

Independent Auditors' Report to the Members of East West Life Assurance Company Limited

We have audited the annexed financial statements comprising:

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| (i) Balance Sheet; | (vi) Statement of Premium; |
| (ii) Profit and Loss Account; | (vii) Statement of Claims; |
| (iii) Statement of Changes in Equity; | (viii) Statement of Expenses; and |
| (iv) Statement of Cash Flows; | (ix) Statement of Investment Income. |
| (v) Revenue Account; | |

of **East West Life Assurance Company Limited** ('the Company') as at December 31, 2009 together with the notes forming part thereof, (here-in-after referred to as the 'financial statements') for the year then ended.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) proper books of accounts have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied except for the changes resulted on initial application of standards, amendments or an interpretation to existing standards, as stated in note 3.1, with which we concur;
 - (i) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (ii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at December 31, 2009 and of the profit, its cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (d) the apportionment of assets, liabilities, revenues and expenses between two or more funds has been performed in accordance with the advice of the appointed actuary; and
- (e) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Karachi
Date: March 9th, 2010

Anjum Asim Shahid Rahman

Anjum Asim Shahid Rahman
Chartered Accountants
Muhammad Shaukat Naseeb