



PAKISTAN STOCK EXCHANGE LIMITED

(formerly: Karachi Stock Exchange Limited)

PSX/N-6345

NOTICE

November 07, 2016

Reproduced hereunder Financial Projections received from **EAST WEST LIFE ASSURANCE COMPANY LIMITED**, for information of all concerned.

(Copy of the same is also available on our Website www.psx.com.pk).



**EAST WEST LIFE
ASSURANCE COMPANY LIMITED**

October 13, 2016

Placed before the Board of Directors in their Meeting held on Thursday, October 13, 2016 at 3:00 pm at Head Office, Karachi.

Subject: Notice of Right Issue

The Board of Directors of East West Life Assurance Company Limited in their meeting held on Thursday, October 13, 2016 have recommended for issuance of Right Share to further raise the capital by Rs.7,428,640/- representing 742,864 ordinary shares of Rs.10/- each to be offered to members in the AGM being held on November 4, 2016 at par in the ratio of 1:80, i.e. One Right Shares to eighty shares held by existing shareholders (1.25%).

1. PURPOSE

This Right Issue is primarily being issued to fulfill directives in accordance with SEC (Insurance) Rules, 2002 as amended vide SRO 708(1)/2009 dated July 27, 2009 and in supersession of SRO No.291 (1)/2007 dated March 26, 2007 of Securities and exchange Commission of Pakistan, which requires life insurance companies to maintain a solvency margin in each of the statutory funds in addition to enhanced margins needed in the shareholders' fund. Furthermore, the enhanced capital base will allow the company to fund expansion of its branches, invest further in technology and enhance overall business of the organization.

2. BENEFITS

The additional capital being inducted will create added source of funding for utilization in government securities and other investments. It will improve the solvency of the company, resulting in better profitability for the future.

Thanking you.

Best Regards,

EAST WEST LIFE ASSURANCE CO. LTD.


Sohail Nazeer
Company Secretary

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East West Life Assurance Company Limited
Projected Balance Sheet

	Aggregate Projection December 31, 2018	Aggregate Projection December 31, 2017	Aggregate Projection December 31, 2016
Cash and Bank Deposits			
Cash in hand	95,884	95,884	90,886
Current accounts	155,363,588	153,890,480	104,000,000
Deposits maturing within 12 months	107,322,364	106,824,232	85,000,000
	262,781,836	260,810,596	189,090,886
Secured Against Life Insurance Policies	9,188,198	9,188,891	9,500,000
Unsecured Loans			
To employees	420,024	420,024	600,000
Investments			
Government Securities	164,213,725	174,355,314	154,543,329
Listed Equities and Mutual Funds	42,000,000	40,000,000	48,000,000
Investments in Associated Undertakings	-	-	-
	206,213,725	214,355,314	202,543,329
Current Assets - Other			
Premiums due but unpaid	13,684,255	13,684,254	13,445,918
Taxation	-	-	-
Prepayments	428,894	428,894	379,688
Sundry receivables	2,036,885	2,036,886	1,953,645
Amount due from Associated Undertaking	-	-	-
Investment Income Accrued	3,516,283	3,516,283	3,074,753
Stationery	524,768	524,768	499,779
	20,191,085	20,191,085	19,353,783
Fixed Assets - Tangible			
Furniture, Fixtures, Office Equipment and V	20,143,615	21,143,615	19,174,892
TOTAL ASSETS	518,938,483	526,109,525	440,262,890

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SOHAIL NAZEEN
GENERAL MANAGER/CFO
EAST WEST LIFE
ASSURANCE CO. LTD.

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East West Life Assurance Company Limited
Projected Balance Sheet

	Aggregate Projection December 31, 2018	Aggregate Projection December 31, 2017	Aggregate Projection December 31, 2016
Share Capital and Reserves			
Authorized Share Capital	750,000,000	750,000,000	750,000,000
Issued, subscribed and paid up Share Capital	700,000,000	700,000,000	601,720,140
Accumulated (Deficit)	(395,635,341)	(385,464,299)	(382,091,311)
Net Shareholders' Equity	304,364,659	314,535,701	219,628,829
Balance of Statutory Fund	196,641,522	193,641,522	202,141,522
Deferred Liabilities			
Staff Retirement Benefits	-	-	-
Outstanding Gratuity	65,930	65,930	70,950
Creditors and Accruals	65,930	65,930	70,950
Outstanding claims	8,691,512	8,691,512	8,532,713
Premiums Received in Advance	2,524,720	2,524,720	3,024,667
Amount due to other insurers / reinsurers	3,231,730	3,231,730	3,403,775
Accrued Expenses	2,719,941	2,719,941	2,736,599
Taxation - Provision less payments	101,441	101,441	126,801
Agent's Balances	372,754	372,754	370,067
Other Creditors and Accruals	224,274	224,274	226,967
	17,866,372	17,866,372	18,421,589
TOTAL LIABILITIES	17,932,302	17,932,302	18,492,539
TOTAL EQUITY AND LIABILITIES	518,938,483	526,109,525	440,262,890

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GENERAL MANAGER/CFO
EAST WEST LIFE
ASSURANCE CO. LTD.

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East West Life Assurance Company Limited
Projected Profit and Loss Account

	<u>2018 Projection</u>	<u>2017 Projection</u>	<u>2016 Projection</u>
Investment income not attributable to statutory funds			
Return on government securities	8,600,000	7,600,000	7,455,752
Return on Other Fixed Income Securities and Deposits	1,500,000	1,200,000	1,013,550
Amortization of discount/premium relative to par		328,000	300,000
Dividend income	1,320,045	600,000	530,000
Capital Gain	9,321,203	9,382,912	4,000,000
Total investment income	<u>20,741,248</u>	<u>19,110,912</u>	<u>13,299,302</u>
Expenses not attributable to statutory funds	(10,102,290)	(9,183,900)	(8,349,000)
Profit before tax	<u>10,638,958</u>	<u>9,927,012</u>	<u>4,950,302</u>
Taxation	(900,000)	(800,000)	(700,000)
Profit after tax	<u>9,738,958</u>	<u>9,127,012</u>	<u>4,250,302</u>
Earnings per share	<u>0.13</u>	<u>0.15</u>	<u>0.07</u>

SCHAIL NAZEER
GENERAL MANAGER/CFO
EAST WEST LIFE
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**East West Life Assurance Company Limited
Projected Statement of Changes in Equity**

	Paid Up Capita	accumalted deficit	Capital Contribution	Sub Total	Net Equity
Projected Balance as at January 01, 2016	594,291,500	-82,036,187	-303,305,426	-385,341,613	208,949,887
Capital Issued During The Year	7,428,640				7,428,640
Capital Contribution to Statutory funds			-1000000	-1000000	-1000000
Profit For The year		4250302		4250302	4250302
Pr ojected Balance as at December 31, 2016	601,720,140	-77,785,885	-304,305,426	-382,091,311	219,628,829
Projected Balance as at January 01, 2017	601,720,140	(77,785,885)	-304,305,426	-382,091,311	219,628,829
Capital Issued During The Year	98,279,860				98,279,860
Contribution to Statutory fund			-12,500,000	-12,500,000	-12,500,000
Profit For The year		9127012		9127012	9127012
Projected Balance as at December 31, 2017	700,000,000	(68,658,873)	-316,805,426	-385,464,299	314,535,701
Projected Balance as at January 01, 2018	700,000,000	-68,568,873	-316,805,426	-385,374,299	314,625,701
Capital Issued During The Year					
Contribution to Statutory Fund			-20,000,000	-20000000	-20000000
Profit For The year		9,738,958		9,738,958	9,738,958
Pr ojected Balance as at December 31, 2018	700,000,000	-58,829,915	-336,805,426	-395,635,341	304,364,659

SOHAIL NAZEER
GENERAL MANAGER/CEO
EAST WEST LIFE
ASSURANCE CO. LTD.

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East West Life Assurance Company Limited
 Projected Revenue Account

Income
 Premiums less Reinsurances
 Net investment income
Total net income

Claims and expenditure
 Claims, including bonuses, net of reinsurance recoveries
 Management Expenses less Recoveries
Total Claims and Expenditure
 Excess of Income over Claims and Expenditure
 Add: Policyholder Liabilities at Beginning of period

Less: Policyholder Liabilities at End of period
Surplus / (Deficit)

Movement in policyholder liabilities

Capital contribution from Shareholders' fund
 Capital contribution to Shareholders' fund
 Net transfer to or from Shareholders' Fund
Balance of statutory fund at beginning of period

Balance of statutory fund at end of period

Represented by:
 Capital contributed by shareholder fund
 Accumulated Deficit

Policyholder liabilities
BALANCE OF STATUTORY FUND

	Aggregate Projection 2018	Aggregate Projection 2017	Aggregate Projection 2016
Income			
Premiums less Reinsurances	25,000,000	15,000,000	13,089,286
Net investment income	15,000,000	13,000,000	10,244,113
Total net income	40,000,000	28,000,000	23,333,399
Claims and expenditure			
Claims, including bonuses, net of reinsurance recoveries	34,000,000	28,000,000	26,562,548
Management Expenses less Recoveries	23,000,000	21,000,000	20,000,000
Total Claims and Expenditure	57,000,000	49,000,000	46,562,548
Excess of Income over Claims and Expenditure	(17,000,000)	(21,000,000)	(23,229,149)
Add: Policyholder Liabilities at Beginning of period	188,265,145	198,831,485	209,264,775
Less: Policyholder Liabilities at End of period	171,265,145	177,831,485	186,035,626
Surplus / (Deficit)	184,265,145	188,265,145	198,831,485
	(13,000,000)	(10,433,660)	(12,831,485)
Movement in policyholder liabilities	(4,000,000)	(10,566,340)	(10,433,290)
Capital contribution from Shareholders' fund	20,000,000	12,500,000	10,000,000
Capital contribution to Shareholders' fund	-	-	-
Net transfer to or from Shareholders' Fund	20,000,000	12,500,000	10,000,000
Balance of statutory fund at beginning of period	193,641,522	202,141,522	215,406,297
Balance of statutory fund at end of period	196,641,522	193,641,522	202,141,522
Represented by:			
Capital contributed by shareholder fund	352,205,426	332,205,426	319,705,426
Accumulated Deficit	(339,829,049)	(326,829,049)	(316,395,389)
Policyholder liabilities	12,376,377	5,376,377	3,310,037
BALANCE OF STATUTORY FUND	184,265,145	188,265,145	198,831,485
	196,641,522	193,641,522	202,141,522

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SOHAIL NATHAN
 GENERAL MANAGER
 EAST WEST LIFE
 ASSURANCE CO. LTD.

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East West Life Assurance Company Limited
MOVEMENTS IN EQUITY IN STATUTORY FUNDS

	Aggregate Projection 2018	Aggregate Projection 2017	Aggregate Projection 2016
Policyholder liabilities			
Projected Balance at the beginning of the Year	188,265,145	198,831,485	209,264,775
Increase/(decrease) during the Year	(4,000,000)	(10,566,340)	(10,433,290)
Projected Balance at the ending of the Year	<u>184,265,145</u>	<u>188,265,145</u>	<u>198,831,485</u>
Capital contributed by shareholders' fund			
Projected Balance at the beginning of the Year	332,205,426	319,705,426	309,705,426
Capital contributed during the period	20,000,000	12,500,000	10,000,000
Projected Balance at the ending of the Year	<u>352,205,426</u>	<u>332,205,426</u>	<u>319,705,426</u>
Accumulated Deficit			
Projected Balance at the beginning of the Year	(326,829,049)	(316,395,389)	(303,563,904)
Surplus/Deficit allocated in respect of the period	(13,000,000)	(10,433,660)	(12,831,485)
Projected Balance at the ending of the Year	<u>(339,829,049)</u>	<u>(326,829,049)</u>	<u>(316,395,389)</u>

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