EAST WEST INSURANCE COMPANY LIMITED
Jinnah Road Quetta

EAST WEST INSURANCE CO., LTD.

HEAD OFFICE:

EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF EAST WEST INSURANCE COMPANY LIMITED HELD AT HEAD OFFICE 401, LAKSON SQUARE SARWAR SHAHEED ROAD, KARACHI ON THE 29th DAY OF OCTOBER 2015.

To consider and pass the following Resolution details are as under:

The Board of Directors unanimously passed the following resolution.

To consider and if thought fit to capitalize a sum of Rs. 50,187,810 out of the un-appropriated profit/reserves of the Company for the issuance of the 5,018,781 bonus shares in the proportion of 1.25 bonus share for every 10 (Ten) ordinary shares held by the existing members of the Company on November 23, 2015.

"Resolved that fully paid Bonus Shares amounting to Rs. 50,187,810/- representing Ordinary Shares 5,018,781 of Rs. 10/- each in the ratio of 1.25 Bonus Share to every 10 shares held be and are hereby approved to be issued to the existing members whose names will appear in the Register of Members on November 23, 2015,".

Karachi.
October 29, 2015

SHABBIR ALI KANCHWALA
Company Secretary

Grant Thornton

An instinct for growth™

BAS/C128/15/1005

GRANT THORNTON ANJUM RAHMAN
1st & 3rd Floor,
Modern Motors House
Beaumont Road,
Karachi 75530

T +92 021 3567 2951-56
F +92 021 3568 8834
www.gtpak.com

Mr. Shabbir Ali Kanchwala
Director Finance / Company Secretary
East West Insurance Company Limited
Karachi

Dear Sir

FREE RESERVES FOR THE ISSUE OF BONUS SHARES

At your request we have ascertained from the Company's financial statements for the year half year ended June 30, 2015 which have been approved by the Board of Directors, that the Company's residual free reserves, in terms of the meaning given to free reserves in the Companies (Issue of Capital) Rules, 1996 after the proposed issue of the bonus shares of a face value of Rs 50,187,818 would be higher than twenty five percent of the enhanced paid up capital of the Company.

We have reviewed the contingent liabilities outstanding as at June 30, 2015 to determine the contingent loss, if any, falling within the scope of paragraph 14 of the International Accounting Standard 37 'Provisions, Contingent Liabilities and Contingent Assets' and confirm that no such liabilities are deductible from the aforementioned 'Free Reserves'.

The Company's 'Free Reserves' retained after the issue of bonus shares do not include any reserves created as a result of revaluation of fixed assets or any intangible or fictitious assets such as preliminary expenses, goodwill, brokerage or commission.

Yours truly

Grant Thornton Anjum Rahman

	(Rupees in 000')			
	January to September		July to September	
	2015	2014	2015	2014
Net Premium Revenue	655,854	565,989	201,333	214,999
Net Claims	(281,726)	(235,427)	(86,428)	(89,706)
Mangement expenses	(123,606)	(114,140)	(45,680)	(51,154)
Net Commission	(144,670)	(120,884)	(54,836)	(46,891)
Underwriting Results	**105,852**	**95,538**	**14,389**	**27,248**
Net Investment income	44,288	69,604	13,131	6,094
Rental income	8,118	6,315	2,960	2,378
Other income	63,712	4,851	53,238	722
General and adminstrative expenses	(61,484)	(55,709)	(29,186)	(20,799)
Workers welfare fund	(2,119)	(2,099)	-	-
Profit before Tax	**158,367**	**118,500**	**54,532**	**15,643**
Taxation				
Current-for the period	(34,329)	(22,170)	(10,000)	(7,000)
Deferred	(3,561)	(11,510)	(1,235)	
Profit for the period	**120,477**	**84,820**	**43,297**	**8,643**
Profit and loss appropriation account				
Balance at beginning of the year	163,410	94,283		
Profit for the period	120,477	84,820		
1st interim dividend 10% (2014: 10%)	(40,150)	(36,500)		
Issuance of bonus shares Nil (2014:10%)	-	(36,500)		
Balance unapproriated profit at the end of the period	**243,737**	**106,103**		
Earning per share - basic and diluted	**3.00**	**2.11**	**1.08**	**0.22**