KSE/N-3415

**NOTICE**

June 06, 2013

Reproduced hereunder Financial Projections received from **EAST WEST LIFE ASSURANCE COMPANY LIMITED**, for information of TREC Holders of the Exchange.
**(Copy of the same is also available on our Website www.kse.com.pk).**

# EAST WEST LIFE
## ASSURANCE COMPANY LIMITED

May 10th, 2013

Placed before the Board of Directors in their 80th Meeting held on Friday, May 10th, 2013 at 4:00 pm at Head Office, Karachi.

*Subject:* **Notice of Right Issue**

The Board of Directors of East West Life Assurance Company Limited in their meeting held on Friday, May 10th, 2013 have recommended for issuance of Right Share to further raise the capital by Rs. 93,835,500/- representing 9,383,550 ordinary shares of Rs.10/- each to be offered to members in the AGM being held on May 31st, 2013 at par in the ratio of 3:16, i.e. three Right Shares to sixteen shares held by existing shareholders (18.75%).

1. **PURPOSE**

In accordance with SEC (Insurance) Rules, 2002 ("Rules") amended vide SRO 16(1)/2012 dated January 09, 2012, Life Insurance Companies are required to maintain a solvency margin in addition to policyholders' liabilities in each statutory fund as stipulated in the Rules. Currently, the Company is not in compliant with these Rules, in respect of the Solvency Margins required to be maintained with respect to the shareholders fund and each of the statutory funds. The Company vides its letter dated October 10, 2012 had written to the Securities & Exchange Commission of Pakistan (SECP) requesting to allow the Company to maintain solvency margins on December 31, 2012 in accordance with SEC (Insurance) Rules, 2002 before amendments made vide SRO 16(1)/2012. The SECP did not accede to the request and which advised the Company vide their letter dated February 15, 2013 to ensure that its solvency margins are reported as per the latest solvency regulations notified by the SECP in January 2012. The Company has written to the SECP requesting to reconsider the matter vide their letter dated February 18, 2013 for which response is awaited. After significant deliberations, in order to meet the solvency requirements at the earliest, the Board of Directors in their meeting held on May 10, 2013 have approved this rights issue to address the matter.

Further, currently, our share price is quoted in Stock Market around Rs. 5/-. Therefore, the general public will not be attracted to subscribe in this at par Right Issue, which means that the Directors of the company will finance the Right Issue. Moreover, certain directors will be out-of-country in the near future, which may result in problems in obtaining funds from them.



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