

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: 5) principal offices and 24 (2018: 29) 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 is prepared in accordance with the accounting and reporting standards for insurance companies 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 Standards Board (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 Takatful 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 Takatful Rules, 2012 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and Takatful Rules, 2012, have been followed.

The Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O 89(I)/2017 dated 19th February 2017 has prescribed the format and procedure for the preparation of interim financial statements for 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 is for the period from 30 September 2018 to 30 September 2017. The comparative 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 Takatful 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 Takatful 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.

September 30, 2019 **September 30, 2018**
Rupees

	September 30, 2019	September 30, 2018
Reconciliation to profit and loss account		
Operating cash flows	(58,053,558)	(89,104,316)
Depreciation expense	(18,628,328)	(14,785,084)
Amortization of intangible	(158,121)	(75,296)
Profit on disposal of fixed assets	28,814,822	1,686,281
Investment income	30,560,970	12,984,546
(Loss)/gain on disposal of investment securities	(60,618,237)	15,715,975
Dividend income	26,692,503	21,815,618
Other income	10,603,501	4,500
Profit / (Loss) on takatful operations	3,980,792	(1,262,415)
Increase in assets other than cash	245,058,913	451,024,595
Decrease in operating liabilities	(104,639,832)	(258,110,374)
Profit for the period	105,613,435	139,894,030

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:

	September 30, 2019	September 30, 2018
Cash and other equivalents	55,646	242,981
Current and other accounts	44,450,486	11,082,819
Deposits maturing within 12 months	240,000,000	40,000,000
	284,506,132	51,325,800

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.

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.

September 30, 2019
(Unaudited)
December 31, 2018
(Audited)
Rupees

Note

6 PROPERTY AND EQUIPMENT

Opening balance as at 155,311,984
Additions during the period / year 115,774,703

Owned

Furniture and fixtures	310,450	262,300
Electrical fittings and equipments	983,134	1,545,760
Computers	206,400	451,345
Office equipments	189,020	196,066
Vehicles	12,712,860	37,148,215
Leased		
Vehicles	57,580	27,383,000
	14,459,444	66,986,686

Less:
Written down value of assets disposed during the period / year (2,681,637) (9,124,539)
Depreciation charge for the period / year (16,787,069.01) (18,324,866)

150,302,722 155,311,984

7 INTANGIBLE ASSETS

Intangible assets 544,638 702,759
Software under development 705,000 705,000

7.1

1,249,638 1,407,759

7.1
Opening balance as at 702,759 1,736,980
Less: Amortization charge for the period/year (158,121) (1,034,221)

544,638 702,759

8 INVESTMENT PROPERTIES

Investment properties 45,644,147 50,442,445

8.1

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).

9 INVESTMENTS IN EQUITY SECURITIES

9.1 Investments - Held For Trading

	September 30, 2019 (Unaudited)			December 31, 2018 (Audited)		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
Listed shares	17,927,209	-	65,151,035	(1,511,159)	(1,511,159)	17,927,209
Unlisted shares	34,140,415	-	348,692,233	622,79,738	(1,299,840)	344,491,415
Monied funds	623,307,684	-	631,809,243	679,621,236	(8,111,573)	621,509,663

9.2 Investments Available For Sale

	September 30, 2019 (Unaudited)			December 31, 2018 (Audited)		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
Related Party	301,146,348	(7,244,994)	181,170,432	270,231,719	(6,844,209)	204,387,510
Listed shares	1,422,073	(68,677)	703,397	10,493,331	(4,458)	10,318,475
Unlisted shares	-	-	-	-	-	-
Deficit on evaluation	203,484,231	(37,912,271)	145,523,429	305,857,059	(6,598,060)	203,484,231
Total equity securities	828,158,159	(1,091,941)	607,393,117	901,458,209	(11,111,676)	824,346,546

9.3 This represents investment in associated undertaking.

10 INVESTMENTS IN DEBT SECURITIES

10.1 Investments - Held To Maturity

	September 30, 2019 (Unaudited)			December 31, 2018 (Audited)		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
Government Securities	160,829,975	-	141,217,551	-	-	-
Pakistan Investment Bonds	-	-	141,217,551	-	-	-
Total debt securities	160,829,975	-	141,217,551	-	-	-

10.1.1 This represents Pakistan Investment Bonds (PIBs) carrying interest ranging from 5.1% to 12% (December 31, 2018: 5.9% to 12%).

10.2 Investments - Available for sale

	September 30, 2019 (Unaudited)			December 31, 2018 (Audited)		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
Pakistan Investment Bonds	10,000,000	-	14,610,238	14,610,238	(21,302,483)	13,647,775
Term Finance Certificates	10,000,000	-	10,000,000	10,000,000	-	10,000,000
Corporate Sukuk	10,000,000	-	12,710,000	12,710,000	-	12,710,000
T - Bills	-	-	20,845,818	20,845,818	23,217	20,822,601
(Guarantee) surplus on revaluation	-	-	14,947,206	14,947,206	-	14,947,206
Total debt securities	20,000,000	-	25,102,000	20,213,052	(21,564,260)	13,502,522
	180,829,975	-	186,532,551	200,423,082	(21,564,260)	133,802,222

10.2.1 Investment Pakistan investment bonds (PIBs) were reclassified from available-for-sale to held to maturity (Rs. 12.6 million as at 1 January 2019). At the date of initial application PIBs have fixed maturity and the company intends to, and is able to, hold them to maturity. The fair value of Rs.12.6 million as at 1 January 2019 was equivalent to the amortised cost for these assets. There was no impact on retained earnings at 1 January 2019.

The fair value at 30 June 2019 of PIBs were Rs. 119.1 million and a fair value loss of Rs. 1.8 million would have been recognised in OCI as at 30 June 2019, had the PIBs not been reclassified to held to maturity.

The effective interest rate determined on 1 January 2019 for these Pakistan investment bonds is (0.84% - 13.24%) and interest income of Rs.0.279 million was recognised during the period to 30 June 2019.

September 30, 2019 (Unaudited)

September 30, 2018 (Audited)

(Rupees)

11 TERM DEPOSIT RECEIPT

Deposits maturing within 12 months 240,000,000 64,071,017

11.1 These represent Term Deposit Receipts (TDRs) in local currency carrying interest rates ranging from 3.50% to 13.90% per annum (2018: 3.50% to 6.00% per annum).

12 LOANS AND OTHER RECEIVABLES

(Unsecured - considered good)

	September 30, 2019 (Unaudited)	September 30, 2018 (Audited)
Accrued investment income	4,121,926	3,425,403
Pakistan investment bonds	332,259	14,290
Term finance Certificates	120,822	311,754
Corporate Sukuks	2,443,283	-
Others	7,018,290	3,751,447
Advances	52,709,442	26,405,005
Deposits	8,622,578	6,361,689
Other receivables	84,752,299	4,813,344
	153,102,609	41,331,485

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

13 INSURANCE / REINSURANCE RECEIVABLES

(Unsecured - considered good)

	September 30, 2019 (Unaudited)	September 30, 2018 (Audited)
Premium due but unpaid	229,937,392	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)
Amount due from other insurers / reinsurers	220,975,573	130,180,787
	173,210,456	159,582,415
	394,186,029	289,765,202

14 PREFAYMENTS

Prepaid reinsurance premium ceded	550,996,031	622,853,417
Prepaid rent	937,507	1,072,807
Others	267,374	267,374
	552,200,912	624,193,598

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)
15 CASH AND BANK		
Cash and cash equivalents	55,646	76,348
Cash at bank	33,631,325	26,052,144
Current accounts	10,819,161	9,648,408
Saving accounts	44,506,132	35,776,900
15.1	These include interest bearing accounts carrying interest rates ranging from 5% to 10% (December 31, 2018: 5% to 10%) per annum.	
16 RESERVES		
General reserve	200,000,000	200,000,000
Unrealized gain / (loss) on available for sale investments	(83,480,446)	(66,952,139)
	116,519,554	133,047,861
17 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Current portion	6,138,476	7,692,978
Non-current portion	9,765,353	13,810,119
	15,903,829	21,503,097
18 OTHER CREDITORS AND ACCRUALS		
Sundry creditors	2,242,579	22,871,042
Commission payable	-	16,660,791
Federal excise duty	9,889,601	2,077,439
Federal insurance fee	1,512,999	2,737,186
Workers' welfare fund	25,284,117	25,284,117
Withholding tax	5,079,282	3,493,668
Unclaimed dividend	31,303	31,303
Due to director	18,631,724	4,800,724
	62,671,605	77,956,270

	September 30, 2019 (Unaudited)	September 30, 2018 (Unaudited)
19 CONTINGENCIES AND COMMITMENTS		
There is no contingency and commitment as at June 30, 2019 (December 31, 2018: Nil).		
20 NET INSURANCE PREMIUM		
Written gross premium	2,389,428,343	2,255,909,577
Add: Unearned premium reserve - opening	981,543,116	754,295,174
Less: Unearned premium reserve - closing	(915,710,408)	(959,875,336)
Premium earned	2,455,261,051	2,050,329,415
Less: Reinsurance premium ceded	1,132,088,842	1,171,971,990
Add: Prepaid reinsurance premium - opening	622,853,417	426,631,798
Less: Prepaid reinsurance premium - closing	(550,996,031)	(596,977,707)
Reinsurance expense	1,203,946,228	1,001,626,081
	1,251,314,823	1,048,703,334
21 NET INSURANCE CLAIMS EXPENSE		
Claims paid	774,347,822	582,431,985
Add: Outstanding claims (including IBNR) - closing	591,011,453	649,169,273
Less: Outstanding claims (including IBNR) - opening	(594,943,284)	(660,414,928)
Claims expense	770,415,891	571,186,300
Less: Reinsurance and other recoveries received	211,947,509	158,156,084
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	450,636,618	507,502,749
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	(442,005,633)	(540,027,227)
Reinsurance and other recoveries revenue	220,578,494	125,631,606
	549,837,397	445,554,694

22 NET COMMISSION

Commission paid or payable	518,151,574	435,638,782
Add: Deferred commission expense - opening	172,215,623	146,599,131
Less: Deferred commission expense - closing	(235,515,940)	(192,443,809)
Net commission	454,851,257	389,794,104

Less: Commission received or recoverable	305,066,092	208,660,575
Add: Unearned reinsurance commission - opening	99,090,998	77,864,150
Less: Unearned reinsurance commission - closing	(198,506,296)	(100,820,912)
Commission from reinsurers	205,650,794	185,703,813
	249,170,463	204,090,291

	September 30, 2019	September 30, 2018
	(Unaudited)	(Unaudited)
	(Rupees)	(Rupees)

23 INVESTMENT INCOME

Return on investments classified at Held-for-Trading		
Gain on sale of investments	(60,050,992)	(142,560)
Unrealized (loss)/gain on revaluation of investments	(567,245)	15,715,975
Dividend income	26,692,503	21,815,618
	(33,925,734)	37,389,033

Return on investments classified at Held-to-maturity		
Return on government securities	11,411,907	9,305,560
Return on other fixed income securities and deposits	8,769,231	1,213,999
Amortisation of premium and discount - net	102,002	674,074
Less: Investment related expenses	(1,048,852)	(817,526)
	19,234,288	10,376,107
	(14,691,446)	47,765,140

24 EARNINGS PER SHARE - basic and diluted

Profit for the period	103,613,435	139,852,030	21,523,303	29,059,428
	66,227,450	762,227,450	762,227,450	762,227,450
Weighted average number of ordinary shares of Rs. 10 each	1.36	1.83	0.28	0.38
Earnings per share - rupees				

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

25 SEGMENT REPORTING

Following are the segment assets, liabilities, revenue and expenses of the Company:

Segment Current Period	September 30, 2019				TOTAL
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	
Unearned-Opening	729,610,445	286,108,733	397,648,870	1,006,660,375	2,389,428,243
Unearned-Closing	385,990,099	2,096,814	139,882,310	304,473,893	891,443,116
Unearned-Opening	312,462,824	201,888,441	339,598,445	1,012,224,841	2,455,266,031
Unearned-Closing	(72,235,386)	(13,694,387)	(88,362,781)	(567,396,560)	(1,12,088,842)
Reinsurance-Ceiled	(133,642,032)	(64,103,368)	(7,941,813)	(44,889,206)	(622,853,417)
Reinsurance-Opening	367,695,644	151,689,335	271,553,373	460,376,251	1,251,314,823
Reinsurance-Closing	357,900,172	28,846,723	12,668,406	78,834,893	205,650,794
Net reinsurance income	(87,645,532)	(128,842,613)	(162,215,962)	(279,693,366)	(673,313,539)
Outstanding-Opening	(185,686,240)	(94,232,680)	(150,522,663)	(330,441,583)	(774,341,222)
Outstanding-Closing	119,962,424	23,801,473	35,341,827	416,373,660	594,843,384
Outstanding-Opening	(127,153,738)	(4,039,130)	(7,248,925)	(412,469,650)	(991,011,453)
Outstanding-Closing	(118,824,320)	(1,142,734)	(1,820,403)	(272,857,644)	(594,645,100)
Recovery-Opening	(56,640,159)	(4,248,135)	(4,844,044)	(73,153,129)	(142,002,633)
Recovery-Closing	61,569,857	4,351,306	12,363,800	372,582,945	450,656,613
Recovery-Opening	(103,417,156)	(1,452,734)	(118,290,483)	(272,857,644)	(549,833,197)
Recovery-Closing	(97,964,483)	(71,909,345)	(7,309,345)	(127,657,782)	(454,821,257)
Management expense	(62,813,417)	(4,813,397)	(66,243,246)	(78,398,130)	(313,088,190)
Net insurance revenue and expenses	399,990,160	(4,813,397)	(240,233,251)	(6,283,528)	(1,27,878,675)
Net investment income	49,237,823	49,237,823	49,237,823	49,237,823	(14,691,446)
Rental income					4,844,820
Other income					(38,445,272)
Operating and Admin expenses					160,385,323
Profit-before tax	550,739,304	227,202,283	496,736,463	689,557,519	1,874,235,569
Segment Assets					1,288,620,609
Undisbursed Assets					386,210,833
Segment Liabilities					1,779,653,862
Undisbursed Liabilities					152,728,675

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - WINDOW TAKAFUL OPERATIONS

AS AT September 30, 2019

Notes	September 30, 2019			December 31, 2018		
	(Unaudited)		Aggregate	(Audited)		Aggregate
	Operators' Fund	Participants' Takaful Fund		Operators' Fund	Participants' Takaful Fund	
Rupees						
ASSETS						
Property and equipment	6	29,680,000	-	29,680,000	-	-
Investments						
Term Deposit Receipts	7	20,000,000	-	20,000,000	50,000,000	-
Qard-e-Hasna to PTF		6,000,000	-	6,000,000	6,000,000	-
Accrued investment income	8	562,834	3,798	566,632	130,047	2,660
Takaful / Re-takaful receivables	9	54,901,839	54,901,839	331,159	8,770,898	8,770,898
Taxation - net	10	318,915	12,244	331,159	121,794	72
Deferred wakala expense		24,909,917	-	24,909,917	4,108,655	-
Deferred commission expense		14,118,094	-	14,118,094	1,672,779	-
Receivable from PTF		20,565,602	-	20,565,602	1,800,927	-
Prepayments	11	53,146	33,588,362	62,053	699,558	366,365
Cash and bank	12	53,146	68,837	62,053	511,226	1,210,384
TOTAL ASSETS		91,318,591	113,983,037	205,303,628	60,425,105	13,759,876
FUND AND LIABILITIES						
Fund attributable to						
Operators' Fund		50,000,000	-	50,000,000	50,000,000	-
Summary Fund		3,060,384	-	3,060,384	(920,408)	-
Accumulated losses		53,060,384	-	53,060,384	49,079,592	-
Participants' Takaful Fund						
Ceded money		-	500,000	-	-	500,000
Accumulated losses		-	(596,860)	-	(596,860)	(5,556,429)
Qard-e-Hasna		-	(96,860)	-	(96,860)	(5,056,429)
LIABILITIES						
Underwriting provisions						
Outstanding Claims		-	600,000	-	-	-
Unearned contribution reserve		-	67,609,078	-	-	10,820,755
Unearned Re-takafal rebate		-	4,802,255	-	-	36,636
Takaful / Re-takafal payable		-	73,011,333	-	-	10,857,391
Unearned wakala fee		-	14,656,341	-	-	-
Payable to Operator's Fund		24,909,917	-	24,909,917	4,108,655	-
Other creditors and accruals	13	7,398,528	348,621	7,747,149	800,134	1,300,927
Payable to East West Insurance Company	14	5,949,762	-	5,949,762	6,436,724	-
TOTAL LIABILITIES		38,258,207	108,081,897	146,340,104	11,345,513	12,816,305
TOTAL FUND AND LIABILITIES		91,318,591	113,983,037	205,303,628	60,425,105	13,759,876

CONTINGENCIES AND COMMITMENTS 5

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.





CHAIRMAN
 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
 DIRECTOR
 CHIEF FINANCIAL OFFICER

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - WINDOW TAKAFUL

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019 (Un-Audited)

Note	Participants' Takaful Fund	For the period from	Three months	Three months	Three months
		May 08, 2018 to	period ended	period ended	period ended
		Sept. 30, 2019	Sept. 30, 2019	Sept. 30, 2019	Sept. 30, 2018
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
15	Revenue Account	40,846,229	276,025	22,015,633	276,025
16	Net takaful contribution	(15,865,163)	-	(9,711,782)	-
17	Wakala expense	(23,674,119)	(138,294)	(11,821,207)	(138,294)
	Direct expenses	(2,976)	-	-	-
18	Retafakul rebate	3,594,152	-	2,220,846	-
	Underwriting results	4,898,123	137,761	2,703,490	137,761
21	Investment income	61,446	-	8,246	-
	Surplus for the period	4,959,569	137,761	2,711,736	137,761
	Operator's Fund				
	Revenue Account	23,674,119	138,294	11,821,207	138,294
19	Commission expense	(14,384,406)	(75,520)	(7,192,999)	(75,520)
20	Management expenses	(5,092,214)	(1,433,978)	(4,092,517)	(728,699)
	Operating results	4,196,499	(1,371,204)	4,218,691	(665,835)
21	Investment income	2,631,534	380,437	579,685	344,592
22	Other expenses	(2,847,241)	(271,575)	(744,660)	(163,575)
	Profit for the period	3,980,792	(1,262,342)	4,053,716	(486,818)

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The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY-WINDOW TAKAFUL OPERATIONS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019 (Un-Audited)

	Statutory Fund	Operator's Fund	Total
		Accumulated Losses	
		Rupees	
Balance as at January 1, 2018	50,000,000	-	50,000,000
Total comprehensive income for the period	-	(1,262,342)	(1,262,342)
Profit for the period	-	-	-
Other comprehensive income	-	(1,262,342)	(1,262,342)
Balance as at Sept. 30, 2018	50,000,000	(1,262,342)	48,737,658
Balance as at January 1, 2019	50,000,000	(820,408)	49,079,592
Total comprehensive income for the period	-	3,980,792	3,980,792
Profit for the period	-	-	-
Other comprehensive income	-	3,980,792	3,980,792
Balance as at Sept. 30, 2019	50,000,000	3,060,384	53,060,384

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Participants' Fund

	Statutory Fund	Operator's Fund	Total
		Accumulated Losses	
		Rupees	
Balance as at January 1, 2019	500,000	-	500,000
Total comprehensive income for the period	-	137,761	137,761
Surplus for the period	-	-	-
Other comprehensive income	-	137,761	137,761
Balance as at Sept. 30, 2018	500,000	137,761	637,761

	Statutory Fund	Operator's Fund	Total
		Accumulated Losses	
		Rupees	
Balance as at January 1, 2019	500,000	(6,998,429)	(5,056,429)
Total comprehensive income for the period	-	4,959,569	4,959,569
Surplus for the period	-	-	-
Other comprehensive income	-	4,959,569	4,959,569
Balance as at Sept. 30, 2019	500,000	(3,968,860)	(96,860)

The annexed notes from 1 to 25 form an integral part of this condensed interim financial

CHAIRMAN
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
DIRECTOR
CHIEF FINANCIAL OFFICER

CHAIRMAN
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CHIEF FINANCIAL OFFICER

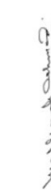


Karachi : October 29, 2019

CHIEF EXECUTIVE OFFICER

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019 (Un-Audited)

	Nine months period ended September 30, 2019		September 30,	
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	Rupees			
OPERATING CASH FLOWS				
(a) Takaful activities				
Contribution received	-	80,338,923	80,338,923	3,866,480
Riskafal contribution paid	-	(47,600,968)	(47,600,968)	(610,214)
Claims paid	-	(39,822,389)	(39,822,389)	-
Rebate on claims	-	44,571,226	44,571,226	-
Riskafal and incentives received	(20,245,998)	(30,245,998)	(50,491,996)	(561,572)
Rebate on riskafal paid	-	8,359,771	8,359,771	-
Riskafal fees received	-	(44,475,381)	(44,475,381)	-
Wakala fee paid	-	(44,475,381)	(44,475,381)	-
Net cash generated from / (used in) takaful activities	24,229,383	(18,442,818)	5,786,565	2,886,884
(b) Other operating activities				
Net cash generated from / (used in) other operating activities	(197,121)	(12,172)	(209,293)	(38,043)
Income tax paid	-	(2,976)	(2,976)	-
Direct expenses paid	(2,227,241)	-	(2,227,241)	-
Other expenses paid	(5,098,543)	-	(5,098,543)	(1,078,222)
Management expenses paid	(19,251,637)	18,455,309	(796,328)	118,590
Other operating receipts	(26,774,542)	18,440,161	(8,334,381)	(997,675)
Net cash generated from / (used in) other operating activities	(25,452,583)	15,478,160	(9,974,423)	(1,888,089)
Net cash generated from / (used in) operating activities	(2,223,200)	3,035,742	812,542	1,000,000
INVESTMENT ACTIVITIES				
Profit / return received and net cash generated from investing activities	2,198,747	60,308	2,259,055	380,437
Property and Equipment	(30,300,000)	-	(30,300,000)	-
Net cash generated from investing activities	(27,101,253)	60,308	(27,040,945)	380,437
FINANCING ACTIVITIES				
Contribution to the Operator's fund	-	-	-	50,000,000
Ceded money	-	-	-	(50,000,000)
Qard-e-Haana from OPF	-	-	-	50,000,000
Net cash generated from financing activities	-	-	-	50,000,000
Net increase in cash and cash equivalents	(30,646,412)	57,651	(30,588,761)	52,579,456
Cash and cash equivalents at beginning of the period	30,699,538	511,226	31,210,764	-
Cash and cash equivalents at end of the period	20,053,146	568,877	20,622,023	52,579,456
Reconciliation to profit and loss account:				
Operating cash flows	(2,545,159)	(2,657)	(2,547,816)	1,699,019
Depreciation expense	(620,000)	-	(620,000)	-
Return on deposits	2,198,747	60,308	2,259,055	380,437
Increase in assets other than cash	31,859,898	100,167,510	132,027,408	7,972,226
Increase in liabilities	(26,912,694)	(92,265,592)	(119,178,286)	(11,176,264)
Loss for the period	3,980,792	4,959,569	8,940,361	(1,124,581)
Attributed to:				
Operator's Fund			3,980,792	(1,262,342)
Participants' Takaful Fund			4,959,569	137,761
			8,940,361	(1,124,581)
CASH AND CASH EQUIVALENTS				
Cash in hand	53,146	568,877	622,023	52,579,456
Cash at bank	20,000,000	-	20,000,000	-
Term deposits	20,053,146	568,877	20,622,023	52,579,456

The annexed notes from 1 to 25 form an integral part of these financial statements.

CHAIRMAN
 MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
 CHIEF FINANCIAL OFFICER

Karachi : October 29, 2019

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019 (Un-Audited)

	For the period from May 08, 2018 to Sept. 30, 2018		Three months period ended Sept. 30, 2018	
	Nine months period ended Sept. 30, 2019	For the period from May 08, 2018 to Sept. 30, 2018	Three months period ended Sept. 30, 2019	Three months period ended Sept. 30, 2018
	Rupees			
Participants' Takaful Fund				
Surplus for the period	4,959,569	137,761	2,711,736	137,761
Other comprehensive income	-	-	-	-
Total comprehensive surplus for the period	4,959,569	137,761	2,711,736	137,761
Operator's Fund				
Profit for the period	3,980,792	(1,262,342)	4,053,716	(486,815)
Other comprehensive income	-	-	-	-
Total comprehensive profit for the period	3,980,792	(1,262,342)	4,053,716	(486,815)

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019 (Un-Audited)

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

These condensed interim financial statements have been prepared in line with the format issued by the SECP through Insurance Rules, 2017, and SECP Circular no 25 of 2015 dated July 09, 2015.

These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.

2.1 Statement of compliance

2.1.1 These condensed interim financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, Insurance Accounting Regulation and SECP Takaful Rules, 2012.

In case requirements differ, the provision of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, Insurance Accounting regulations, 2017 and SECP Takaful Rules, 2012, shall prevail. Total assets, total liabilities and profit of the Window Takaful Operations of the Operator's referred to as the Operator's Fund has been presented in these financial statements in accordance with the requirements of Circular 25 of 2015 dated July 9, 2015.

2.1.2 These condensed interim financial statement do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Operator's financial statements for the year ended December 31, 2018.

3 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention except that certain investments are stated at lower of cost and market value.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of annual financial statements for the year ended December 31, 2018.

5 CONTINGENCIES AND COMMITMENTS

There is no contingency and commitment as at September 30, 2019.

Note	September 30, 2019 (Un-Audited)		December 31, 2018 (Audited)	
	Operator's Fund	Participants' Takaful Fund - Aggregate	Operator's Fund	Participants' Takaful Fund - Aggregate
6 PROPERTY AND EQUIPMENT				
Operating balances as at				
Addition during the period				
Office Premises	28,000,000	28,000,000	-	-
Vehicles	2,300,000	2,300,000	-	-
	30,300,000	30,300,000	-	-
Less:				
Depreciation for the period	(620,000)	(620,000)	-	-
	29,680,000	29,680,000	-	-
	September 30, 2019 (Un-Audited)	September 30, 2019 (Un-Audited)	December 31, 2018 (Audited)	December 31, 2018 (Audited)
	Operator's Fund	Participants' Takaful Fund - Aggregate	Operator's Fund	Participants' Takaful Fund - Aggregate
7 INVESTMENTS				
Deposits maturing within 12 months	20,000,000	20,000,000	50,000,000	50,000,000
8 ACCRUED INVESTMENT INCOME				
Income accrued on Term Deposit Receipts	562,500	562,500	-	-
	334	4,132	130,047	2,660
Income accrued on PLS Savings account	562,834	3,798	566,632	2,660
9 TAKAFUL / RE-TAKAFUL RECEIVABLES				
(Unsecured - considered good)				
Due from Takaful contract holders	-	28,184,615	-	4,065,211
Due from other Takaful / Re-takaful operators	-	26,717,224	-	4,705,687
	-	54,901,839	-	8,770,898
10 TAXATION - NET				
Advance tax	318,915	12,244	331,159	121,794

