>	<b>74,184,981</b>
<b>FUND AND LIABILITIES</b>							
<b>Fund attributable to</b>							
<b>Operators' Fund</b>							
Statuary Fund		50,000,000	-	50,000,000	50,000,000	-	50,000,000
Accumulated losses		(993,332)	-	(993,332)	(920,408)	-	(920,408)
		49,006,668	-	49,006,668	49,079,592	-	49,079,592
<b>Participants' Takaful Fund</b>							
Ceded money		-	500,000	500,000	-	500,000	500,000
Accumulated losses		-	(3,308,596)	(3,308,596)	-	(5,556,429)	(5,556,429)
		-	(2,808,596)	(2,808,596)	-	(5,056,429)	(5,056,429)
Qard-e-Hasna		-	6,000,000	6,000,000	-	6,000,000	6,000,000
<b>LIABILITIES</b>							
<b>Underwriting provisions</b>							
Outstanding Claims		-	600,000	600,000	-	-	-
Unearned contribution reserve		-	43,604,288	43,604,288	-	10,820,755	10,820,755
Unearned Re-takaful rebate		-	1,892,285	1,892,285	-	36,636	36,636
		-	46,096,573	46,096,573	-	10,857,391	10,857,391
Takaful / Re-takaful payable	14		11,574,413	11,574,413			
Unearned wakala fee		15,133,496	-	15,133,496	4,108,655	-	4,108,655
Payable to Operator's Fund		-	8,729,953	8,729,953	-	1,300,927	1,300,927
Other creditors and accruals	15	5,893,152	444,349	6,337,501	800,134	657,987	1,458,121
Payable to East West Insurance Company Limited	16	7,349,771	-	7,349,771	6,436,724	-	6,436,724
<b>TOTAL LIABILITIES</b>		<b>28,376,419</b>	<b>66,845,288</b>	<b>95,221,707</b>	<b>11,345,513</b>	<b>12,816,305</b>	<b>24,161,818</b>
<b>TOTAL FUND AND LIABILITIES</b>		<b>77,383,087</b>	<b>70,036,692</b>	<b>147,419,779</b>	<b>60,425,105</b>	<b>13,759,876</b>	<b>74,184,981</b>

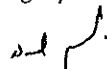
CONTINGENCIES AND COMMITMENTS

17

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.



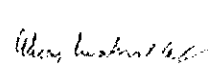
CHAIRMAN



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 SIX MONTH PERIOD ENDED JUNE 30, 2019**

		Six months period ended June 30, 2019	For the period from May 08, 2018 to June 30, 2018	Three months period ended June 30, 2019	For the period from May 08, 2018 to June 30, 2018
<b>Participants' Takaful Fund- Revenue Account</b>		-----Rupees-----		----- Rupees -----	
Net takaful contribution	18	18,830,596	-	7,828,080	-
Net takaful claims	19	(6,153,381)	-	(2,221,381)	-
Wakala expense	20	(11,852,912)	-	(5,298,496)	-
Direct expenses		(2,976)	-	(1,898)	-
Retakaful rebate	21	1,373,306	-	824,086	-
Underwriting results		2,194,633	-	1,130,391	-
Investment income	24	53,200	-	14,947	-
Surplus for the period		2,247,833	-	1,145,338	-
<b>Operator's Fund- Revenue Account</b>					
Wakala fee	20	11,852,912	-	5,298,496	-
Commission expense	22	(7,191,407)	-	(3,724,027)	-
Management expenses	23	(4,683,697)	(705,369)	(2,128,187)	(705,369)
Operating results		(22,192)	(705,369)	(553,718)	(705,369)
Investment income	24	2,051,849	37,845	1,202,533	37,845
Other expenses	25	(2,102,581)	(108,000)	(1,246,325)	(108,000)
Loss for the period		(72,924)	(775,524)	(597,510)	(775,524)

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2019**

	Six months period ended June 30, 2019	For the period from May 08, 2018 to June 30, 2018	Three months period ended June 30, 2019	For the period from May 08, 2018 to June 30, 2018
	----- Rupees -----		----- Rupees -----	
<b>Participants' Takaful Fund</b>				
Surplus for the period	2,247,833	-	1,145,338	-
Other comprehensive income	-	-	-	-
<b>Total comprehensive surplus for the period</b>	<b>2,247,833</b>	<b>-</b>	<b>1,145,338</b>	<b>-</b>
<b>Operator's Fund</b>				
Loss for the period	(72,924)	(775,524)	(597,510)	(775,524)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(72,924)</b>	<b>(775,524)</b>	<b>(597,510)</b>	<b>(775,524)</b>

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.

				
CHAIRMAN	CHIEF EXECUTIVE	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
CONDENSED INTERIM STATEMENT OF CHANGES IN FUND (UNAUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2019**

	<u>Operator's Fund</u>		
	Statutory Fund	Accumulated Losses	Total
	----- Rupees -----		
Balance as at May 08, 2018	50,000,000	-	50,000,000
Total comprehensive income for the period			
Loss for the period	-	(775,524)	(775,524)
Other comprehensive income	-	-	-
	-	(775,524)	(775,524)
Balance as at June 30, 2018	<u>50,000,000</u>	<u>(775,524)</u>	<u>49,224,476</u>
Balance as at January 1, 2019	50,000,000	(920,408)	49,079,592
Total comprehensive income for the period			
Loss for the period	-	(72,924)	(72,924)
Other comprehensive income	-	-	-
	-	(72,924)	(72,924)
Balance as at June 30, 2019	<u>50,000,000</u>	<u>(993,332)</u>	<u>49,006,668</u>

	<u>Participants' Fund</u>		
	Ceded Money	Accumulated Losses	Total
	----- Rupees -----		
Balance as at May 08, 2018	500,000	-	500,000
Total comprehensive income for the period			
Surplus for the period	-	-	-
Other comprehensive income	-	-	-
	-	-	-
Balance as at June 30, 2018	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Balance as at January 1, 2019	500,000	(5,556,429)	(5,056,429)
Total comprehensive income for the period			
Surplus for the period	-	2,247,833	2,247,833
Other comprehensive income	-	-	-
	-	2,247,833	2,247,833
Balance as at June 30, 2019	<u>500,000</u>	<u>(3,308,596)</u>	<u>(2,808,596)</u>

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.







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

EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2019

For the period from May 08, 2018 to  
June 30, 2018

Note	June 30, 2019			June 30, 2018		
	Operator's Fund	Participants' Takaful Fund	Aggregate	Operator's Fund	Participants' Takaful Fund	Aggregate
<b>OPERATING CASH FLOWS</b>						
(a) Takaful activities						
Contribution received	-	31,560,115	31,560,115	-	-	-
Retakaful contribution paid	-	(13,821,871)	(13,821,871)	-	-	-
Claims paid	-	(19,540,693)	(19,540,693)	-	-	-
Retakaful and recoveries received	-	13,987,312	13,987,312	-	-	-
Commission paid	(8,876,852)	-	(8,876,852)	-	-	-
Retakaful rebate received	22,877,753	3,228,955	3,228,955	-	-	-
Wakala fee received	-	-	-	-	-	-
Wakala fee paid	-	(22,877,753)	(22,877,753)	-	-	-
Net cash generated from / (used in) takaful activities	14,000,901	(7,463,935)	6,536,966	-	-	-
(b) Other operating activities						
Income tax paid	(91,902)	(10,786)	(102,688)	-	-	-
Direct expenses paid	-	(2,976)	(2,976)	-	-	-
Other operating payment	(1,947,581)	-	(1,947,581)	(563,949)	-	(563,949)
Management expenses paid	(4,708,715)	-	(4,708,715)	(705,369)	-	(705,369)
Other operating receipts	(8,557,479)	7,162,187	(1,395,292)	1,272,235	-	1,272,235
Net cash (used in) / generated from other operating activities	(15,305,677)	7,148,425	(8,157,252)	2,917	-	2,917
Net cash (used in) / generated from operating activities	(1,304,776)	(315,510)	(1,620,286)	2,917	-	2,917
<b>INVESTMENT ACTIVITIES</b>						
Profit received on investment income	1,153,413	107,876	1,261,289	37,845	-	37,845
Addition to plant and equipment	(30,300,000)	-	(30,300,000)	-	-	-
Addition to investment	(30,000,000)	-	(30,000,000)	-	-	-
Proceeds from disposal of investments	30,000,000	-	30,000,000	-	-	-
Net cash generated from investing activities	(29,146,587)	107,876	(29,038,711)	37,845	-	37,845
<b>FINANCE ACTIVITIES</b>						
Contribution to the operator's fund	-	-	-	50,000,000	-	50,000,000
Cede money	-	-	-	-	500,000	500,000
Total cash generated from financing activities	-	-	-	50,000,000	500,000	50,500,000
Net (decrease) / increase in cash and cash equivalents	(30,451,363)	(207,634)	(30,658,997)	50,040,762	500,000	50,540,762
Cash and cash equivalents at beginning of the period	50,699,558	511,226	51,210,784	-	-	-
Cash and cash equivalents at end of the period	20,248,195	303,592	20,551,787	50,040,762	500,000	50,540,762
<b>Reconciliation to profit and loss account:</b>						
Operating cash flows	(1,304,776)	(315,510)	(1,620,286)	2,917	-	2,917
Depreciation	(155,000)	-	(155,000)	-	-	-
Investment income	1,153,413	107,876	1,261,289	37,845	-	37,845
Increase in assets other than cash	17,264,345	56,484,450	73,748,795	509,949	-	509,949
Increase in liabilities	(17,030,906)	(54,028,983)	(71,059,889)	(1,326,235)	-	(1,326,235)
(Loss / deficit) / (profit / surplus) for the period	(72,924)	2,247,833	2,174,909	(775,524)	-	(775,524)

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.

*Muhammad Sultan*

CHAIRMAN

*and*

CHIEF EXECUTIVE

*Wahid Hussain*

DIRECTOR

*Samuel*

CHIEF EXECUTIVE

**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2019**

**1 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 and Takaful Rules, 2012.

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 and Takaful Rules, 2012 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, 2018 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, 2018, whereas the comparative condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in fund is extracted from the unaudited condensed interim financial information for the period ended June 30, 2018.

## **2.1 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.

## **3 BASIS OF MEASUREMENT**

This condensed interim financial information has been prepared under the historical cost basis except for certain investments that have been measured at fair value. Accrual basis of accounting has been used except for cash flow information.

## **4 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, 2018 except as disclosed below.

There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Operator's accounting period beginning on or after July 01, 2018 and January 01, 2019. These standards, interpretations and amendments are either not relevant to the Operator's operations or are not expected to have a significant effect on this condensed interim financial information except as disclosed in note 4.2 below.

### **4.1 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and impairment in value, if any.

Depreciation is charged to profit and loss account applying the reducing balance method at the rates specified in the note 6 to the financial statements.

In respect of addition and disposal during the period, depreciation is charged from the month of acquisition and upto the month preceding the disposal respectively.

#### **4.2 IFRS 9 - Financial Instruments and Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4**

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year ending on or after June 30, 2019.

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4 (effective for annual periods beginning on or after July 01, 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

#### **Temporary Exemption from Application of IFRS 9**

As an insurance Operator, 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 being eligible to apply the temporary exemption from the application of IFRS 9 are given below.

The fair value of the 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.

When adopted IFRS 9 replaces the existing IAS 39, 'Financial Instruments - Recognition and Measurement' and will affect the following two areas.

#### **Classification and measurement of financial assets and financial liabilities**

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Operator and Participants' financial assets and financial liabilities.

OPERATOR'S FUND	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 (Rupees)	New carrying amount under IFRS 9 (Rupees)
<b>Financial assets</b>				
Term deposit receipts	Held to maturity	Amortised cost	20,000,000	20,000,000
Qard-e-Hasna to PTF	Loans and receivables	Amortised cost	6,000,000	6,000,000
Accrued investment income	Loans and receivables	Amortised cost	1,028,483	1,028,483
Cash at bank	Loans and receivables	Amortised cost	248,195	248,195
Receivable from PTF	Loans and receivables	Amortised cost	9,229,953	9,229,953
<b>Financial Liabilities</b>				
Other creditors and accruals	Other financial liabilities	Amortised cost	5,893,152	5,893,152
<b>PARTICIPENTS' TAKAFUL FUND</b>				
<b>Financial assets</b>				
Accrued investment income	Loans and receivables	Amortised cost	1,185	1,185
Takaful / retakaful receivable	Loans and receivables	Amortised cost	41,984,098	41,984,098
Cash at bank	Loans and receivables	Amortised cost	303,592	303,592
<b>Financial Liabilities</b>				
Qard-e-Hasna from Operator	Other financial liabilities	Amortised cost	6,000,000	6,000,000
Outstanding claims	Other financial liabilities	Amortised cost	600,000	600,000
Takaful / Re-takaful payable	Other financial liabilities	Amortised cost	11,574,413	11,574,413
Payable to Operator's Fund	Other financial liabilities	Amortised cost	8,729,953	8,729,953
Other creditors and accruals	Other financial liabilities	Amortised cost	444,349	444,349

### Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss (ECL) model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized. The ECL model involve significant judgments and estimation processes. The Operator is currently in the process of analyzing the potential impact of expected credit loss model upon adoption of IFRS 9.

#### **4 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 31, 2018.

#### **5 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, 2018.

## 6 PROPERTY AND EQUIPMENT

June 30, 2019 (Unaudited)		Accumulated depreciation				Depreciation rate %
Cost		Rupees				
As at January 1, 2019	Additions during the period	As at June 30, 2019	As at January 1, 2019	Depreciation for the period	As at June 30, 2019	Written down value
-	28,000,000	28,000,000	-	116,667	116,667	27,883,333
-	2,300,000	2,300,000	-	38,333	38,333	2,261,667
-	30,300,000	30,300,000	-	155,000	155,000	30,145,000
-	-	-	-	-	-	-

Office Premises  
Vehicles

5%  
20%

December 31, 2018 - audited

## 7 TERM DEPOSIT RECEIPTS

June 30, 2019 (Unaudited)			December 31, 2018 (Audited)				
1-Jan-2019	Acquired during the period	Sale / Maturity during the period	30-Jun-2019	8-May-2018	Acquired during the period	Sale / Maturity during the period	31-Dec-2018
20,000,000	-	-	20,000,000	-	20,000,000	-	20,000,000
10,000,000	-	(10,000,000)	-	-	10,000,000	-	10,000,000
10,000,000	-	(10,000,000)	-	-	10,000,000	-	10,000,000
10,000,000	-	(10,000,000)	-	-	10,000,000	-	10,000,000
50,000,000	-	(30,000,000)	20,000,000	-	50,000,000	-	50,000,000

Held to maturity

Term Deposit Receipts- Operator's Fund 7.1  
Bank Islami Limited  
Dubai Islami Bank Limited  
Dubai Islami Bank Limited  
Summit Bank Limited

7.1 These represent term deposit in local currency carrying profit ranging from 6% to 9% (2018: 4.13% to 7.8%)

## 8 INVESTMENTS IN EQUITY SECURITIES

June 30, 2019 (Unaudited)		December 31, 2018 (Audited)					
1-Jan-2019	Acquired during the period	Sale / Maturity during the period	30-Jun-2019	8-May-2018	Acquired during the period	Sale during the period	31-Dec-2018
-	10,000,000	(10,000,000)	-	-	-	-	-
-	10,000,000	(10,000,000)	-	-	-	-	-
-	20,000,000	(20,000,000)	-	-	-	-	-

Investments classified as Held for trading  
NIT - Operator's Fund  
Net islamic income Fund

	June 30, 2019 (Unaudited)			December 31, 2018 (Audited)		
	Operator's Fund	Participants' Takaful Fund	Aggregate Fund	Operator's Fund	Participants' Takaful Fund	Aggregate Fund
	Rupees			Rupees		
<b>9 ACCRUED INVESTMENT INCOME</b>						
Income accrued on Term Deposit Receipts	942,410	-	942,410	-	-	-
Income accrued on PLS Savings account	86,073	1,185	87,258	130,047	2,660	132,707
	<u>1,028,483</u>	<u>1,185</u>	<u>1,029,668</u>	<u>130,047</u>	<u>2,660</u>	<u>132,707</u>
<b>10 TAKAFUL / RE-TAKAFUL RECEIVABLES</b>						
(Unsecured - considered good)						
Due from Takaful contract holders	-	26,961,818	26,961,818	-	4,065,211	4,065,211
Due from Re-takaful operators	-	15,022,280	15,022,280	-	4,705,687	4,705,687
	-	<u>41,984,098</u>	<u>41,984,098</u>	-	<u>8,770,898</u>	<u>8,770,898</u>
<b>11 TAXATION - NET</b>						
Advance tax	213,696	10,858	224,554	121,794	72	121,866
<b>12 PREPAYMENTS</b>						
Other prepayments	2,041,500	-	2,041,500	-	-	-
Prepaid retakaful contribution ceded	-	12,603,463	12,603,463	-	366,365	366,365
	<u>2,041,500</u>	<u>12,603,463</u>	<u>14,644,963</u>	-	<u>366,365</u>	<u>366,365</u>
<b>13 CASH AND BANK</b>						
Cash in hand	-	-	-	-	82	82
Cash at bank	-	75	75	1,612	75	1,687
Current accounts	248,195	303,517	551,712	697,946	511,069	1,209,015
PLS savings accounts	<u>248,195</u>	<u>303,592</u>	<u>551,787</u>	<u>699,558</u>	<u>511,226</u>	<u>1,210,784</u>

13.1 These represent profit and loss sharing accounts carrying profit rates ranging from 5.35% to 10% (2018: 3.75% to 7.27%) per annum.

	June 30, 2019 (Unaudited)			December 31, 2018 (Audited)		
	Operator's Fund	Participants' Takaful Fund	Aggregate Fund	Operator's Fund	Participants' Takaful Fund	Aggregate Fund
	Rupees			Rupees		
<b>14 TAKAFUL / RETAKAFUL PAYABLE</b>						
Payable to retakaful operator- foreign	-	2,568,859	2,568,859	-	-	-
Payable to retakaful operator- local	-	9,005,554	9,005,554	-	-	-
	-	11,574,413	11,574,413	-	-	-
<b>15 OTHER CREDITORS AND ACCRUALS</b>						
Salaries payable	136,667	-	136,667	330,556	-	330,556
Staff provident fund	184,600	-	184,600	108,000	-	108,000
Federal excise duty	-	-	-	-	563,816	563,816
Commission payable	5,394,919	-	5,394,919	276,883	-	276,883
Federal insurance fee	-	254,966	254,966	-	43,112	43,112
Withholding tax payable	126,186	65,608	191,794	25,695	47,146	72,841
Accrued expenses	50,780	123,775	174,555	59,000	3,913	62,913
	5,893,152	444,349	6,337,501	800,134	657,987	1,458,121
<b>16 PAYABLE TO EAST WEST INSURANCE COMPANY LIMITED</b>						
<b>17 CONTINGENCIES AND COMMITMENTS</b>						

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

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

18 NET TAKAFUL CONTRIBUTION

-----Unaudited-----				
	For the Six months period ended June 30, 2019	For the period from May 08, 2018 to June 30, 2018	For the Three months period ended June 30, 2019	For the period from May 08, 2018 to June 30, 2018
	Rupees	Rupees	Rupees	Rupees
Written gross contribution	64,773,315	-	42,462,066	-
Unearned contribution reserve (Opening)	10,820,755	-	16,499,090	-
Unearned contribution reserve (Closing)	(43,604,288)	-	(43,604,288)	-
Contribution earned	31,989,782	-	15,356,868	-
Less:				
Re-takaful contribution ceded	25,396,284	-	15,719,053	-
Prepaid retakaful contribution ceded (Opening)	366,365	-	4,413,198	-
Prepaid retakaful contribution ceded (Closing)	(12,603,463)	-	(12,603,463)	-
Retakaful expense	13,159,186	-	7,528,788	-
	18,830,596	-	7,828,080	-

		-----Unaudited-----			
		Six months period ended June 30, 2019	For the period from May 08, 2018 to June 30, 2018	Three months period ended June 30, 2019	For the period from May 08, 2018 to June 30, 2018
		----- Rupees -----		----- Rupees -----	
<b>19</b>	<b>NET TAKAFUL CLAIMS</b>				
	Claims paid	19,540,693	-	16,208,693	-
	Outstanding claims (Opening)	-	-	(600,000)	-
	Outstanding claims (Closing)	600,000	-	600,000	-
		<u>20,140,693</u>		<u>16,208,693</u>	
	Less				
	Retakaful and other recoveries received	13,987,312	-	13,987,312	-
		<u>6,153,381</u>	<u>-</u>	<u>2,221,381</u>	<u>-</u>
<b>20</b>	<b>WAKALA EXPENSE</b>				
	Gross wakala fee	22,877,753	-	14,910,833	-
	Deferred wakala expense (Opening)	4,108,655	-	5,521,159	-
	Deferred wakala expense (Closing)	(15,133,496)	-	(15,133,496)	-
	Deferred wakala expense	<u>11,852,912</u>	<u>-</u>	<u>5,298,496</u>	<u>-</u>
<b>21</b>	<b>RETAKAFUL REBATE</b>				
	Retakaful rebate received	3,228,955	-	2,135,781	-
	Unearned retakaful rebate (Opening)	36,636	-	580,590	-
	Unearned retakaful rebate (Closing)	(1,892,285)	-	(1,892,285)	-
	Unearned retakaful rebate	<u>1,373,306</u>	<u>-</u>	<u>824,086</u>	<u>-</u>
<b>22</b>	<b>COMMISSION EXPENSE</b>				
	Commission paid	13,994,888	-	9,294,544	-
	Deferred commission expense (Opening)	1,672,779	-	2,905,743	-
	Deferred commission expense (Closing)	(8,476,260)	-	(8,476,260)	-
		<u>7,191,407</u>	<u>-</u>	<u>3,724,027</u>	<u>-</u>
<b>23</b>	<b>MANAGEMENT EXPENSES</b>				
	Salaries, allowances and employees benefits	4,091,470	573,193	1,755,321	573,193
	Office rent and maintenance	26,829	52,176	10,780	52,176
	Motor vehicle running expense	87,329	80,000	38,519	80,000
	Printing and stationary	87,744	-	18,179	-
	Postage and telegram	6,490	-	1,640	-
	Utility expenses	146,537	-	73,720	-
	Repair and maintenance	11,310	-	4,040	-
	Service charges	225,988	-	225,988	-
		<u>4,683,697</u>	<u>705,369</u>	<u>2,128,187</u>	<u>705,369</u>

23.1 These include nil and Rs. 0.065 million (2018: Rs. 0.163 million and Rs. 0.068 million) in respect of bonus and provident fund respectively.

		-----Unaudited-----			
		Six months period ended June 30, 2019	For the period from May 08, 2018 to June 30, 2018	Three months period ended June 30, 2019	For the period from May 08, 2018 to June 30, 2018
Note		----- Rupees -----		----- Rupees -----	
<b>24</b>	<b>INVESTMENT INCOME</b>				
	Participants' Takaful fund				
	Return on PLS saving accounts	106,401	-	29,894	-
	Less: Modarib Share on Return on PLS saving accounts	(53,201)	-	(14,947)	-
		<u>53,200</u>	<u>-</u>	<u>14,947</u>	<u>-</u>
	Operator's Fund				
	Return on PLS saving accounts	311,896	30,996	308851	30996
	Return on mutual fund	285,830	-	285830	-
	Return on Term Deposit Receipts	1,400,922	6,849	592905	6849
	Add: Modarib Share on Return on PLS savings accounts	1,998,648	37,845	1,187,586	37,845
		<u>53,201</u>	<u>-</u>	<u>14,947</u>	<u>-</u>
		<u>2,051,849</u>	<u>37,845</u>	<u>1,202,533</u>	<u>37,845</u>
<b>25</b>	<b>OTHER EXPENSES</b>				
	Salaries, allowances and employees benefits	981,882	-	417,450	-
	Shariah registrar fees	576,000	108,000	360,000	108,000
	Auditor's remuneration	286,000	-	286,000	-
	Depreciation expenses	155,000	-	155,000	-
	Bank charges	971	-	300	-
	Staff welfare expenses	95,843	-	25,235	-
	Newspaper and periodicals	6,885	-	2,340	-
		<u>2,102,581</u>	<u>108,000</u>	<u>1,246,325</u>	<u>108,000</u>

25.1 These include nil and Rs. 0.238 million (Rs. 0.013 million and Rs. 0.009 million) in respect of bonus and provident fund respectively.

26 RELATED PARTY TRANSACTIONS

The Operator has related party comprise of the associates, subsidiary company, directors, key management personnel and staff retirement funds. 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, other than those which have been disclosed elsewhere in these financial statements are as follows:

	Six months period ended June 30, 2019	For the period from May 08, 2018 to June 30, 2018	Three months period ended June 30, 2019	For the period from May 08, 2018 to June 30, 2018
<b>Operator's Fund</b>				
Amount received from East West Insurance Company Limited	913,047	-	-	-
Remuneration Paid	4,074,936	176,667	2,037,468	176,667
Staff retirement benefits payable	73,500	-	-	-
Takaful Operator -East West Insurance Company Limited	16,000,000	-	16,000,000	-
Takaful Operator -East West Insurance Company Limited	12,000,000	-	12,000,000	-
Takaful Operator -East West Insurance Company Limited	2,300,000	-	2,300,000	-
<b>26 Period end balances</b>				
Payable to related parties				
East West Insurance Company Limited	7,349,771		7,349,771	6,436,724
Staff retirement benefits	181,500		181,500	108,000
Key management personal	136,667		136,667	312,000
	<u>7,667,938</u>		<u>7,667,938</u>	<u>6,856,724</u>

27 SEGMENT REPORTING

27.1 Following are the segment assets, liabilities, revenue and expenses of the Operator's Takaful fund:

Operator's Fund	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
-----Six months period ended June 30, 2019 (unaudited)-----					
-----Rupees-----					
Gross wakala fee	7,433,595	2,220,503	11,120,820	2,102,835	22,877,753
Unearned wakala fee - opening	2,567,594	80,219	1,405,673	55,169	4,108,655
Unearned wakala fee - closing	(5,226,402)	(784,840)	(7,673,227)	(1,449,027)	(15,133,496)
Wakala fee earned	4,774,787	1,515,882	4,853,266	708,977	11,852,912
Commission paid / payable	(4,645,998)	(1,221,277)	(6,354,754)	(1,772,859)	(13,994,888)
Deferred commission expense - opening	(1,291,897)	(28,627)	(328,436)	(23,819)	(1,672,779)
Deferred commission expense - closing	3,196,056	348,574	3,605,592	1,326,038	8,476,260
Commission expense	(2,741,839)	(901,330)	(3,077,598)	(470,640)	(7,191,407)
Management expenses	(1,886,765)	(599,003)	(1,917,776)	(280,153)	(4,683,697)
Underwriting results	146,183	15,549	(142,108)	(41,816)	(22,192)
Investment income					2,051,849
Other expenses					2,102,581
Loss for the period					(72,924)

27.2 Following are the segment assets, liabilities, revenue and expenses of the Participants' Takaful fund:

Participants' Takaful Fund	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
-----Six months period ended June 30, 2019 (unaudited)-----					
-----Rupees-----					
Contribution receivable (inclusive of administrative surcharge, Federal Excise Duty and Federal Insurance Fee)	18,764,332	5,602,672	32,242,452	8,934,623	65,544,079
Less: Federal Excise Duty	(169,399)	(19,207)	(366,883)	(3,421)	(558,910)
Federal Insurance Fee	(10,941)	(32,206)	(101,799)	(66,908)	(211,854)
Written gross contribution including administrative surcharge	18,583,992	5,551,259	31,773,770	8,864,294	64,773,315
Gross written contribution	18,583,992	5,551,259	31,773,770	8,864,294	64,773,315
Unearned contribution reserve (opening)	6,418,985	200,548	4,016,210	185,012	10,820,755
Unearned contribution reserve (closing)	(13,066,005)	(1,962,101)	(21,923,504)	(6,652,678)	(43,604,288)
Contribution earned	11,936,972	3,789,706	13,866,476	2,396,628	31,989,782
Re-takaful contribution ceded	11,682,056	4,073,151	5,466,135	4,174,942	25,396,284
Prepaid Retakaful contribution ceded (opening)	366,365	-	-	-	366,365
Prepaid Retakaful contribution ceded (closing)	(6,730,389)	(1,216,968)	(1,003,032)	(3,653,074)	(12,603,463)
Retakaful expense	5,318,032	2,856,183	4,463,103	521,868	13,159,186
Net takaful contribution	6,618,940	933,523	9,403,373	1,874,760	18,830,596
Retakaful rebate	1,741,229	610,972	250,513	626,241	3,228,955
Retakaful rebate (opening)	36,636	-	-	-	36,636
Retakaful rebate (closing)	(1,061,476)	(182,545)	(100,303)	(547,961)	(1,892,285)
	716,389	428,427	150,210	78,280	1,373,306
Net underwriting income	7,335,329	1,361,950	9,553,583	1,953,040	20,203,902
Net claims	(763,890)	(821,819)	(4,445,573)	(122,099)	(6,153,381)
Wakala fee	(4,774,787)	(1,515,882)	(4,853,266)	(708,977)	(11,852,912)
Direct expenses	(2,976)	-	-	-	(2,976)
Net insurance claims and expenses	(5,541,653)	(2,337,701)	(9,298,839)	(831,076)	(18,009,269)
Underwriting results	1,793,676	(975,751)	254,744	1,121,964	2,194,633
Investment income					53,200
Surplus for the period					2,247,833

27.3 Management has allocated indirect management expenses to underwriting business on the basis of net takaful contribution under individual business as per the stated accounting policy of the Operator.

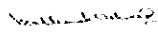
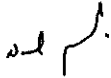
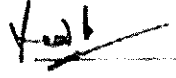
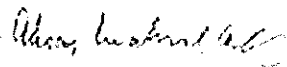

28 **DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information has been authorized for issue on \_\_\_\_\_ by the Board of Directors of the Company.

29 **GENERAL**

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

29.2 Corresponding figures have been re-arranged and re-classified, where ever necessary for the purpose of comparison, the effect of which is not material.

      
CHAIRMAN CHIEF EXECUTIVE DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE CO., LIMITED**  
**Pattern of Shareholdings**  
**As At JUNE 30, 2019**

Number of Shareholders	Shareholdings		Share Held	Percentage
	From	To		
179	1	200	30,193	0.0396
14	201	1,000	3,817	0.0050
2	1,001	2,000	2,189	0.0029
3	2,001	4,000	9,960	0.0131
1	4,001	5,000	4,591	0.0060
6	5,001	15,000	82,509	0.1082
10	15,001	20,000	166,456	0.2184
8	20,001	25,000	171,705	0.2253
1	25,001	30,000	25,387	0.0333
8	30,001	35,000	257,732	0.3381
3	35,001	40,000	112,047	0.1470
4	40,001	45,000	174,532	0.2290
1	90,000	95,000	92,465	0.1213
2	1,200,001	1,500,000	2,723,652	3.5733
1	2,500,001	2,600,000	2,568,678	3.3700
7	3,000,001	4,000,000	24,919,386	32.6928
2	4,000,001	5,000,000	9,410,486	12.3460
4	5,000,001	6,000,000	22,931,719	30.0851
2	6,000,001	6,500,000	12,535,241	16.4455
<b>258</b>			<b>76,222,745</b>	<b>100.0000</b>

Categories Of Shareholders	Number	Share Held	Percentage
CEO, Directors and their spouses and minor children	14	48,882,787	64.1315
Joint Stock Companies, Insurance Companies, Investment Companies & Modaraba	1	4,591	0.0060
Individual	243	27,335,367	35.8625
<b>Total</b>	<b>258</b>	<b>76,222,745</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	4,591	0.0060
<b>CEO, Directors, their Spouses and Minor Children</b>			
Chief Justice ( R ) Mian Mahboob Ahmed	1	3,082	0.0040
Javed Yunus	1	5,889,638	7.7269
Pervez Yunus	1	5,821,574	7.6376
Naved Yunus	1	5,384,947	7.0648
Maheen Yunus	1	6,407,795	8.4067
Umeed Ansari	1	1,147	0.0015
Ahsan Mahmood Alvi	1	1,042	0.0014
Mirza Kazim Raza	1	947	0.0012
Ambreen N. Yunus	1	6,127,446	8.0389
Rubina J. Yunus	1	3,776,250	4.9542
Samina P. Yunus	1	3,806,185	4.9935
Shamaila M. Yunus	1	4,893,405	6.4199
Samad M. Yunus	1	3,334,022	4.3741
Anum M. Yunus	1	3,435,307	4.5069
Individual	243	27,335,367	35.8625
<b>Total</b>	<b>258</b>	<b>76,222,745</b>	<b>100.0000</b>