

Quarterly Accounts  
for the Period Ending  
September 30th, 2015  
(Un-Audited)

Realise your **Dreams**  
for a **Bright Future**



**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. **Ameen!**



# QUARTERLY FINANCIAL REPORT

## FOR THE PERIOD ENDING SEPTEMBER 30, 2015

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**BOARD OF DIRECTORS AND COMPANY INFORMATION**

Chief Justice (R) Mian Mahboob Ahmad	Chairman
Maheen Yunus, CPCU	Chief Executive Officer (CEO)
Umeed Ansari Mohsin Ali Kanchwala Javed Yunus Pervez Yunus Naved Yunus Omar P. Yunus	Directors
Sohail Nazeer	Company Secretary
Shujat Siddiqui, MA, FIA, FPSA	Appointed Actuary
Akhtar & Hasan (Private) Limited	Consulting Actuaries
Saiyed Yunus Saeed	Legal Advisor
BDO Ebrahim & Company Chartered Accountants	Auditor
Bema Associates (Private) Limited B-1, Shafiq Plaza, 255/A, Sarwer Shaheed Road, Karachi. Pakistan Tel. 021-35681403 E-mail: bemaassociates@cyber.net.pk	Share Registrar
28 Regal Plaza, M. A. Jinnah Road, Quetta, Pakistan. Phone: (081) 2822913, 2821397 Fax: (92-81) 2821460	Registered Office
Room No. 802, 8th Floor, Lakson Square Building No-1, Sarwar Shaheed Road, Opp. Karachi Press Club, Karachi-Pakistan. Tel: + 92-21-35630421, 35630422, 35630423 Fax: + 92-21-35630429	Head Office
www.eastwestlifeco.com	Website
info@eastwestlifeco.com	E-Mail



# EAST WEST LIFE

## ASSURANCE COMPANY LIMITED

### 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

Raja Gustasab Khan   Advisor to CEO

Sheikh Khalid Mehmood   Zonal Head

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

Nauman Mughal   Deputy General Managers  
Aqeel Ansari  
Sana-ul-Haq Hashmi

Tanveer Iqbal   Assistant General Managers  
Naveed Ashraf  
Anjum Ghazali  
Ajaz Hussain

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*  
*Muhammad Amir Khan, Secretary*

### Underwriting Committee

*Pervez Yunus*  
*Mohsin Ali Kanchwala*  
*Javed Yunus*  
*Ajaz Hussain, Secretary*

### Claim Committee

*Javed Yunus*  
*Naved Yunus*  
*Mohsin Ali Kanchwala*  
*Saleha Usman, Co-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***

- T** Oprovide high quality, competitive insurance products and services through qualified, professional and committed salespersons.
- T** Omaintain financial strength for the benefit of our corporate and individual insurers, shareholders, agents/salespersons and employees.
- T** Oearn and protect public trust of the communities where we live and work by supporting good works and contributing to charities.
- T** Ocreate 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.
- T** Oserve the nation by increasing the rate of literacy through our East West Life Educational Security Schemes for children and their parents.
- T** Oprovide the right solutions that are in tune with our customer's needs, while facing up to the emerging challenges in the industry.
- T** Ohelp individuals and families financially realize their hopes and dreams and be there when they need us most.
- T** Odevelop awareness of insurance need, build confidence in the insurance industry and also to develop the concept of saving.
- T** Oinnovate 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 principal 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 quarter ended September 30, 2015

The after tax loss for the period ended September 30, 2015 amounts to Rs.(13,208,000) compared to a profit of Rs. 19,180,011 during the corresponding period of 2014. This after tax (loss)/profit has been calculated after taking into account the results of both Shareholders' Fund and Statutory Funds as detailed hereunder

	January to September		July to September	
	2015	2014	2015	2014
	Rupees	Rupees	Rupees	Rupees
<b>OPERATING INCOME</b>				
Premium Less Reinsurances	18,608,905	103,692,126	2,824,953	41,784,634
Net Investment Income	29,378,711	30,605,592	7,921,719	8,364,220
<b>Total Net Income</b>	<b>47,987,616</b>	<b>134,297,718</b>	<b>10,746,672</b>	<b>50,148,854</b>
<b>OPERATING EXPENSES</b>				
Claims, Including Bonuses, Net of Reinsurance Recoveries	46,963,718	81,630,514	11,801,363	32,808,339
Management Expenses Less Recoveries	39,125,692	48,482,633	11,460,848	17,164,595
<b>Total Claims &amp; Expenditure</b>	<b>86,089,410</b>	<b>130,113,147</b>	<b>23,262,211</b>	<b>49,972,934</b>
Excess of Income Over Claims and Expenditure	(38,101,794)	4,184,571	(12,515,539)	175,920
<b>Movement in Policyholders' Liabilities</b>	<b>25,003,001</b>	<b>15,098,139</b>	<b>7,417,517</b>	<b>2,729,298</b>
<b>(Loss)/Profit Before Taxation</b>	<b>(13,098,793)</b>	<b>19,282,710</b>	<b>(5,098,022)</b>	<b>2,905,218</b>
Taxation	(109,207)	(102,699)	(25,619)	(37,711)
<b>Profit/(Loss) After Taxation</b>	<b>(13,208,000)</b>	<b>19,180,011</b>	<b>(5,123,641)</b>	<b>2,867,507</b>

As shown above, the primary reason for the loss experienced during the nine months of 2015 is the sizable decrease of more than 82% in premiums of the company's Statutory Funds, which is primarily limited to the corporate portfolio that has experienced a drop of almost 89% during 9 months of the year. This drastic drop has been somewhat mitigated through a decrease of approximately 49% in the claims and expenditure of the company.. The disappointing premium income results have been continuing for the past year and, accordingly, the company's management has decided to focus on completely revamping its marketing department strategy to tackle the lackluster 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.

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,



Naveed Yunus,  
Director

Dated: October 29, 2015

Email: [info@eastwestlifeco.com](mailto:info@eastwestlifeco.com)

Quarterly Financial Report - Sept., 2015



**INTERIM CONDENSED BALANCE SHEET  
AS AT SEPTEMBER 30, 2015 (Un-Audited)**

Figures in Rupees


Note	Shareholders' Fund	Statutory Funds			Aggregate	
		Ordinary Life	Universal Life	Accidental & Health	Sept. 30, 2015	Dec. 31, 2014
		Un-Audited			Audited	
Share Capital and Reserves						
Authorized Share Capital	600,000,000	-	-	-	600,000,000	600,000,000
Issued, Subscribed And						
Paid Up Share Capital	594,291,500	-	-	-	594,291,500	594,291,500
Accumulated Deficit 7	(385,341,613)	-	-	-	(385,341,613)	(363,799,069)
	208,949,887	-	-	-	208,949,887	230,492,431
Balance of Statutory Fund						
[Including Policyholders' Liabilities 2015:						
Rs.216.382 Million						
(2014: Rs.248.061 Million) ]						
	-	21,656,638	201,815,413	7,171,930	230,643,981	247,312,438
Deferred Liabilities						
Outstanding Gratuity	9,055	77,195	-	-	86,250	90,550
Creditors and Accruals						
Outstanding Claims	-	23,235,194	50,041,939	4,969,749	78,246,882	71,322,337
Premiums Received in Advance	-	-	15,861,829	-	15,861,829	15,512,593
Amount Due to Other Insurers / Reinsurers	-	529,526	-	-	529,526	154,270
Accrued Expenses	2,095,416	5,082,487	4,098,116	516,785	11,792,804	12,130,889
Agent's Balances	-	752,380	1,285,811	285,007	2,323,198	2,176,412
Other Creditors and Accruals	46,415	146,709	37,357	44,065	274,546	135,641
	2,141,831	29,746,296	71,325,052	5,815,606	109,028,785	101,432,142
TOTAL LIABILITIES	2,150,886	51,480,129	273,140,465	12,987,536	339,759,016	348,835,130
TOTAL EQUITY AND						
LIABILITIES	211,100,773	51,480,129	273,140,465	12,987,536	548,708,903	579,327,561

Dated: October 29, 2015

Figures in Rupees

Note	Shareholders' Fund	Statutory Funds			Aggregate	
		Ordinary Life	Universal Life	Accidental & Health	Sept. 30, 2015	Dec. 31, 2014
		Un-Audited			Audited	
Cash and Bank Deposits						
Cash in Hand	-	-	2,873	-	2,873	17,872
Current and Other Accounts	8,352,428	18,513,786	70,555,088	74,664	97,495,966	124,800,780
Deposits Maturing Within 12 Months	-	-	80,000,000	-	80,000,000	82,500,000
	8,352,428	18,513,786	150,557,961	74,664	177,498,839	207,318,652
Loans Secured Against Life Insurance Policies						
	-	4,245,939	5,004,012	-	9,249,951	8,158,364
Unsecured Loans						
To Employees	60,614	481,712	-	59,814	602,140	198,524
Investments	9					
Government Securities	129,979,327	17,438,915	112,908,440	10,141,675	270,468,357	284,116,177
Listed Equities	46,869,383	-	-	-	46,869,383	784,146
	176,848,710	17,438,915	112,908,440	10,141,675	317,337,740	284,900,323
Current Assets - Other						
Premiums Due But Unpaid	-	1,700,000	150,145	1,168,617	3,018,762	40,652,174
Amount Due From Other Insurer and Reinsurer	-	7,900,615	1,355,667	-	9,256,282	5,351,441
Taxation	1,655,700	-	-	-	1,655,700	286,671
Prepayments	-	-	487,260	-	487,260	-
Sundry Receivables	50,000	1,199,162	2,634,618	1,542,766	5,426,546	4,847,439
Investment Income Accrued	1,498,180	-	42,362	-	1,540,542	2,348,878
Stationery	269,473	-	-	-	269,473	291,555
	3,473,353	10,799,777	4,670,052	2,711,383	21,654,565	53,778,158
Fixed Assets						
Tangible						
Furniture, Fixtures, Office Equipment and Vehicles	22,365,668	-	-	-	22,365,668	24,973,540
Intangible Assets						
Software	-	-	-	-	-	-
	22,365,668	-	-	-	22,365,668	24,973,540
TOTAL ASSETS	211,100,773	51,480,129	273,140,465	12,987,536	548,708,903	579,327,561

The annexed notes form an integral part of these accounts.



Chairman



Director



Director



Director



**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015**

Figures in Rupees

Note	Nine Months Ended		Quarter Ended	
	Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014
Investment Income Not Attributable to Statutory Funds				
Return on Government Securities	9,395,248	9,914,767	2,559,488	3,725,559
Return on Other Fixed Income				
Securities and Deposits	1,525,416	355,142	2,348	45,548
Amortization of Discount/Premium				
Relative to Par	545,678	524,811	183,892	178,386
Dividend Income	617,850	20,000	-	-
Gain on Sale of Fixed Assets	273,038	-	-	-
(Loss)/Gain on Sale of Investment	1,149,426	5,468,735	-	-
Net Investment Income	13,506,656	16,283,455	2,745,728	3,949,493
Expenses Not Attributable to Statutory Funds	(10,689,993)	(13,040,165)	(3,130,513)	(4,299,318)
Profit/(Loss) Before Tax	2,816,663	3,243,290	(384,785)	(349,825)
Taxation	(109,207)	(102,699)	(25,619)	(37,711)
Profit/(Loss) After Tax	2,707,456	3,140,591	(410,404)	(387,536)
Earnings Per Share	0.05	0.05	(0.01)	(0.01)

The annexed notes from an integral part of these accounts.

Chairman

Director

Director

Director



### INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDING SEPTEMBER 30, 2015

Figures in Rupees

	Share Capital	Accumulated Surplus/(Deficit)			Total
		Accumulated Surplus/(Loss)	Capital Contributed to Statutory Fund	Sub Total	
Balance as at January 01, 2014	594,291,500	(113,791,093)	(269,030,426)	(382,821,519)	211,469,981
Net Profit For the Period	-	3,140,591	-	3,140,591	3,140,591
Balance as at September 30, 2014	594,291,500	(110,650,502)	(269,030,426)	(379,680,928)	214,610,572
Balance as at January 01, 2015	594,291,500	(84,743,643)	(279,055,426)	(363,799,069)	230,492,431
Net Profit for the Period	-	2,707,456	-	2,707,456	2,707,456
Capital Contributed to Statutory Fund	-	-	(24,250,000)	(24,250,000)	(24,250,000)
Balance as at September 30, 2015	594,291,500	(82,036,187)	(303,305,426)	(385,341,613)	208,949,887

The annexed notes form an integral part of these accounts.

Chairman

Director

Director

Director



### INTERIM CONDENSED CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDING SEPTEMBER 30, 2015

Figures in Rupees

		Statutory Funds			Aggregate	
	Shareholders' Fund	Ordinary Life	Universal Life	Accidental & Health	Sept. 30, 2015	Sept. 30, 2014
Operating Cash Flows						
a) Underwriting Activities						
Premium Received	-	36,906,118	11,580,264	15,572,520	64,058,902	145,158,003
Net Reinsurance Premium Received/(Paid)	-	14,142,411	(880,786)	-	13,261,625	4,047,321
Claims Paid	-	(43,619,812)	(3,998,385)	(14,475,921)	(62,094,118)	(109,397,843)
Surrenders Paid	-	(127,639)	(2,485,192)	-	(2,612,831)	(3,916,011)
Commission Paid	-	(2,205,798)	(1,516,411)	(834,428)	(4,547,037)	(10,493,362)
Net Cash Flow						
Underwriting Activities	-	5,095,280	2,709,490	261,771	8,066,541	25,398,108
b) Other Operating Activities						
Income Tax Paid	(1,478,236)	-	-	-	(1,478,236)	(964,295)
General Management Expenses Paid	(8,584,258)	(4,954,677)	(13,695,391)	(7,233,742)	(34,468,068)	(43,941,898)
Net Cash (Used In)						
Other Operating Activities	(10,062,494)	(4,954,677)	(13,695,391)	(7,233,742)	(35,946,304)	(44,906,193)
Total Cash (used in)/Generated						
From All Operating Activities	(10,062,494)	140,603	(10,985,901)	(6,971,971)	(27,879,763)	(19,508,085)
Investment Activities						
Profit/ Return Received	7,293,087	-	4,214,659	-	11,507,746	10,077,193
Dividend Received	617,850	-	-	-	617,850	20,000
Payments for Investments	(330,672,084)	(34,405,959)	(725,620,109)	(20,019,297)	(1,110,717,448)	(515,383,362)
Proceeds From Disposal of Investments	309,738,605	36,104,664	729,696,848	20,445,724	1,095,985,841	523,372,525
Proceeds From Disposal of Fixed Assets	672,562	-	-	-	672,562	-
Fixed Capital Expenditure	(6,600)	-	-	-	(6,600)	(244,000)
Total Cash Flow From						
Investing Activities	(12,356,580)	1,698,705	8,291,398	426,427	(1,940,050)	17,842,356



Figures in Rupees

	Shareholders' Fund	Statutory Funds			Aggregate	
		Ordinary Life	Universal Life	Accidental & Health	Sept. 30, 2015	Sept. 30, 2014
Financing Activities						
Share Capital Issued	-	-	-	-	-	-
Payment of Advance						
Against Equity	(24,250,000)	13,250,000	5,600,000	5,400,000	-	-
Dividend Paid	-	-	-	-	-	-
Total Cash Flow From Financing Activities	(24,250,000)	13,250,000	5,600,000	5,400,000	-	-
Net Cash Inflow / Outflow from all Activities	(46,669,074)	15,089,308	2,905,497	(1,145,544)	(29,819,813)	(1,665,729)
Cash at the Beginning of the Period	55,021,502	3,424,478	147,652,464	1,220,208	207,318,652	188,821,452
Cash at the End of the Period	8,352,428	18,513,786	150,557,961	74,664	177,498,839	187,155,723

### Reconciliation to Profit and Loss Account

Operating Cash flows	(27,879,763)	(19,508,085)
Depreciation Expense	(2,214,948)	(2,713,240)
Investment Income	29,296,107	30,605,592
Increase/(decrease) in Assets Other than Cash	(29,820,054)	22,497,431
(Increase)/Decrease in Liabilities Other than Running Finance	17,410,658	(11,701,687)
Surplus/(Deficit) of Statutory Funds	15,915,456	(16,039,420)
Loss After Taxation	2,707,456	3,140,591

The annexed notes from an integral part of these accounts.

Chairman

Director

Director

Director



### INTERIM CONDENSED REVENUE ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDING SEPTEMBER 30, 2015

Figures in Rupees

Note	Statutory Funds			Aggregate			
	Ordinary Life	Universal Life	Accidental & Health	Nine Months Ended		Quarter Ended	
				Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014
Income							
Premiums Less Reinsurances	2,392,700	10,510,955	5,705,250	18,608,905	103,692,126	2,824,953	41,784,634
Net Investment Income	1,005,864	14,241,311	624,880	15,872,055	14,322,137	5,175,991	4,414,727
Total Net Income	3,398,564	24,752,266	6,330,130	34,480,960	118,014,263	8,000,944	46,199,361
Claims and Expenditure							
Claims, Including Bonuses,							
Net of Reinsurance Recoveries	11,989,792	17,640,772	17,333,154	46,963,718	81,630,514	11,801,363	32,808,339
Management Expenses Less Recoveries	5,996,645	13,303,812	9,135,242	28,435,699	35,442,468	8,330,335	12,865,277
Total Claims and Expenditure	17,986,437	30,944,584	26,468,396	75,399,417	117,072,982	20,131,698	45,673,616
Excess/(Deficit) of Income Over Claims and Expenditure	(14,587,873)	(6,192,318)	(20,138,266)	(40,918,457)	941,281	(12,130,754)	525,745
Add: Policyholders' Liabilities at Beginning of Period	20,285,432	202,167,391	20,462,896	242,915,719	258,588,811	225,330,235	246,219,970
Less: Policyholders' Liabilities at End of Period	14,115,193	201,645,189	2,152,336	217,912,718	243,490,672	217,912,718	243,490,672
	6,170,239	522,202	18,310,560	25,003,001	15,098,139	7,417,517	2,729,298
Surplus/(Deficit)	(8,417,634)	(5,670,116)	(1,827,706)	(15,915,456)	16,039,420	(4,713,237)	3,255,043
Movement in Policyholder Liabilities	(6,170,239)	(522,202)	(18,310,560)	(25,003,001)	(15,098,139)	(7,417,517)	(2,729,298)
Transfer To or From Shareholders' Fund							
-Capital Contribution From Shareholders' Fund	13,250,000	5,600,000	5,400,000	24,250,000	-	7,800,000	-
-Capital Contribution From Shareholders' Fund	-	-	-	-	-	-	-
-Transfer of Surplus to Shareholders' Fund	-	-	-	-	-	-	-
Net Transfer to or from Shareholders' Fund	13,250,000	5,600,000	5,400,000	24,250,000	-	7,800,000	-
Balance of Statutory Fund at Beginning of the Year	22,994,511	202,407,731	21,910,196	247,312,438	269,041,765	234,974,735	269,457,301
Balance of Statutory Funds at End of Period	21,656,638	201,815,413	7,171,930	230,643,981	269,983,046	230,643,981	269,983,046
Represented by:	8						
Capital Contributed by Shareholders' Fund	159,205,426	138,700,000	5,400,000	303,305,426	269,030,426	303,305,426	269,030,426
Accumulated Deficit	(151,663,981)	(138,529,776)	(380,406)	(290,574,163)	(242,538,052)	(290,574,163)	(242,538,052)
	7,541,445	170,224	5,019,594	12,731,263	26,492,374	12,731,263	26,492,374
Policyholders' Liabilities	14,115,193	201,645,189	2,152,336	217,912,718	243,490,672	217,912,718	243,490,672
BALANCE OF STATUTORY FUND	21,656,638	201,815,413	7,171,930	230,643,981	269,983,046	230,643,981	269,983,046

The annexed notes form an integral part of these accounts.

Chairman

Director

Director

Director



### INTERIM CONDENSED STATEMENT OF PREMIUMS (UN-AUDITED) FOR THE QUARTER ENDING SEPTEMBER 30, 2015

Figures in Rupees

	Statutory Funds			Aggregate			
	Ordinary Life	Universal Life	Accidental & Health	Nine Months Ended		Quarter Ended	
				Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014
Gross Premiums							
Regular Premium Individual Policies*							
First Year	-	1,553,204	12,500	1,565,704	2,042,576	497,423	802,214
Second Year Renewal	-	993,345	-	993,345	938,539	160,331	278,373
Subsequent Year Renewal	-	9,345,241	-	9,345,241	12,858,827	2,034,486	4,048,244
Single Premium Individual Policies	-	-	-	-	-	-	-
Group Policies	9,570,801	-	5,692,750	15,263,551	144,894,101	2,579,131	66,169,076
Total Gross Premiums	9,570,801	11,891,790	5,705,250	27,167,841	160,734,043	5,271,371	71,297,907
Less: Reinsurance Premiums Ceded							
On Individual Life First Year Business	-	(40,402)	-	(40,402)	(26,474)	(22,212)	(11,070)
On Individual Life Second Year Business	-	(29,742)	-	(29,742)	(7,649)	(14,730)	(1,431)
On Individual Life Renewal Business	-	(1,310,691)	-	(1,310,691)	(982,414)	(475,127)	(172,040)
On Group Policies	(7,178,101)	-	-	(7,178,101)	(56,025,380)	(1,934,349)	(29,328,732)
	(7,178,101)	(1,380,835)	-	(8,558,936)	(57,041,917)	(2,446,418)	(29,513,273)
Net Premiums	2,392,700	10,510,955	5,705,250	18,608,905	103,692,126	2,824,953	41,784,634

The annexed notes from an integral part of these accounts.

Chairman

Director

Director

Director



**INTERIM CONDENSED STATEMENT OF CLAIMS (UN-AUDITED)  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015**

Figures in Rupees

	Statutory Funds			Aggregate Nine Months Ended		Quarter Ended	
	Ordinary Life	Universal Life	Accidental & Health	Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014
Gross Claims							
Claims Under Individual Policies							
by Death	143,587	1,926,467	-	2,070,054	2,224,325	336,665	964,832
by Insured Event Other than Death	-	-	-	-	16,250	-	-
by Maturity	3,250,604	10,717,414	-	13,968,018	5,783,782	3,387,593	2,156,109
by Surrender	345,475	4,996,891	-	5,342,366	4,378,543	1,615,340	654,232
Total Gross Individual Policy Claims	3,739,666	17,640,772	-	21,380,438	12,402,900	5,339,598	3,775,173
Claims Under Group Policies							
by Death	32,752,592	-	-	32,752,592	70,917,658	12,193,823	36,387,087
by Insured Event Other Than Death	247,914	-	17,333,154	17,581,068	51,646,700	3,428,310	20,016,644
Total Gross Group Policy Claims	33,000,506	-	17,333,154	50,333,660	122,564,358	15,622,133	56,403,731
Total Gross Claims	36,740,172	17,640,772	17,333,154	71,714,098	134,967,258	20,961,731	60,178,904
Less: Reinsurance Recoveries							
On Group Life Claims	(24,750,380)	-	-	(24,750,380)	(53,336,744)	(9,160,368)	(27,370,565)
Net Claims	11,989,792	17,640,772	17,333,154	46,963,718	81,630,514	11,801,363	32,808,339

The annexed notes from an integral part of these accounts.

Chairman

Director

Director


Director

### INTERIM CONDENSED STATEMENT OF EXPENSES (UN-AUDITED) FOR THE QUARTER ENDING SEPTEMBER 30, 2015

Figures in Rupees

	Statutory Funds			Aggregate			
	Ordinary Life	Universal Life	Accidental & Health	Nine Months Ended		Quarter Ended	
				Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014
Acquisition Costs							
Remuneration to Insurance Intermediaries on Individual Policies:							
Commission on First Year Premiums	-	1,100,736	3,250	1,103,986	1,357,560	447,878	564,323
Commission on Second Year Premiums	-	100,519	-	100,519	83,966	18,664	29,039
Commission on Subsequent Renewal Premiums	-	253,083	-	253,083	235,236	106,367	59,521
Other Benefits to Insurance Intermediaries	-	306,804	-	306,804	203,434	-	52,000
Group Policies Commission	1,957,061	-	972,370	2,929,431	9,083,030	192,795	4,275,726
	1,957,061	1,761,142	975,620	4,693,823	10,963,226	765,704	4,980,609
Branch Overhead:	-	960,855	-	960,855	1,230,539	309,069	406,117
Other Acquisition Cost							
Policy Stamps	-	5,000	-	5,000	10,000	-	-
Total Acquisition Cost	1,957,061	2,726,997	975,620	5,659,678	12,203,765	1,074,773	5,386,726
Administration Expenses							
Salaries and Other Benefits	2,405,037	6,080,563	5,093,556	13,579,156	15,063,685	4,605,147	5,440,684
Travelling Expenses	211,503	501,730	258,003	971,236	1,108,602	386,592	320,728
Auditors Remuneration	63,831	63,832	63,831	191,494	266,345	46,951	119,927
Actuary's Fees	675,000	472,500	135,000	1,282,500	1,282,500	427,500	427,500
Medical Fees	-	-	-	-	20,380	-	2,070
Advertisements	15,100	15,100	15,100	45,300	514,470	-	-
Printing and Stationary	64,236	82,071	62,886	209,193	500,660	24,697	332,537
Rental	47,466	266,067	47,466	360,999	882,168	132,756	294,054
	3,482,173	7,481,863	5,675,842	16,639,878	19,638,810	5,623,643	6,937,500
Other Management Expenses	1,095,769	3,156,360	2,483,780	6,735,909	7,843,257	1,804,688	2,750,166
Gross Management Expenses	6,535,003	13,365,220	9,135,242	29,035,465	39,685,832	8,503,104	15,074,392
Commission From Reinsurers	(538,358)	(61,408)	-	(599,766)	(4,243,364)	(172,769)	(2,209,115)
Net Management Expenses	5,996,645	13,303,812	9,135,242	28,435,699	35,442,468	8,330,335	12,865,277

The annexed notes from an integral part of these accounts.



Chairman



Director



Director



Director



INTERIM CONDENSED STATEMENT OF INVESTMENT INCOME (UN-AUDITED)  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015

Figures in Rupees

	Statutory Funds			Aggregate			
	Ordinary Life	Universal Life	Accidental & Health	Nine Months Ended		Quarter Ended	
				Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014
Investment Income							
On Government Securities	978,657	5,981,504	569,483	7,529,644	8,744,225	2,089,966	3,525,875
On Other Fixed Income Securities and Deposits	-	3,918,705	-	3,918,705	3,641,919	1,309,458	886,157
Amortization of Premium	-	-	-	-	-	-	-
Amortization of Discount	-	3,391	-	3,391	3,424	1,143	1,142
Other Miscellaneous Income	27,207	44,289	55,397	126,893	439,462	17,210	1,553
	1,005,864	9,947,889	624,880	11,578,633	12,829,030	3,417,777	4,414,727
Gain on Sale of Investments	-	4,293,422	-	4,293,422	1,493,107	1,758,214	-
Total Investment Income	1,005,864	14,241,311	624,880	15,872,055	14,322,137	5,175,991	4,414,727
Net Investment Income	1,005,864	14,241,311	624,880	15,872,055	14,322,137	5,175,991	4,414,727

The annexed notes from an integral part of these accounts.

Chairman

Director

Director

Director

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDING SEPTEMBER 30, 2015****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 Karachi Stock Exchange. The company commenced life insurance operations 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 310 EFU House, M.A. Jinnah Road Karachi, respectively. 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:

- Ordinary life;
- Universal life; and
- Accident and health.

**2. BASIS OF PRESENTATION**

This condensed interim financial information of the Company for the nine month period ended Sept. 30, 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 – (IAS 34): Interim Financial Reporting, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 have been followed.

The disclosures made in this condensed interim financial information have been limited based on the formats prescribed by the Insurance Rules, 2002 and approved accounting standards as applicable in Pakistan for interim financial reporting.

This condensed interim financial information do not include all of the information required for full financial statements and should be read in conjunction with the financial statements of the company for the year ended December 31, 2014.

This condensed interim financial information have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

**3. BASIS OF MEASUREMENT**

This condensed interim financial information has been prepared under the historical cost convention, except that 'held to maturity' investments are stated at amortised cost and investment 'at fair value through profit or loss – held for trading investments' are stated at fair value and available for sale at lower of cost or market value.

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in the preparation of this condensed interim financial information were the same as those applied in the preparation of the financial information of the Company for the year ended December 31, 2014.

**5. USE OF ESTIMATES AND JUDGEMENTS**

Preparation of the condensed interim financial information requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial information, the significant judgments 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 and for the year ended December 31, 2014.

**6. FINANCIAL AND INSURANCE RISK MANAGEMENT**

The Company's financial and insurance risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended December 31, 2014.



	Un-Audited Sept. 30, 2015 Rupees	Audited Dec 31, 2014 Rupees
7. ANALYSIS OF ACCUMULATED SURPLUS/(DEFICIT) AS SHOWN IN BALANCE SHEET		
Accumulated Deficit in Statement of Changes in Equity Ignoring Effect of Capital Transfers at Start of Period	(84,743,643)	(113,791,093)
Add: Profit in Profit and Loss Account for the Period	2,707,456	29,047,450
	(82,036,187)	(84,743,643)
Less: Accumulated Net Capital Transferred in Statutory Funds	(303,305,426)	(279,055,426)
Total Accumulated Deficit as Shown in Balance Sheet	(385,341,613)	(363,799,069)

8. MOVEMENTS IN STATUTORY FUNDS

	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accidental & Health	Un-Audited Sept. 30, 2015	Un-Audited Sept. 30, 2014
	(Rupees)				
Policyholders' Liabilities					
Balance at Beginning of the Period	20,285,432	202,167,391	20,462,896	242,915,719	258,588,811
Increase / (Decrease) During the Period	(6,170,239)	(522,202)	(18,310,560)	(25,003,001)	(15,098,139)
Balance at End of the Period	14,115,193	201,645,189	2,152,336	217,912,718	243,490,672
Capital Contributed By Shareholders' Fund					
Balance at the Beginning of the Period	145,955,426	133,100,000	-	279,055,426	269,030,426
Capital Contributed During the Period	13,250,000	5,600,000	5,400,000	24,250,000	-
Balance at End of the Period	159,205,426	138,700,000	5,400,000	303,305,426	269,030,426
Accumulated Deficit					
Balance at the Beginning of the Period	(143,246,347)	(132,859,660)	1,447,300	(274,658,707)	(258,577,472)
Deficit Allocated in Respect of the Period	(8,417,634)	(5,670,116)	(1,827,706)	(15,915,456)	16,039,420
Balance at End of the Period	(151,663,981)	(138,529,776)	(380,406)	(290,574,163)	(242,538,052)

### 9. INVESTMENTS

	Note	Shareholders' Fund	Statutory Funds			Aggregate	
			Ordinary Life	Universal Life	Accidental & Health	Sept. 30, 2015	December 31, 2014
			Un-Audited			Audited	
			(Rupees)				
Government Securities	9.1	129,979,327	17,438,915	112,908,440	10,141,675	270,468,357	284,116,177
Listed Equities	9.2	46,869,383	-	-	-	46,869,383	784,146
		<u>176,848,710</u>	<u>17,438,915</u>	<u>112,908,440</u>	<u>10,141,675</u>	<u>317,337,740</u>	<u>284,900,323</u>

#### 9.1 Government Securities

##### Held to Maturity

10 Years Pakistan Investment Bonds	19,649,993	-	-	-	19,649,993	19,238,133
10 Years Pakistan Investment Bonds	1,985,676	-	-	-	1,985,676	1,982,004
10 Years Pakistan Investment Bonds	3,815,247	-	-	-	3,815,247	3,786,541
10 Years Pakistan Investment Bonds	15,700,871	-	-	-	15,700,871	15,662,871
10 Years Pakistan Investment Bonds	-	-	1,192,872	-	1,192,872	1,191,764
10 Years Pakistan Investment Bonds	9,557,225	-	579,226	-	10,136,451	10,096,496
10 Years Pakistan Investment Bonds	7,965,553	-	-	-	7,965,553	7,939,785
03 Months Treasury Bills	-	-	-	-	-	112,069,613
06 Months Treasury Bills	71,304,762	-	26,106,115	-	97,410,877	-
06 Months Treasury Bills	-	17,438,915	85,030,227	10,141,675	112,610,817	-
12 Months Treasury Bills	-	-	-	-	-	112,148,970
	<u>129,979,327</u>	<u>17,438,915</u>	<u>112,908,440</u>	<u>10,141,675</u>	<u>270,468,357</u>	<u>284,116,177</u>

The particulars of investments are as follows:

	Amount in Rupees	Maturity	Principal Repayment	Coupon	Coupon Payment
Held to Maturity					
10 Years Pakistan Investment Bonds	19,649,993	May 2016	On Maturity	9.6%	Semi-Annually
10 Years Pakistan Investment Bonds	1,985,676	August 2018	On Maturity	12%	Semi-Annually
10 Years Pakistan Investment Bonds	3,815,247	July 2020	On Maturity	12%	Semi-Annually
10 Years Pakistan Investment Bonds	15,700,871	August 2021	On Maturity	12%	Semi-Annually
10 Years Pakistan Investment Bonds	1,192,872	July 2020	On Maturity	12%	Semi-Annually
10 Years Pakistan Investment Bonds	10,136,451	July 2020	On Maturity	12%	Semi-Annually
10 Years Pakistan Investment Bonds	7,965,553	July 2022	On Maturity	12%	Semi-Annually
06 Months Treasury Bills	97,410,877	February 2016	On Maturity	6.95%	On Maturity
06 Months Treasury Bills	112,610,817	November 2015	On Maturity	6.37%	On Maturity
	<u>270,468,357</u>				

#### 9.2 Listed Equities

	Shareholders' Fund	Statutory Funds			Aggregate	
		Ordinary Life	Universal Life	Accidental & Health	Sept. 30, 2015	December 31, 2014
		Un-Audited			Audited	
		(Rupees)				
Available for sale						
Listed equities	46,869,383	-	-	-	46,869,383	784,146
	<u>46,869,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,869,383</u>	<u>784,146</u>



#### 10. TRANSACTION WITH RELATED PARTIES

The related parties comprises East West Insurance Limited (Associated company), directors of the company, key management personnel, associated undertakings, entities with common directors, statutory funds and employees' funds. Following are the balances and transactions with related parties

	September 30, 2015			September 30, 2014		
	Provident Fund	Key Management Personnel	Associated Companies & Common Directorship	Provident Fund	Key Management Personnel	Associated Companies & Common Directorship
Transactions						
Contribution During the period	661,572	-	-	605,793	-	-
Balances						
Investment	-	-	280,518	-	-	280,518

#### 11. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. No significant reclassifications have been made during the period to the condensed interim financial information.

#### 12. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on October 29, 2015 by the Board of Directors of the Company.

#### 13. GENERAL

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

Chairman

Director

Director

Director



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Life

**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, Sarwar Shaheed Road,  
Opp. Karachi Press Club, Karachi-Pakistan. Tel: + 92-21-35630421, 35630422, 35630423  
Fax: + 92-21-35630429 E-mail: info@eastwestlifeco.com

## BRANCH NETWORK

### Lahore

#### *Punjab Zone\**

2nd Floor, Naqi Arcade,

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

Tel. : (042) 36370717, 36362033

Fax: (92-42) 36370711

E-Mail: lahore.zone@eastwestlifeco.com

### Sialkot

Office No-3, 2nd Floor,

Sharif Centre, Fateh Garh,

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: (0346) 7505655

### Multan

2nd Floor, Ghaffar Plaza, Bohra Street,

Multan Cantt., Multan.

Tel. : (061) 4504345

### Layyah

1st Floor of Khan Plaza,

Main Choubara Road, Layyah.

Tel. : (060) 6410372

### 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.

Tel. : (053) 3535658

### 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), corporate (group life and group health) insurance services are also offered at the above individual life sales offices marked with an asterisk (\*).*



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**EAST WEST LIFE**  
ASSURANCE COMPANY LIMITED  
A Member of East West Group of Companies



**EAST WEST LIFE**  
ASSURANCE COMPANY LIMITED

Head Office: Room No. 802, 8th Floor, Lakson Square Building No. 1, Sarwar Shaheed Road,  
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