

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Un-Audited)
FOR THE QUARTER ENDED MARCH 31, 2010

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 the Karachi Stock Exchange. The company commenced life insurance operations on February 22, 1993 after registration with Controller of Insurance on February 14, 1993. The address of its registered and principal office is 28 Regal Plaza, M.A.Jinnah Road, Quetta and 310 EFU House, M.A.Jinnah Road, Karachi

The Company is engaged in life insurance carrying on both participating and non-participating business. In accordance with the requirement of Insurance Ordinance, 2000 the Company has established shareholders' fund and following statutory funds :

- Ordinary Life;
- Universal Life; and
- Accident and Health.

2. BASIS OF PRESENTATION

These financial statements have been prepared on the format of financial statements issued by Securities and Exchange Commission of Pakistan (SECP) through Securities and Exchange Commission (Insurance) Rules, 2002.

3. STATEMENT OF COMPLIANCE

3.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan, the requirements of the Companies Ordinance 1984, Insurance Ordinance, 2000 and the Securities and Exchange Commission (Insurance) Rules, 2002 (the Rules). The approved accounting standards comprise of such International Financial Reporting Standards as are notified under the provisions of the Companies Ordinance, 1984. In case requirements differ, the requirements of the Company Ordinance, 1984, the Insurance Ordinance, 2000, or the Rules, shall prevail.

SECP has allowed the insurance companies to differ from the application of International Accounting Standard-39 Financial Instruments: Recognition and Measurement in respect of valuation subsequent to initial recognition of investments available for sale. Accordingly, the requirements of IAS 39 to the extent allowed by SECP, as aforesaid, have not been considered for the preparation of these financial statements.

4. BASIS OF MEASUREMENT

These accounts have been prepared on the basis of the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortized cost as

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are in line with the audited annual accounts for the year ended December 31st, 2009.



6. MOVEMENTS IN EQUITY

	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accidental & Health	March 31, 2010	March 31, 2009
	(Rupees)				
Policyholders' Liabilities					
Balance at the Beginning of the Period	30,648,143	110,085,106	16,209,063	156,942,312	119,200,048
Increase/(decrease) During the Period	(235,203)	6,138,621	9,333,885	15,237,303	7,788,208
Balance at the End of the Period	30,412,940	116,223,727	25,542,948	172,179,615	126,988,256
Capital Contributed By Shareholders' Fund					
Balance at the Beginning of the Period	116,220,426	64,900,000	18,500,000	199,620,426	116,120,426
Capital Contributed During the Period	-	-	-	-	-
Balance at the End of the Period	116,220,426	64,900,000	18,500,000	199,620,426	116,120,426
Accumulated Surplus / (Deficit)					
Balance at the Beginning of the Period	(113,504,143)	(64,865,682)	(15,936,803)	(194,306,628)	(115,498,388)
Surplus / (Deficit) Allocated in Respect of the Period	373,187	(5,891,697)	1,183,264	(4,335,247)	(14,476,706)
Balance at the End of the Period	(113,130,956)	(70,757,379)	(14,753,539)	(198,641,875)	(129,975,094)

7. ANALYSIS OF ACCUMULATED SURPLUS/(DEFICIT) AS SHOWN IN BALANCE SHEET

	March 31, 2010	March 31, 2009
	Rupees	Rupees
Accumulated (Deficit) in Statement of Changes in Equity Ignoring Effect of Capital Transfers at Start of Period	(105,971,054)	117,861,481
Add: (Deficit) in Profit and Loss Account for this Period Interim Cash Dividends	(3,193,094)	(223,832,535)
Accumulated (Deficit) in Statement of Changes in Equity Ignoring Effect of Capital Transfers at End of Period	(109,164,148)	(105,971,054)
Less: Accumulated Net Capital Transfers in Statutory Funds	(199,620,426)	(199,620,426)
Total as Shown in Balance Sheet	(308,784,574)	(305,591,480)



8. INVESTMENTS

Note	Shareholders' Fund	Statutory Funds			Aggregate		
		Ordinary Life	Universal Life	Accidental & Health	March 31, 2010	December 31, 2009	
		Un-Audited			Audited		
----- (Rupees) -----							
Government Securities	8.1	48,193,579	14,912,716	30,496,039	2,064,033	95,666,367	148,328,165
Other Fixed Income Securities	8.2	-	-	5,352,114	-	5,352,114	5,356,827
Listed Equities and Mutual Fund	8.3	32,368,841	-	-	-	32,368,841	32,368,841
Investment in Associate	8.4	11,505,985	-	-	-	11,505,985	11,505,985
		<u>92,068,405</u>	<u>14,912,716</u>	<u>35,848,153</u>	<u>2,064,033</u>	<u>144,893,307</u>	<u>197,559,818</u>

8.1 Government Securities

Held to Maturity

Pakistan Investment Bonds - 10 Years	5,000,000	-	-	-	5,000,000	5,000,000
Pakistan Investment Bonds - 10 Years	-	-	2,999,578	-	2,999,578	2,999,553
Pakistan Investment Bonds - 10 Years	-	-	584,201	-	584,201	583,094
Pakistan Investment Bonds - 03 Years	16,619,124	-	-	-	16,619,124	-
Pakistan Investment Bonds - 10 Years	-	-	-	-	-	16,483,346
Pakistan Investment Bonds - 10 Years	6,296,656	10,188,407	23,188,750	2,064,033	41,737,846	41,486,495
Pakistan Investment Bonds - 10 Years	15,802,438	-	-	-	15,802,438	15,794,504
Pakistan Investment Bonds - 10 Years	1,957,376	-	-	-	1,957,376	1,957,376
Treasury Bills	2,517,985	4,724,309	3,723,510	-	10,965,804	64,023,797
	<u>48,193,579</u>	<u>14,912,716</u>	<u>30,496,039</u>	<u>2,064,033</u>	<u>95,666,367</u>	<u>148,328,165</u>

The particulars of investments are as follows:

	Maturity	Principal Repayment	Coupon	Coupon Payment
Held to Maturity				
Pakistan Investment Bonds - 10 Years	April 2014	On Maturity	8%	Semi-Annually
Pakistan Investment Bonds - 10 Years	April 2014	On Maturity	8%	Semi-Annually
Pakistan Investment Bonds - 10 Years	October 2013	On Maturity	8%	Semi-Annually
Pakistan Investment Bonds - 03 Years	May 2009	On Maturity	9%	Semi-Annually
Pakistan Investment Bonds - 10 Years	May 2016	On Maturity	9.6%	Semi-Annually
Pakistan Investment Bonds - 10 Years	June 2012	On Maturity	11%	Semi-Annually
Pakistan Investment Bonds - 10 Years	August 2018	On Maturity	12%	Semi-Annually
Treasury Bills	April 2010	On Maturity	11.50%	On Maturity

8.2 Other Fixed Income Securities

Shareholders' Fund	Statutory Funds			Aggregate		
	Ordinary Life	Universal Life	Accidental & Health	March 31, 2010	December 31, 2009	
	Un-Audited			Audited		
----- (Rupees) -----						
Held to Maturity						
Term Finance Certificate	-	-	5,352,114	-	-	5,356,827
Pakistan Mobile Comm.Limited	-	-	5,352,114	-	-	5,356,827
	<u>-</u>	<u>-</u>	<u>5,352,114</u>	<u>-</u>	<u>-</u>	<u>5,356,827</u>



The particulars of investments are as follows:

	Maturity	Tenor	Rate of Return	Profit Payment
Term Finance Certificate				
Pakistan Mobile Comm.Limited	2013	7 Years	12.46%	Half Yearly

8.3 Listed Equities And Mutual Funds

Shareholders' Fund	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accidental & Health	March 31, 2010	December 31, 2009
			Un-Audited	Audited	
----- (Rupees) -----					
Available for Sale					
Listed Equities	11,011,731	-	-	11,011,731	65,162,411
Mutual Fund	21,357,110	-	-	21,357,110	46,428,500
	32,368,841	-	-	32,368,841	111,590,911
Less: Provision for impairment in Value of Investment	-	-	-	-	(79,222,070)
	32,368,841	-	-	32,368,841	32,368,841

8.4 Investments in Associate


Shareholders' Fund	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accidental & Health	March 31, 2010	December 31, 2009
			Un-Audited	Audited	
----- (Rupees) -----					
East West Insurance Company Limited	11,505,985	-	-	11,505,985	11,505,985
	11,505,985	-	-	11,505,985	11,505,985

9. DATE OF ISSUE


These financial statements are authorised for issue on April 26, 2010 by the Board of Directors of the Company.

10. CORRESPONDING FIGURES

Previous figures have been rearranged and reclassified wherever necessary for the purpose of comparison.


CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD
Chairman


MAHEEN YUNUS, CPCU
Managing Director &
Chief Executive


NAVED YUNUS
Director


PERVEZ YUNUS
Director