

## DIRECTORS' REVIEW TO THE SHAREHOLDERS

The Board of Directors of East West Life Assurance Company Limited are pleased to present the un-audited accounts for the first quarter ended March 31st, 2010.

The after tax loss for the period ended March 31, 2010 amounts to (Rs.7,528,341) compared to loss of (Rs.74,334,367) during the corresponding period of 2009. This after tax loss has been calculated after taking into account the results of both Shareholders' Fund and Statutory Funds as detailed hereunder:

	For the Quarter Ended	
	March 31st, 2010	March 31st, 2009
	Rupees	Rupees
<b>OPERATING INCOME</b>		
Premium Less Reinsurances	50,698,591	37,408,515
Net Investment Income	3,849,323	(52,868,859)
Total Net Income	54,547,914	(15,460,344)
<b>OPERATING EXPENSES</b>		
Claims, Including Bonuses,		
Net of Reinsurance Recoveries	23,441,014	23,945,333
Management Expenses Less Recoveries	22,842,426	26,822,868
Total Claims & Expenditure	46,283,440	50,768,201
Excess of Income Over Claims and Expenditure	8,264,474	(66,228,545)
Movement in Policyholder's Liability	(15,237,303)	(7,788,208)
Loss Before Taxation	(6,972,829)	(74,016,753)
Taxation	(555,511)	(317,614)
Loss After Taxation	(7,528,340)	(74,334,367)

The above results are beginning to show the impact of the actions that have been taken within the first quarter of 2010 as the figure before movement in policyholders' liabilities shows a profit of more than Rs.8.2 million compared to a loss exceeding Rs.66.2 million last year. This has been achieved due to the drastic decrease in management expenses of nearly 15% as well as excellent premium income growth of more than 35%. Consequently, the company's overall loss after taxation has decreased by nearly 90% to just above Rs.7.5 million compared to more than Rs.74.3 million in 2009. As its ongoing strategy, your company closely monitors the market situation and believes that its business model and prudent risk management practice, coupled with a strong customer based and deep client relationship will give it a sustainable long term competitive advantage. The company always aggressively pursues new opportunities and ensures adequate internal preparedness to take maximum advantage of such opportunities.

We take this opportunity to express our appreciation to Government of Pakistan, Ministry of Commerce and Securities & 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  
Managing Director and  
Chief Executive

Karachi: April 26, 2010