

**Half Yearly Accounts
for the Period Ending
June 30th, 2017
(Un-Audited)**

2017



EAST WEST LIFE
ASSURANCE COMPANY LIMITED

In Memory of Our Founder Chairman



LATE MR. UNUS KHAN

Founder Chairman, East West Group of Companies

Founder Chairman of our group, late Mr. Unus Khan, was born on December 27, 1927 in a respectable and cultured family. He received his basic education in Quetta and after graduation in Aeronautics and Meteorology in Great Britain, he adopted the field of Civil Aviation as his profession and remained associated with it for over 20 years. Subsequently, he took up the field of commerce/business in 1965 and a few years thereafter proceeded to the United States of America along with his family.

In the 70s, besides other ventures, he was associated with the field of insurance in the Middle East. He returned to Pakistan in 1982 and founded East West Insurance Company Limited, our sister concern, in 1983. Throughout the remaining years of his life, he remained dedicated to development of East West. He organized and strengthened the company on modern lines and, at the same time, encouraged the executives, field and office personnel of the company to face the challenges of the market with courage, sincerity and hard work. It was for his determined leadership, untiring efforts, honesty and sincerity of purpose that Almighty Allah gifted him with such an outstanding success that the company became one of the largest insurance companies of Pakistan during his lifetime.

After taking East West Insurance Company Limited to such heights, it was his desire to develop an insurance company for the life assurance sector so that East West Group of Companies could cater to all insurance related needs of every Pakistani. Unfortunately, private life insurance companies were not allowed to operate in the country during his lifetime. However, when the government permitted operation of life insurance companies in the private sector, the sponsors of East West Insurance Company Limited immediately applied for a license and commenced operations of The Metropolitan Life Assurance Company of Pakistan Limited in March of 1993. In 2008, the company changed its name to East West Life Assurance Company Limited in order to give a unified look of a group with a substantial financial base and to service the best interest of policyholders as well as shareholders. Today, by the Grace of Allah, East West Group of Companies have become symbols of security for thousands of their policyholders and livelihood for their hundreds of hard-working personnel.

Mr. Unus Khan was endowed with piety, simplicity, sincerity, diligence and affection. He will always be remembered for his selfless devotion to the cause of combining profound cultural values of the EAST with the modern technological developments of the WEST. In order to give perpetuity to the late Chairman of our group, all of us have pledged to adopt his practices as guidelines for the future. Our beloved Chairman left us to join his heavenly abode on July 27, 1988. May Allah rest his soul in eternal peace.



HALF YEARLY FINANCIAL REPORT FOR THE PERIOD ENDING JUNE 30, 2017

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BOARD OF DIRECTORS AND COMPANY INFORMATION

Chief Justice (R) Mian Mahboob Ahmad	Chairman
Maheen Yunus, CPCU	Chief Executive Officer (CEO)
Mohsin Ali Kanchwala	Directors
Umeed Ansari	
Javed Yunus	
Pervez Yunus	
Naved Yunus	
Omar P. Yunus	
Sohail Nazeer	Company Secretary
Shujat Siddiqui, MA, FIA, FPSA	Appointed Actuary
Akhtar & Hasan (Private) Limited	Consulting Actuaries
Saiyed Younus Saeed	Legal Advisor
Grant Thornton Anjum Rehman Chartered Accountants	Auditor
THK Associates (Pvt) Limited 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400 UAN: +92 (021) 111-000-322 Dir: +92 (021) 34168266-68-70 Fax: +92 (021) 34168271 E-mail: secretariat@thk.com.pk Web: www.thk.com.pk	Share Registrar
28 Regal Plaza, M.A. Jinnah Raod, Quetta, Pakistan. Phone: (081) 2822913, 2821397 Fax: (92-81) 2621460	Registered Office
Room No. 802, 8th Floor, Lakson Square Building No. 1, Opp. Karachi Press Club, Karachi, Pakistan. Phone: (021) 35630421 35630422, 35630423 Fax: (92-21) 35630429	Head Office
www.eastwestlifeco.com	Website
info@eastwestlifeco.com	E-mail



MANAGEMENT AND BANKERS

Maheen Yunus, CPCU Chief Executive Officer (CEO)

Imran Ali Dodani Chief Operating Officer (COO)

Sohail Nazeer Chief Financial Officer (CFO)
and Company Secretary

Sheikh Khalid Mehmood Zonal Head

Dr. Muhammad Aslam Chief Medical Officer (CMO)
MBBS, MD(USA), FCPS (Part 1)

Aqeel Ansari Deputy General Managers
Sana-ul-Haq Hashmi

Tanveer Iqbal Assistant General Managers
Naveed Ashraf
Anjum Ghazali
Ajaz Hussain
Mohammad Zohaib

Allied Bank Limited Bankers
Summit Bank Limited
MCB Bank Limited
The Bank of Punjab
Habib Bank Limited
Askari Bank Limited
NIB Bank Limited
Bank Al-Habib Limited
JS Bank Limited

The Karakoram Co-Operative Bank Ltd.

Apna Microfinance Bank Limited

Bank Al-Falah Limited

Sindh Bank Limited

COMMITTEES

Executive Committee

Pervez Yunus
Maheen Yunus, CPCU
Naved Yunus
Javed Yunus
Sohail Nazeer, Secretary

Audit Committee

Umeed Ansari
Naved Yunus
Pervez Yunus
Mohsin Ali Kanchwala
Mohammad Zohaib, Secretary

Underwriting Committee

Pervez Yunus
Mohsin Ali Kanchwala
Javed Yunus
Ajaz Hussain, Secretary

Claim Committee

Javed Yunus
Naved Yunus
Mohsin Ali Kanchwala
Saleha Usman, Secretary

Reinsurance Committee

Naved Yunus
Maheen Yunus, CPCU
Mohsin Ali Kanchwala
Sana-ul-Haq Hashmi, Secretary

Investment Committee

Mohsin Ali Kanchwala
Naved Yunus
Maheen Yunus, CPCU
Sohail Nazeer, Secretary

Human Resource & Remuneration Committee

Naved Yunus
Pervez Yunus
Imran Ali Dodani
Anjum Ghazali, Secretary



OUR MISSION, VISION AND PRINCIPLE VALUES

OUR MISSION

- To* provide high quality, competitive insurance products and services through qualified, professional and committed salespersons.
- To* maintain financial strength for the benefit of our corporate and individual insurers, shareholders, agents/salespersons and employees.
- To* earn and protect public trust of the communities where we live and work by supporting good works and contributing to charities.
- To* create a challenging environment and develop a sense of accomplishment for our employees through tools and training to achieve personal growth and contribute to our organization.
- To* serve the nation by increasing the rate of literacy through our East West Life Educational Security Schemes for children and their parents.
- To* provide the right solutions that are in tune with our customer's needs, while facing up to the emerging challenges in the industry.
- To* help individuals and families financially realize their hopes and dreams and be there when they need us most.
- To* develop awareness of insurance need, build confidence in the insurance industry and also to develop the concept of saving.
- To* innovate and develop ideas to design new products for our valued corporate and individual clients to effectively meet their ever-changing needs.

OUR VISION

Our vision is to be the number one provider of wide-ranging insurance solutions to all of Pakistan, a goal we will attain while observing the principle values that have served us well since inception.

OUR PRINCIPLE VALUES

- S*afety and Security through expansion, development and profitability.
- E*xceptional and flexible product-line to meet the needs of our clients
- R*espect and consideration for our policyholders, agents and employees.
- V*ision as well as action to achieve our mission.
- I*ntegrity and honesty in every aspects of our organization.
- C*ommunity improvement through participation.
- E*xcellent service.

DIRECTORS' REVIEW TO THE SHAREHOLDERS

The Board of Directors of East West Life Assurance Company Limited is pleased to present the un-audited accounts for the half year ended June 30, 2017.

The after tax loss for the period ended June 30, 2017 amounts to Rs. (353,900) compared to a loss of Rs. (4,633,858) during the corresponding period of 2016. This after tax loss has been calculated after taking into account the results of both Shareholders' Fund and Statutory Funds as detailed hereunder.

	January to June		April to June	
	2017	2016	2017	2016
	Rupees	Rupees	Rupees	Rupees
OPERATING INCOME				
Premiums Less Reinsurances	19,149,668	10,089,286	15,328,950	5,188,764
Net Investment Income	13,285,153	19,658,999	6,893,549	12,220,703
Total Net Income	32,434,821	29,748,285	22,222,499	17,409,467
OPERATING EXPENSES				
Claims, Including Bonuses, Net of Reinsurance Recoveries	20,601,669	24,562,548	13,428,215	13,849,526
Management Expenses Less Recoveries	20,290,323	20,659,617	11,222,771	10,702,226
Total Claims & Expenditure	40,891,992	45,222,165	24,650,986	24,551,752
Excess of Income Over Claims and Expenditure	(8,457,171)	(15,473,880)	(2,428,487)	(7,142,285)
Movement in Policyholders' Liability	8,160,105	11,433,290	4,699,634	5,683,531
Loss Before Taxation	(297,066)	(4,040,590)	2,271,147	(1,458,754)
Taxation	(56,834)	(593,268)	(27,824)	(562,931)
Loss After Taxation	(353,900)	(4,633,858)	2,243,324	(2,021,685)

As shown above, the company perform much better in the first half of the 2017, the financial indicators like premium income and claims expenses plays a vital role to reach this good performance. During the six months of 2017 is the sizable Increase of almost 90% premiums of the company's Statutory Funds, which is primarily limited to the corporate portfolio and a decrease of approximately 16% in the claims. So the company overall loss for first half of 2017 is decrease by more than 92%. The appreciating premium income results will continue for the 2nd half of 2017. On this excellent achievement the company's management has decided to continue focus on completely revamping its marketing department strategy to tackle the remarkable premium income results achieved. This will also include reviewing our rating and underwriting standards with the company's actuaries as well as underwriting personnel to pinpoint the reasons for the drastic decrease in premium income along with implementation of steps that will allow our company to achieve higher business volume in the near future.



EAST WEST LIFE ASSURANCE COMPANY LIMITED

Needless to say, your company continues to closely monitor the market situation and believes that its business model as well as prudent risk management practice, coupled with a strong customer base with deep client relationship will give it a long term competitive advantage. The company always aggressively pursues new opportunities and ensures adequate internal preparedness to take maximum advantage of such opportunities.

At this time, we would like to express our appreciation to the Government of Pakistan, Ministry of Commerce, and Securities and Exchange Commission of Pakistan (SECP) for their invaluable assistance and guidance. Your directors would also like to place on record their appreciation for the tremendous contribution made by the officers, staff and field force towards the development of the company. Finally, we would like to thank our clients for their confidence reposed in your company.

For and on behalf of the Board of Directors,

Maheen Yunus, CPCU
Chief Executive Officer (CEO)

Karachi: August 31, 2017

ڈائریکٹرز کی نظر ثانی رپورٹ

2017 کی پہلی ششماہی مورخہ ۳۰ جون 2017 کے اختتام پر

آپ کی کمپنی کے ڈائریکٹرز سال 2017 کی پہلی ششماہی جو ۳۰ جون 2017 کو اختتام پزیر ہوئی، کمپنی کے (غیر آڈٹ شدہ) مالیاتی حسابات کے مختصر عبوری مالیاتی گوشوارے کی رپورٹ پیش کرنے میں مسرت محسوس کرتے ہیں۔

30 جون 2017 کو کمپنی کے ٹیکس کے بعد کا خسارہ (353,900) روپے ہے۔ جس کا موازنہ پچھلے سال 2016 کے اس ہی دورانیہ کا نقصان (4,633,858) ہے۔ کمپنی کا ٹیکس کے بعد کا خسارہ کی تفصیل جو کہ دونوں آئینی فنڈز (Statutory Funds) اور شیر ہولڈرز فنڈز کے نتائج کو ظاہر کر رہی ہے۔ درج ذیل ہے۔

اپریل سے جون		جنوری سے جون		آمدنی کے ذرائع
2016	2017	2016	2017	
5,188,764	15,328,950	10,089,286	19,149,668	خالص پریم
12,220,703	6,893,549	19,658,999	13,285,153	سرمایہ کاری کی آمدنی
17,409,467	22,222,499	29,748,285	32,434,821	کل آمدنی
13,849,526	13,428,215	24,562,548	20,601,669	خراجات و ادائیگیاں
10,702,226	11,222,771	20,659,617	20,290,323	خالص کلیم
24,551,752	24,650,986	45,222,165	40,891,992	خالص اخراجات
(7,142,285)	(2,428,487)	(15,473,880)	(8,457,171)	کل کلیم و اخراجات
5,683,531	4,699,634	11,433,290	8,160,105	خراجات سے زائد آمدنی
(1,458,754)	2,271,147	(4,040,590)	(297,066)	پالیسی ہولڈرز کی ذمہ داری کا حساب
(562,931)	(27,824)	(593,268)	(56,834)	ٹیکس سے قبل خسارہ
(2,021,685)	2,243,324	(4,633,858)	(353,900)	ٹیکس
				ٹیکس کے بعد کا خسارہ

جیسا کہ اوپر ظاہر کیا گیا ہے کہ کمپنی نے 2017 کی پہلی ششماہی میں بہترین کارکردگی کا مظاہرہ کیا ہے اور کمپنی کے مالیاتی گوشوارے مثلاً پریم اور کلیمز نے کارکردگی میں کلیدی کردار ادا کیا ہے۔ 2017 کے چھ مہینوں میں کمپنی کے پریم آمدنی میں 90% سے زائد کا اضافہ ہوا ہے۔ جس کی بنیادی وجہ کمپنی کے گروپ پریم میں اضافہ ہے۔ اسی طرح کمپنی کے کلیمز میں 16% کی کمی ہوئی ہے اور اس طرح کمپنی کے کل نقصان میں 92% سے زائد کی کمی ہوئی ہے۔ کمپنی کی انتظامیہ پُر امید ہے کہ یہ کارکردگی 2017 کی دوسری ششماہی میں بھی برقرار رہے گی۔ کمپنی کی انتظامیہ نے مکمل طور پر مارکیٹنگ ٹیم کو تبدیل کر کے پریم کو مزید بڑھانے کا فیصلہ کیا ہے۔ اس کے علاوہ کمپنی کے انڈر رائٹنگ کے معیارات اور طریقے کا کو بہتر بنانے کیلئے ایکچویری (actuary) کے ساتھ مل کر ایسی حکمت عملی تیار کرنی ہے کہ کمپنی کے پریم کی سطح کو بڑھایا جاسکے۔



کمپنی کی انتظامیہ لائف انشورنس کی مارکیٹ کو سامنے رکھے ہوئے ہے۔ اور انتظامہ کو امید ہے کہ کمپنی اپنی بہتر کسٹمرز اور آپریٹل سروسز کے ذریعے اپنی کارکردگی کو بہتر بنالے گی اور نئے مواقعوں کو استعمال میں لا کر لائف انشورنس کی مارکیٹ میں الگ مقام حاصل کر لے گی۔

اس موقع پر کمپنی کے ڈائریکٹرز کمپنی کی نشوونما اور ترقی کیلئے کمپنی کے تمام ملازمین اور تمام تقسیم کار چینلز کو ان کے تعاون اور اعانت کیلئے داد ہائے تحسین پیش کرنا چاہینگے۔ ہم سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی رہنمائی کیلئے اور ان کی مسلسل اعانت کے بھی شکرگزار ہیں۔ سب سے آخر میں ہم اپنے صارفین کا بھی کمپنی میں انکے مستقبل اور بھروسے کیلئے شکریہ ادا کرنا چاہیں گے۔

manu y

بورڈ آف ڈائریکٹرز کی جانب سے

ماہین پونس

چیف ایکزیکوٹو آفیسر

تاریخ: 31 اگست 2017

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying

- i. condensed interim balance sheet;
- ii. condensed interim profit and loss account;
- iii. condensed interim statement of changes in equity;
- iv. condensed interim cash flow statement;
- v. condensed interim revenue account;
- vi. condensed interim statement of premiums;
- vii. condensed interim statement of claims;
- viii. condensed interim statement of expenses; and
- ix. condensed interim statement of investment income

of **East West Life Assurance Company Limited** (the Company) as at June 30, 2017 and for the six months period ended then together with the notes to the accounts (here-in-after referred to as the 'condensed interim financial information'). Management is responsible for the preparation and presentation of the condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on the condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

- a. We draw attention to note 1.2 to the condensed interim financial information, which, inter alia, states that the Company has earned profit for six months period ended June 30, 2017 of Rs. 0.51 million (profit for six months period ended June 30, 2016: Rs. 3.73 million), and accumulated deficit as at June 30, 2017 amounted to Rs. 413.47 million (as at December 31, 2016: Rs. 411.88 million). These matters indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and that the Company may be unable to realize its assets and unable to discharge its liabilities in the normal course of business. This condensed interim financial information has been prepared on the going concern basis for reasons as stated in note 1.2 to the condensed interim financial information.
- b. We draw attention to note 7.3 to the condensed interim financial information which highlights that the Company has not been able to meet the minimum capital requirement as required for life insurers under Insurance Ordinance, 2000.

Our conclusion is not modified in respect of above mentioned matters.

Other matters

The figures for the quarter ended June 30, 2017 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

Grant Thornton Anjum Rahman
Chartered Accountants
Muhammad Shaukat Naseeb
Engagement Partner

Karachi: August 31, 2017



**CONDENSED INTERIM BALANCE SHEET
AS AT JUNE 30, 2017 (Un-Audited)**

Figures in Rupees

Note	Shareholders' Fund	Statutory Funds			Aggregate	
		Ordinary Life	Universal Life	Accidental & Health	June 30, 2017	Dec. 31, 2016
		Un-Audited			Audited	
Share Capital and Reserves						
Authorized Share Capital	750,000,000	-	-	-	750,000,000	750,000,000
Issued, Suscribed And						
Paid-Up Share Capital 7	601,720,140	-	-	-	601,720,140	601,720,140
Accumulated Deficit 8	(413,471,172)	-	-	-	(413,471,172)	(411,879,085)
	188,248,968	-	-	-	188,248,968	189,841,055
Balance of Statutory Fund						
[Including Policyholders' Liabilities 2017:						
Rs. 181,146 Million						
(2016: Rs. 189,306 Million)]						
	-	7,220,041	176,531,857	3,073,534	186,825,432	193,747,350
Deferred Liabilities						
Outstanding Gratuity	9,055	77,195	-	-	86,250	86,250
Creditors and Accruals						
Outstanding Claims	-	22,976,210	37,242,464	4,785,251	65,003,925	67,174,315
Premiums Received in Advance	-	-	9,442,918	-	9,442,918	9,756,145
Amount Due to Other Insurers / Reinsurers	-	5,432,196	2,722,442	-	8,154,638	6,432,342
Amount Due to Agents	-	30,853	1,498,698	324,790	1,854,341	2,071,054
Accrued Expenses	875,048	2,038,932	2,972,180	215,810	6,101,970	7,154,370
Other Creditors and Accruals	34,085	56,325	14,352	16,927	121,689	8,979
	909,133	30,534,516	53,893,054	5,342,778	90,679,481	92,597,205
TOTAL LIABILITIES	918,188	37,831,752	230,424,911	8,416,312	277,591,163	286,430,805
TOTAL EQUITY AND LIABILITIES						
	189,167,156	37,831,752	230,424,911	8,416,312	465,840,131	476,271,860

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

Figures in Rupees

Note	Shareholders' Fund	Statutory Funds			Aggregate	
		Ordinary Life	Universal Life	Accidental & Health	June 30, 2017	Dec. 31, 2016
		Un-Audited			Audited	
Cash and Bank Deposits						
Cash in Hand	-	-	23,700	-	23,700	17,616
Current and Other Accounts	22,553,576	1,460,389	25,685,467	16,989	49,716,421	65,942,508
Deposits Maturing Within 12 Months	-	-	85,000,000	-	85,000,000	100,000,000
	22,553,576	1,460,389	110,709,167	16,989	134,740,121	165,960,124
Loans Secured Against Life Insurance Policies						
	-	4,197,695	6,138,042	-	10,335,737	9,938,766
Unsecured Loans To Employees						
	84,167	670,137	-	83,367	837,671	732,410
Investments 12						
Government Securities	135,666,612	17,177,351	105,491,626	3,926,251	262,261,840	259,245,140
Listed Equities and Mutual Funds	280,518	-	-	-	280,518	280,518
	135,947,130	17,177,351	105,491,626	3,926,251	262,542,358	259,525,658
Current Assets - Other						
Premiums Due But Unpaid	-	12,349,500	861,884	2,148,627	15,360,011	1,084,458
Amount Due From Other Insurers and Reinsurers	-	777,518	3,578,822	-	4,356,340	3,557,871
Taxation-Payment Less provision	9,509,925	-	-	-	9,509,925	8,975,450
Prepayments	-	-	16,000	-	16,000	-
Sundry Receivables	197,540	1,199,162	2,552,187	2,241,078	6,189,967	4,152,237
Investment Income Accrued	2,386,594	-	1,077,183	-	3,463,777	2,786,741
Stationery	262,189	-	-	-	262,189	266,756
	12,356,248	14,326,180	8,086,076	4,389,705	39,158,209	20,823,513
Fixed Assets 13						
Tangible						
Furniture, Fixtures, Office Equipment and Vehicles	18,226,035	-	-	-	18,226,035	19,291,389
	18,226,035	-	-	-	18,226,035	19,291,389
TOTAL ASSETS						
	189,167,156	37,831,752	230,424,911	8,416,312	465,840,131	476,271,860

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.




**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDING JUNE 30, 2017**

Figures in Rupees

Note	Half Year Ended		Quarter Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Investment Income Not Attributable to Statutory Funds				
Return on Government Securities	5,430,623	5,455,752	2,715,312	2,642,488
Return on Other Fixex Income				
Securities and Deposits	252,831	613,550	67,094	393,121
Amortization of Discount/Premium				
Relative to Par	31,659	296,010	15,917	114,117
Dividend Income	-	330,000	-	-
Income From Mutual Fund	230,126	-	155,410	-
	<u>5,945,239</u>	<u>6,695,312</u>	<u>2,953,733</u>	<u>3,149,726</u>
Other revenues				
Gain on Sale of Investments	-	3,719,574	-	3,719,574
Total Investment Income	5,945,239	10,414,886	2,953,733	6,869,300
Expenses Not Attributable to Statutory Funds	(5,379,492)	(6,089,214)	(2,653,072)	(3,063,890)
Profit Before Tax	565,747	4,325,672	300,661	3,805,410
Taxation	(56,834)	(593,268)	(27,824)	(562,931)
Profit After Tax	508,913	3,732,404	272,837	3,242,479
Earnings Per Share - Basic and Diluted	0.01	0.06	0.005	0.05

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.


Chairman


Chief Executive Officer


Director


Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDING JUNE 30, 2017

Figures in Rupees

Note	Half Year Ended		Quarter Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Profit After Tax for the Period	508,913	3,732,404	272,837	3,242,479
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Period	508,913	3,732,404	272,837	3,242,479

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

Chairman

Chief Executive Officer

Director

Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDING JUNE 30, 2017**

Figures in Rupees

	Net Accumulated (Deficit)				
	Share Capital	Accumulated Losses	Capital Contributed to Statutory Fund	Accumulated Deficit	Total
Balance as at January 01, 2016 - Restated	594,291,500	(81,756,927)	(309,705,426)	(391,462,353)	202,829,147
Total Comprehensive Income for the Period Ended June 30, 2016	-	-	-	-	-
Profit for the Period Ended June 30, 2016	-	3,732,404	-	3,732,404	3,732,404
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	-	3,732,404	-	3,732,404	3,732,404
Transactions with Owners Directly Recorded in Equity					
Capital Contributed to Statutory Fund	-	-	(8,000,000)	(8,000,000)	(8,000,000)
Balance as at June 30, 2016 - Restated	594,291,500	(78,024,523)	(317,705,426)	(395,729,949)	198,561,551
Balance as at January 1, 2017	601,720,140	(86,673,659)	(325,205,426)	(411,879,085)	189,841,055
Total Comprehensive Income for the Period Ended June 30, 2017					
Profit for the Period Ended June 30, 2017	-	508,913	-	508,913	508,913
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	-	508,913	-	508,913	508,913
Transactions with Owners Directly Recorded in Equity					
Capital Contributed to Statutory Fund	-	-	(2,101,000)	(2,101,000)	(2,101,000)
Balance as at June 30, 2017	601,720,140	(86,164,746)	(327,306,426)	(413,471,172)	188,248,968

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

Chairman

Chief Executive Officer

Director

Director

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE HALF YEAR ENDING JUNE 30, 2017

Figures in Rupees

		Statutory Funds			Aggregate	
	Shareholders' Fund	Ordinary Life	Universal Life	Accidental & Health	June 30, 2017	June 30, 2016
Operating Cash Flows						
(a) Underwriting Activities						
Premium Received	-	343,525	7,084,600	720,090	8,148,215	12,624,139
Reinsurance Premium Net of Claims Received / (Paid)	-	(1,279,537)	-	-	(1,279,537)	-
Claims Paid	-	(1,662,362)	(15,937,906)	(1,590,192)	(19,190,460)	(22,421,880)
Surrenders Paid	-	(73,889)	(4,450,998)	-	(4,524,887)	(6,613,798)
Commission Paid	-	(68,296)	(1,170,459)	(15,488)	(1,254,243)	(3,674,147)
Net Cash Flow From Underwriting Activities	-	(2,740,559)	(14,474,763)	(885,590)	(18,100,912)	(20,085,686)
b) Other Operating Activities						
Income Tax Paid	(591,309)	-	-	-	(591,309)	(1,146,783)
General Management Expenses Paid	(4,442,846)	(4,574,141)	(9,851,317)	(2,580,545)	(21,448,849)	(29,141,766)
Net Cash Used in Other Operating Activities	(5,034,155)	(4,574,141)	(9,851,317)	(2,580,545)	(22,040,158)	(30,288,549)
Total Cash (Used in)/Generated From All Operating Activities	(5,034,155)	(7,314,700)	(24,326,080)	(3,466,135)	(40,141,070)	(50,374,235)
Investment Activities						
Profit/Return Received	3,643,205	-	2,207,311	-	5,850,516	6,919,519
Dividend Received	-	-	-	-	-	868,437
Payments for Investments	(15,000,000)	(17,031,193)	(91,397,064)	(3,892,844)	(127,321,101)	(490,940,985)
Proceeds From Disposal of Investments	15,230,126	17,494,400	93,705,006	3,998,720	130,428,252	547,430,271
Proceeds From Disposal of Fixed Assets	-	-	-	-	-	-
Fixed Capital Expenditure	(36,600)	-	-	-	(36,600)	(524,037)
Total Cash Flow From Investing Activities	3,836,731	463,207	4,515,253	105,876	8,921,067	63,753,205
Carried Forward	(1,197,424)	(6,851,493)	(19,810,827)	(3,360,259)	(31,220,003)	13,378,970



EAST WEST LIFE

ASSURANCE COMPANY LIMITED

Figures in Rupees

	Shareholders' Fund	Statutory Funds			Aggregate	
		Ordinary Life	Universal Life	Accidental & Health	June 30, 2017	June 30, 2016
Brought Forward	(1,197,424)	(6,851,493)	(19,810,827)	(3,360,259)	(31,220,003)	13,378,970
Financing Activities						
Capital Contribution						
From Shareholder Fund	(2,101,000)	400,000	51,000	1,650,000	-	-
Total Cash (Used in) / Generated						
From All Operating Activities	(2,101,000)	400,000	51,000	1,650,000	-	-
Net Cash (Outflow) /						
Inflow From All Activities	(3,298,424)	(6,451,493)	(19,759,827)	(1,710,259)	(31,220,003)	13,378,970
Cash and Cash Equivalents at the						
Beginning of the Period	25,852,000	7,911,882	130,468,994	1,727,248	165,960,124	189,136,715
Cash and Cash Equivalents						
at the End of the Period	15 22,553,576	1,460,389	110,709,167	16,989	134,740,121	202,515,685

Reconciliation to Profit and Loss Account

Operating Cash Flows	(40,141,070)	(50,374,235)
Depreciation Expense	(1,101,954)	(1,261,892)
Investment Income	12,651,403	18,496,622
(Decrease)/Increase in Assets Other than Cash	17,864,428	11,519,815
Increase in Liabilities Other than Running Finance	10,373,293	16,985,832
Deficit of Statutory Funds	862,813	8,366,262

Profit for the Period	508,913	3,732,404
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The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

Chairman

Chief Executive Officer

Director

Director

CONDENSED INTERIM REVENUE ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDING JUNE 30, 2017

Figures in Rupees

	Statutory Funds			Aggregate		Quarter Ended	
	Ordinary Life	Universal Life	Accidental & Health	Half Year Ended		June 30, 2017	June 30, 2016
				June 30, 2017	June 30, 2016		
Income							
Premiums Less Reinsurances	9,447,969	7,362,156	2,339,543	19,149,668	10,089,286	15,328,950	5,188,764
Net Investment Income	497,432	6,728,784	113,698	7,339,914	9,244,113	3,939,817	5,351,403
Total Net Income	9,945,401	14,090,940	2,453,241	26,489,582	19,333,399	19,268,767	10,540,167
Claims and Expenditure							
Claims, Including Bonuses,							
Net of Reinsurance Recoveries	6,033,845	13,517,846	1,049,978	20,601,669	24,562,548	13,428,215	13,849,526
Management Expenses Less Recoveries	4,013,615	8,618,307	2,278,909	14,910,831	14,570,403	8,569,699	7,638,336
Total Claims and Expenditure	10,047,460	22,136,153	3,328,887	35,512,500	39,132,951	21,997,914	21,487,862
Excess/(Deficit) of Income Over Claims and Expenditure	(102,059)	(8,045,213)	(875,646)	(9,022,918)	(19,799,552)	(2,729,147)	(10,947,695)
Add: Policyholders' Liabilities at Beginning of Period	5,147,610	184,156,102	2,339	189,306,051	209,264,775	185,845,580	203,515,016
Less: Policyholders' Liabilities at End of Period	5,292,341	175,853,605	-	181,145,946	197,831,485	181,145,946	197,831,485
	(144,731)	8,302,497	2,339	8,160,105	11,433,290	4,699,634	5,683,531
Deficit	(246,790)	257,284	(873,307)	(862,813)	(8,366,262)	1,970,487	(5,264,164)
Movement in Policyholders' Liabilities	144,731	(8,302,497)	(2,339)	(8,160,105)	(11,433,290)	(4,699,634)	(5,683,531)
Transfer To or From Shareholders' Fund							
Capital Contribution From Shareholders' Fund	400,000	51,000	1,650,000	2,101,000	8,000,000	751,000	3,600,000
Capital Contribution To Shareholders' Fund	-	-	-	-	-	-	-
Transfer of Surplus to Shareholders' Fund	-	-	-	-	-	-	-
Net Transfer To or From Shareholders' Fund	400,000	51,000	1,650,000	2,101,000	8,000,000	751,000	3,600,000
Balance of Statutory Fund at Beginning of Period	6,922,100	184,526,070	2,299,180	193,747,350	215,406,297	188,803,579	210,954,440
Balance of Statutory Funds at End of Period	7,220,041	176,531,857	3,073,534	186,825,432	203,606,745	186,825,432	203,606,745
Represented by:	9						
Capital Contributed by Shareholders' Fund	160,005,426	154,251,000	13,050,000	327,306,426	317,705,426	327,306,426	317,705,426
Accumulated Deficit	(158,077,726)	(153,572,748)	(9,976,466)	(321,626,940)	(311,930,166)	(321,626,940)	(311,930,166)
	1,927,700	678,252	3,073,534	5,679,486	5,775,260	5,679,486	5,775,260
Policyholders' Liabilities	5,292,341	175,853,605	-	181,145,946	197,831,485	181,145,946	197,831,485
BALANCE OF STATUTORY FUNDS	7,220,041	176,531,857	3,073,534	186,825,432	203,606,745	186,825,432	203,606,745

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.



Chairman



Chief Executive Officer



Director



Director



**CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)
FOR THE HALF YEAR ENDING JUNE 30, 2017**

Figures in Rupees

	Statutory Funds			Aggregate			
	Ordinary Life	Universal Life	Accidental & Health	Half Year Ended		Quarter Ended	
				June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Gross Premiums							
Regular Premium Individual Policies*							
First Year	-	581,927	-	581,927	706,406	434,199	479,157
Second Year Renewal	-	668,017	-	668,017	795,634	293,100	453,734
Subsequent Year Renewal	-	6,828,113	-	6,828,113	5,997,801	3,795,457	3,231,912
Single Premium Individual Policies	-	-	-	-	-	-	-
Group Policies	12,716,366	-	2,339,543	15,055,909	5,585,430	14,464,295	3,842,517
Total Gross Premiums	12,716,366	8,078,057	2,339,543	23,133,966	13,085,271	18,987,051	8,007,320
Less: Reinsurance Premium Ceded							
On individual Life First Year Business	-	(5,077)	-	(5,077)	(19,092)	(2,733)	(19,092)
On Individual Life Second Year Business	-	(16,761)	-	(16,761)	(12,916)	(4,833)	(8,428)
On Individual Life Renewal Business	-	(694,063)	-	(694,063)	(766,477)	(516,096)	(593,536)
On Group Policies	(3,268,397)	-	-	(3,268,397)	(2,197,500)	(3,134,439)	(2,197,500)
Total Reinsurance Premium Ceded	(3,268,397)	(715,901)	-	(3,984,298)	(2,995,985)	(3,658,101)	(2,818,556)
Net Premiums	9,447,969	7,362,156	2,339,543	19,149,668	10,089,286	15,328,950	5,188,764

*Individual policies are those underwritten on an individual basis and includes joint life policies underwritten as such.

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

Chairman

Chief Executive Officer

Director

Director



CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED) FOR THE HALF YEAR ENDING JUNE 30, 2017

Figures in Rupees

	Statutory Funds			Aggregate			
	Ordinary Life	Universal Life	Accidental & Health	Half Year Ended		Quarter Ended	
				June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Gross Claims							
Claims Under Individual Policies							
by Death	104,741	1,712,505	-	1,817,246	2,199,284	356,093	1,068,141
by Insured Event Other than Death	-	10,286	-	10,286	78,000	-	78,000
by Maturity	5,458,151	6,988,096	-	12,446,247	13,371,432	10,401,614	10,503,336
by Surrender	156,524	4,806,959	-	4,963,483	7,000,942	1,896,592	1,708,932
Total Gross Individual Policy Claims	5,719,416	13,517,846	-	19,237,262	22,649,658	12,654,299	13,358,409
Claims under group policies							
by Death	1,257,717	-	-	1,257,717	623,755	1,007,717	203,616
by Insured Event Other than Death	-	-	1,049,978	1,049,978	1,756,952	521,987	440,213
Total Gross Group Policy Claims	1,257,717	-	1,049,978	2,307,695	2,380,707	1,529,704	643,829
Total Gross Claims	6,977,133	13,517,846	1,049,978	21,544,957	25,030,365	14,184,003	14,002,238
Less: Reinsurance Recoveries							
On Group Life Claims	(943,288)	-	-	(943,288)	(467,817)	(755,788)	(152,712)
Net Claims	6,033,845	13,517,846	1,049,978	20,601,669	24,562,548	13,428,215	13,849,526

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

Chairman

Chief Executive Officer

Director

Director



**CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)
FOR THE HALF YEAR ENDING JUNE 30, 2017**

Figures in Rupees

	Statutory Funds			Aggregate			
	Ordinary Life	Universal Life	Accidental & Health	Half Year Ended		Quarter Ended	
				June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Acquisition Costs							
Remuneration to Insurance Intermediaries on Individual Policies:							
Commission on First Year Premiums	-	356,012	-	356,012	485,663	263,300	324,536
Commission on Second Year Premiums	-	63,613	-	63,613	72,834	26,892	35,833
Commission on Subsequent Renewal Premiums	-	261,995	-	261,995	220,267	132,894	128,148
Other Benefits to Insurance Intermediaries	-	256,702	-	256,702	446,091	256,702	144,665
Remuneration to Insurance Intermediaries on Group Policies:							
Commission	68,296	-	30,912	99,208	132,771	53,075	132,771
	68,296	938,322	30,912	1,037,530	1,357,626	732,863	765,953
Branch Overheads:	-	526,238	-	526,238	561,445	295,754	267,341
Other Acquisition Cost							
Policy Stamps	-	3,000	-	3,000	10,000	2,000	5,000
Total Acquisition Cost	68,296	1,467,560	30,912	1,566,768	1,929,071	1,030,617	1,038,294
Administration Expenses							
Salaries and Other Benefits	2,652,507	4,669,508	992,661	8,314,676	7,709,108	4,944,496	4,102,097
Travelling Expenses	96,163	408,520	79,363	584,046	526,751	219,019	234,434
Auditors Remuneration	149,920	149,920	149,920	449,760	282,564	449,760	282,564
Actuary's Fees	210,000	262,500	240,000	712,500	855,000	285,000	427,500
Advertisements	12,150	12,150	12,150	36,450	40,513	-	40,513
Printing and Stationary	62,383	72,924	62,383	197,690	195,330	153,639	155,933
Rental	121,815	143,787	121,815	387,417	505,839	195,908	372,065
	3,304,938	5,719,309	1,658,292	10,682,539	10,115,105	6,247,822	5,615,106
Other Management Expenses	885,511	1,454,533	589,705	2,929,749	2,719,010	1,543,770	1,172,895
Gross Management Expenses	4,258,745	8,641,402	2,278,909	15,179,056	14,763,186	8,822,209	7,826,295
Commission from Reinsurers	(245,130)	(23,095)	-	(268,225)	(192,783)	(252,510)	(187,959)
Net Management Expenses	4,013,615	8,618,307	2,278,909	14,910,831	14,570,403	8,569,699	7,638,336

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

Chairman

Chief Executive Officer

Director

Director

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED) FOR THE HALF YEAR ENDING JUNE 30, 2017

Figures in Rupees

	Statutory Funds			Aggregate			
	Ordinary Life	Universal Life	Accidental & Health	Half Year Ended		Quarter Ended	
				June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Investment Income							
On Government Securities	497,432	3,086,314	113,698	3,697,444	3,863,118	1,868,923	2,289,118
On Other Fixed Income							
Securities and Deposits	-	2,744,457	-	2,744,457	2,910,307	1,280,604	1,293,534
Amortization of Premium	-	-	-	-	-	-	-
Amortization of Discount	-	2,248	-	2,248	2,260	1,130	1,130
Other Miscellaneous Income	-	665,639	-	665,639	882,664	633,750	866,825
	497,432	6,498,658	113,698	7,109,788	7,658,349	3,784,407	4,450,607
Gain on Sale of Investments	-	230,126	-	230,126	1,585,764	155,410	900,796
Net Investment Income	497,432	6,728,784	113,698	7,339,914	9,244,113	3,939,817	5,351,403

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.



Chairman



Chief Executive Officer



Director



Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDING JUNE 30, 2017

1. STATUS AND NATURE OF BUSINESS

East West Life Assurance Company Limited (the Company) was incorporated in Pakistan on August 18, 1992 as a public limited company under the Companies Ordinance, 1984. Its shares are quoted on Pakistan Stock Exchange. The company commenced life insurance business on February 22, 1993 after registration with Controller of Insurance on February 14, 1993. The addresses of its registered and principal office are 57 Regal Plaza, M.A. Jinnah Road, Quetta and 802, 8th Floor, Lakson Square Building No.1, Karachi, respectively.

- 1.1** The company is engaged in life insurance business. In accordance with the requirements of Insurance Ordinance, 2000, the company has established shareholders' fund and following statutory funds in respect of its each class of life insurance business namely, Ordinary life, Universal life and Accident and health.
- 1.2** The Company has earned profit for six months period ended June 30, 2017 of Rs. 0.51 million (June 30, 2016: Rs. 3.73 million) and accumulated deficit as at June 30, 2017 amounted to Rs. 413.47 million (as at December 31, 2016: Rs. 411.88 million).

Premiums less reinsurances for the six month period ended June 30, 2017 amounts to Rs.19,149,668 (June 30, 2016 : Rs. 10,089,286) and have resulted in net deficit in statutory funds of Rs. 862,813 (June 30, 2016 : Rs. 8,366,262).

Above cited facts / factors indicate that there are material uncertainties that may cast doubt on the Company's ability to continue as a going concern, and the Company may not be able to realize its assets and discharge liabilities in the normal course of business.

The Company has a shortfall of Rs. 48.3 million as on June 30, 2017 in meeting the minimum capital requirement (MCR) of Rs. 650 million as required under SRO 225 (I)/2015 dated March 13, 2015 pursuant to section 28 of the Insurance Ordinance 2000. The sponsors and directors of the Company are considering to sell controlling stake in the Company.

The Company has received vide letter date March 28, 2016, an announcement of intention from 'Army Welfare Trust (AWT)' (the acquirer) and 'Elixir Securities Pakistan (Private) Limited (ESPL)' (the manager to the offer) to acquire 51% of the 'issued, subscribed and paid-up share capital' of the Company. During the period 51% shareholding of the Company will be transferred to Army Welfare Trust (AWT) under share purchase agreement dated June 24, 2017 made among the parties.

The directors of the Company have explicitly provided a commitment to provide necessary financial support to the Company, if the need arises, to address any liquidity and solvency issues to enable the Company to continue its business. We have further been given to understand that the directors and shareholders have both the intention and the ability to operate in the foreseeable future, and will be able to realize its assets and to discharge its liabilities in the normal course of the business. The management, therefore, believes that going concern assumption is appropriate, and has prepared the condensed interim financial information accordingly.

The Company has sufficient assets in excess of the solvency margin required to be maintained under the Insurance Ordinance, 2000 and will be able to discharge its liabilities in the normal course of business and consequently these condensed interim financial information has been prepared on going concern basis.

2. BASIS OF PREPARATION

These financial statements have been prepared on the format of financial statements issued by Securities and Exchange Commission of Pakistan (SECP) through Securities and Exchange (Insurance) Rules, 2002.

3. STATEMENT OF COMPLIANCE

This condensed interim financial statements have been prepared, in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002, provisions of and directives issued by the Securities and the Exchange Commission of Pakistan (SECP) thereof. In case the requirements differ, the provisions or directives under the Companies Ordinance, 1984, Insurance Ordinance, 2000 and the SEC (Insurance) Rules 2002, shall prevail.

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements. Accordingly, the condensed interim financial information should be read

in conjunction with the Company's annual financial statements as at and for the year ended December 31, 2016.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its press release dated July 20, 2017, these condensed interim financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

During the period, Securities and Exchange Commission of Pakistan ("SECP") issued Insurance Accounting Regulations, 2017 and Insurance Rules, 2017 which were applicable with effect from April 1, 2017. However, the Company applied for the extension till September 30, 2017. The SECP vide his letter ID/OSM/EWLA/2017/10867, dated August 28, 2017 allowed the Company to prepare its half yearly accounts for the period ended June 30, 2017 and third quarter ended September 30, 2017 in accordance with the requirement of previous rules and allowed the implication of Insurance Accounting Regulations, 2017 effective from the commencement of fourth quarter from October 1, 2017. Accordingly the Company has followed the accounting format as prescribed in the previous rules.

3.1 Standards, Amendments and Interpretations to Approved Accounting Standards

3.1.1 Standards, amendments and interpretations to the published standards that are relevant to the company and adopted in the current year

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current period.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 1 - Disclosure Initiative (Amendments to IAS 1 Presentation of Financial Statements)	January 1, 2016
IFRS 10, IFRS 12 and IAS 28 - Investment Entities : Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Annual Improvements to IFRSs 2012 - 2014 Cycle	January 1, 2016
IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	January 1, 2016
Adoption of the above revisions, amendments and interpretations of the standards have no significant effect on the amounts for the year ended June 30, 2016 and 2017.	

3.1.2 Standards, amendments to published standards and interpretations that are effective but not relevant

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on June 01, 2016 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are therefore not presented here.

3.1.3 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 7 - Disclosure Initiative (Amendments to IAS 7)	January 1, 2017
IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)	January 1, 2017
IFRS 1 and IAS 28 - Annual Improvements to IFRSs 2014 -2016	January 1, 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	January 1, 2019

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.



3.1.4 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB Effective Date (Annual periods beginning on or after)
IFRS 15 - Revenue from Contracts with Customers	January 1, 2018
IFRS - 4 Insurance Contracts	January 1, 2018
IFRS 17 - Insurance Contracts	January 1, 2021

4. BASIS OF MEASUREMENT

The financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortized cost as applicable.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2016.

6. FINANCIAL RISK MANAGEMENT / JUDGEMENTS AND ESTIMATES

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2016.

In preparing this condensed interim financial information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at the year ended December 31, 2016.

7. SHARE CAPITAL

7.1 Authorised Capital

June 30, 2017 (Un-audited)	Dec 31, 2016 (Audited)		June 30, 2017 (Un-audited)	Dec 31, 2016 (Audited)
--- Number of shares ---			--- Rupees ---	
75,000,000	75,000,000	Ordinary shares of Rs. 10/- each	750,000,000	750,000,000

7.2 Issued, subscribed and paid-up share capital

June 30, 2017 (Un-audited)	Dec 31, 2016 (Audited)		June 30, 2017 (Un-audited)	Dec 31, 2016 (Audited)
--- Number of shares ---			--- Rupees ---	
60,172,014	60,172,014	Ordinary shares of Rs. 10/- each fully paid in cash	601,720,140	601,720,140

7.3 The Company has a shortfall of Rs. 48.3 million as on June 30, 2017 in meeting the minimum capital requirement (MCR) of Rs. 650 million as required under SRO 225 (I)/2015 dated March 13, 2015 pursuant to section 28 of the Insurance Ordinance 2000. The sponsors and directors of the Company are considering to sell controlling stake in the Company.



8. ANALYSIS OF ACCUMULATED DEFICIT AS SHOWN IN BALANCE SHEET

	Un-Audited June 30, 2017 Rupees	Audited Dec 31, 2016 Rupees
Accumulated Deficit in Statement of Changes in Equity Ignoring Effect of Capital Transfers at the Beginning of the Period / Year	(86,673,659)	(81,756,927)
Add: Profit in Profit & Loss Account for the Period	508,913	(4,916,732)
Accumulated Deficit in Statement of Changes in Equity Ignoring Effect of Capital Transfers at the End of the Period / Year	(86,164,746)	(86,673,659)
Excess/(deficit) of income over claims	(327,306,426)	(325,205,426)
Less: Accumulated net capital transferred in statutory funds	(413,471,172)	(411,879,085)
Accumulated Deficit	(413,471,172)	(411,879,085)

9. MOVEMENTS IN EQUITY OF STATUTORY FUNDS

	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accidental & Health	Un-Audited June 30, 2017	Un-Audited June 30, 2016
	(Rupees)				
Policyholders' Liabilities					
Balance at Beginning of the Period	5,147,610	184,156,102	2,339	189,306,051	209,264,775
Increase / (Decrease) During the Period	144,731	(8,302,497)	(2,339)	(8,160,105)	(11,433,290)
Balance at End of the Period	5,292,341	175,853,605	-	181,145,946	197,831,485
Capital Contributed By Shareholders' Fund					
Balance at the Beginning of the Period	159,605,426	154,200,000	11,400,000	325,205,426	309,705,426
Capital Contributed During the Period	400,000	51,000	1,650,000	2,101,000	8,000,000
Balance at End of the Period	160,005,426	154,251,000	13,050,000	327,306,426	317,705,426
Balance at the Beginning of the Period	(157,830,936)	(153,830,032)	(9,103,159)	(320,764,127)	(303,563,904)
Deficit Allocated in Respect of the Period	(246,790)	257,284	(873,307)	(862,813)	(8,366,262)
Balance of Statutory Fund at End of the Period	(158,077,726)	(153,572,748)	(9,976,466)	(321,626,940)	(311,930,166)



10 CONTINGENCIES AND COMMITMENTS

Contingencies

There is a matter outstanding in respect of a person, who was previously working on contract basis at the Company's Hyderabad Branch. The management of the Company, on the basis of legal advice obtained, is confident that there is no legal or potential of the Company regarding this matter.

Commitments

There are no commitments as at June 30, 2017 (June 30, 2016: nil).

11. POLICYHOLDERS' LIABILITIES

	Statutory Funds					Figures in Rupees	
	Ordinary Life		Universal Life	Accidental & Health		Aggregate	
	Individual	Group		Individual	Group	June 30, 2017 (Un-audited)	Dec 31, 2016 (Audited)
Gross of Reinsurance							
Actuary Liability Relating to Future Events	4,289,280	227,505	174,431,159	-	-	178,947,944	187,924,845
Provision for Outstanding Reported Claims Payable over the Period Exceeding Twelve Months	677,226	-	1,756,229	-	-	2,433,455	1,930,896
Provision for Claims Incurred but not Reported (IBNR)	50,000	600,000	500,000	-	-	1,150,000	1,165,087
Net of Reinsurance	5,016,506	827,505	176,687,388	-	-	182,531,399	191,020,828
Actuary Liability Relating to Future Events							
Provision for Outstanding Reported Claims Payable over the Period Exceeding Twelve Months	677,226	-	1,756,229	-	-	2,433,455	1,930,896
Provision for Claims Incurred but not Reported (IBNR)	50,000	200,000	200,000	-	-	450,000	961,535
	5,016,506	275,835	175,853,605	-	-	181,145,946	189,306,051

12. INVESTMENTS

	Note	Shareholders' Fund	Statutory Funds			Un-Audited June 30, 2017	Audited Dec. 31, 2016
			Ordinary Life	Universal Life	Accidental & Health		
			(Rupees)				
Government Securities	12.1	135,666,612	17,177,351	105,491,626	3,926,251	262,261,840	259,245,140
Listed Equities	12.2	280,518	-	-	-	280,518	280,518
		135,947,130	17,177,351	105,491,626	3,926,251	262,542,358	259,525,658

12.1 Government Securities

Held-to-Maturity

10 Years Pakistan Investment Bonds	1,994,272	-	-	-	1,994,272	1,991,837
10 Years Pakistan Investment Bonds	3,882,440	-	-	-	3,882,440	3,863,407
10 Years Pakistan Investment Bonds	15,789,816	-	-	-	15,789,816	15,764,622
10 Years Pakistan Investment Bonds	-	-	1,195,465	-	1,195,465	1,194,731
10 Years Pakistan Investment Bonds	9,645,402	-	584,572	-	10,229,974	10,203,483
10 Years Pakistan Investment Bonds	8,025,862	-	-	-	8,025,862	8,008,779
10 Years Pakistan Investment Bonds	23,514,200	-	-	-	23,514,200	23,571,263
01 Year Treasury Bills	72,814,620	-	26,658,904	-	99,473,524	96,686,299
06 Months Treasury Bills	-	17,177,351	77,052,685	3,926,251	98,156,287	97,960,719
	135,666,612	17,177,351	105,491,626	3,926,251	262,261,840	259,245,140

The particulars of investments are as follows:

	Amount in Rupees	Maturity	Principal Repayment	Coupon Percentage	Coupon Payment
Held to maturity					
10 Years Pakistan Investment Bonds	1,994,272	August 2018	On maturity	12%	Semi-Annually
10 Years Pakistan Investment Bonds	3,882,440	July 2020	On maturity	12%	Semi-Annually
10 Years Pakistan Investment Bonds	15,789,816	August 2021	On maturity	12%	Semi-Annually
10 Years Pakistan Investment Bonds	1,195,465	July 2020	On maturity	12%	Semi-Annually
10 Years Pakistan Investment Bonds	10,229,974	July 2020	On maturity	12%	Semi-Annually
10 Years Pakistan Investment Bonds	8,025,862	July 2022	On maturity	12%	Semi-Annually
10 Years Pakistan Investment Bonds	23,514,200	April 2026	On maturity	8.75%	Semi-Annually
01 Year Treasury Bills	99,473,524	August 2017	On maturity	5.87%	On Maturity
06 Months Treasury Bills	98,156,287	October 2017	On maturity	5.91%	On Maturity
	262,261,840				

12.2 Listed Equities and Mutual Fund

Shareholders' Fund	Statutory Funds			Un-Audited June 30, 2017	Audited Dec. 31, 2016
	Ordinary Life	Universal Life	Accidental & Health		
(Rupees)					
Available for Sale					
Listed Equities	280,518	-	-	280,518	280,518
	280,518	-	-	280,518	280,518



EAST WEST LIFE ASSURANCE COMPANY LIMITED

Figures in Rupees

Additions	Delections	Additions	Delections
June 30, 2017	June 30, 2017	June 30, 2016	June 30, 2016
(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)

13. FIXED ASSETS - TANGIBLE

Details of additions and deletions during the period are as under:

Furniture and fixtures	-	-	514,437	-
Office equipments	30,100	-	-	-
Computer equipments	6,500	-	9,600	-
	<u>36,600</u>	<u>-</u>	<u>524,037</u>	<u>-</u>

14. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprises East West Insurance Company Limited (associated company), directors of the company, key management personnel and employees' provident fund.

The details of transactions with related parties, other than those that are which have been specifically disclosed elsewhere in the condensed interim financial information are as follows:

Relationship with the Company	Nature of Transactions	June 30, 2017	June 30, 2016
		(Un-audited)	(Un-audited)
		----- (Rupees) -----	----- (Rupees) -----
Provident Fund	Contribution during the Period	<u>389,938</u>	<u>388,346</u>
Directors	Directors Fee	<u>100,000</u>	<u>80,000</u>
Key Management Personnel	Salaries and other Benefits	<u>2,019,000</u>	<u>1,899,000</u>
		<u>June 30, 2017</u>	<u>Dec 31, 2016</u>
		(Un-audited)	(Audited)
		----- (Rupees) -----	----- (Rupees) -----
Associated Companies	Investments	<u>280,518</u>	<u>280,518</u>

15. CASH AND CASH EQUIVALENTS

Shareholders' Fund	Ordinary Life	Statutory Funds	Universal Life	Accidental & Health	June 30, 2017	Dec. 31, 2016
					Un-Audited	Un-Audited
					(Rupees)	(Rupees)
Cash and Bank Deposits						
Cash in Hand	-	-	23,700	-	23,700	7,151
Current and Other Accounts	22,553,576	1,460,389	25,685,467	16,989	49,716,421	87,508,534
Term Deposits Having Maturity of Three Months	-	-	85,000,000	-	85,000,000	115,000,000
	<u>22,553,576</u>	<u>1,460,389</u>	<u>110,709,167</u>	<u>16,989</u>	<u>134,740,121</u>	<u>202,515,685</u>

16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at June 30, 2017 and December 31, 2016.

Fair Value Hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
June 30, 2017				
Financial assets				
Listed securities	280,518	-	-	280,518
	<u>280,518</u>	<u>-</u>	<u>-</u>	<u>280,518</u>
December 31, 2016				
Financial assets				
Listed securities	280,518	-	-	280,518
	<u>280,518</u>	<u>-</u>	<u>-</u>	<u>280,518</u>

17. GENERAL

Figures have been rounded off to the nearest rupee unless otherwise stated.

18. EVENTS OCCURRING AFTER BALANCE SHEET DATE

There are no event or transactions subsequent to period end that requires disclosure or in these condensed interim financial information.

19. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue by the Board of Directors on August 31, 2017.



Chairman



Chief Executive Officer



Director



Director



BRANCH NETWORK

Lahore

*Punjab Zone**

2nd Floor, Naqi Arcade,

71-Shahrah-e-Quaid-e-Azam, Lahore.

Tel.: (042) 36370717, 36362033

Fax: (042) 36370711

E-Mail: lahore.zone@eastwestlifeco.com

Sialkot

Office No. 3, 2nd Floor,

Sharif Centre, Fateh Garth,

Agency Chowk, Defence Road,

Sialkot.

Tel.: (052) 3560260

Sahiwal

1st Floor, Mansha Plaza,

Lahore Commercial Centre,

Near General Bus Stand, G.T.Road, Sahiwal.

Mobile: (0333) 3757700

Multan

Upper Story Leopards Couriers

Centre, Opposite Hajveri Arcade

Katchery Road, Multan.

Mobile: (0300) 7351492

Layyah

Arian Plaza, Near Indus Petrol

Pump, Chowak Azam Road, Layyah.

Mobile: (0300) 6765756

Rawalpindi

*Corporate / Group Marketing**

55-A, Bank Road, Rawalpindi Cantt., Rawalpindi.

Tel.: (051) 5514322 Fax: (92-51) 5564809

E-Mail: rawalpindi.zone@eastwestlifeco.com

Gujrat

Near Grid Station / Police Chowki,

Sargodha Road, Gujrat.

Mobile: (0333) 5835787

Chakwal

1st Floor,

Bait-ul-Mukarram Masjid,

Talagang Road, Chakwal.

Tel.: (0543) 553226

Jhelum

F-1, 3rd Floor, Shabbir Plaza,

Shandar Chowk, Jhelum.

Tel.: (0544) 623261

Bhimber (Azad Kashmir)

Ch. Barkat Plaza,

Samahni Road,

Bhimber (A.K.).

Tel.: (058650) 43551

Note: Besides the company's head office (stated on page number 2), and the group marketing office in Rawalpindi shown on this page, corporate (group life and group health) insurance services are also offered at the above individual life sales offices marked with an asterisk (*).



Fly** without **Worries

Everybody agree that efficient, skillful and cooperative efforts of both employer and employees are essential for the growth and profitability of any business operation. Satisfied employees, assured of a secure financial future of their families, tend to be more loyal to the organization and apply fully and devotedly to the work entrusted to them.

Our **Group Life** and **Health** insurance policies are ideal to manage employee growth. Being generous and customizable, our policies are the preferred choice for the corporate client interested in providing the best cover to the employees and their families.



EAST WEST LIFE

ASSURANCE COMPANY LIMITED

A Member of East West Group of Companies

Head Office: Room No. 802, 8th Floor, Lakson Square, Building No. 1, Opp. Press Club, Karachi, Pakistan.

Tel: (021) 35630421, 35630422, 35630423 Fax: (021) 35630429 E-mail: info@eastwestlifeco.com



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ASSURANCE COMPANY LIMITED

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Opp. Karachi Press Club, Karachi-Pakistan.

Tel: (021) 35630421, 35630422, 35630423, Fax: (021) 35630429

E-mail: info@eastwestlifeco.com Website: www.eastwestlifeco.com