

1st Quarterly Report
for the Period ended
March 31, 2019



CONTENTS

2	Our vision, mission & Corporate values
4	Company Information
6	Directors' Review
8	Directors' Review (Urdu)
10	Condensed Interim Statement of Financial Position
11	Condensed Interim Profit and Loss Account
12	Condensed Interim Statement of Comprehensive Income
13	Condensed Interim Cash Flow Statement
14	Condensed Interim Statement of Changes in Equity
15	Notes to Condensed Interim Financial information
25	Branch network



VISION

To be a trusted, globally acknowledged, top rated Financial Solutions Providing Company.

MISSION

To uplift the financial well-being of Policy Holders, Customers, Advisors, Employees; and Shareholder profitability by continuously reinforcing deep commitment to our core values.



CORE VALUES

FINANCIAL ACUMEN

We believe in empowering our customers through need based packaged financial solutions to cater specific needs with an extensive distribution network.

CUSTOMER CARE

We believe in creating value for society by optimizing customer experience through superior financial advisory that makes positive difference in our customer's life

ETHICAL CONDUCT

We believe in exhibiting and ensuring honesty and integrity at all times by encouraging open communication, transparency and humility.

SUSTAINABILITY

We believe in generating revenue from multiple channels to build a strong asset base for long term sustainable income and growth for the Trust.



COMPANY INFORMATION

Board of Directors

Lt Gen. Najib Ullah Khan, (Retd)
 Maj Gen. Imtiaz Hussain Sherazi, (Retd)
 Maj Gen. Akhtar Iqbal, (Retd)
 Malik Riffat Mahmood
 Javed Yunus
 Ayesha Rafique
 Tariq Hameed

Management

Jehanzeb Zafar	Chief Executive Officer
Noman Noor Muhammad	Chief Operating Officer
Rehan Mobin	Chief Financial Officer
Kaleem Abbas	Head of Distribution
Nusrat Ullah Khan	Head of HR & Admin
Syed Jawaaid Raza	Head of IT
Yusuf Ansari	Head of Corporate Sales
Hasan Askari	Head of Training & policy holder's Services

Board Committees

Audit Committee

Tariq Hameed	Chairman
Maj Gen. Imtiaz Hussain Sherazi, (Retd)	Member
Malik Riffat Mahmood	Member
Head of Internal Audit	Secretary

Investment Committee

Malik Riffat Mahmood	Chairman
Maj Gen. Akhtar Iqbal, (Retd)	Member
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Rehan Mobin	Member

Ethics, Human Resource Remuneration & Nomination Committee

Ayesha Rafique	Chairman
Maj Gen. Akhtar Iqbal, (Retd)	Member
Maj Gen. Imtiaz Hussain Sherazi, (Retd)	Member
Jehanzeb Zafar	Member
Nusrat Ullah Khan	Secretary

Management Committees

Risk Management & Compliance Committee

Maj. Gen Akhtar Iqbal, (Retd)	Chairman
Tariq Hameed	
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Rehan Mobin	Member
Sandeep Kumar Rajpal	Member & Secretary

Underwriting & Reinsurance Committee

Maj Gen. Akhtar Iqbal, (Retd)	Chairman
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Sumair Sarwar	Member & Secretary

Claim Settlement Committee

Maj Gen. Imtiaz Hussain Sherazi (Retd)	Chairman
Jehanzeb Zafar	Member
Rehan Mobin	Member
Bushra Aftab	Member & Secretary

Appointed Actuary

Shujat Siddiqui, MA, FIA, FPSA
Akhtar & Hasan (Private) Limited

Legal Advisor

Saiduddin & Co.

External Auditor

Grant Thornton Anjum Rahman
(Chartered Accountants)

Registered Office

28 Regal Plaza, M.A. Jinnah
Road, Quetta.

Head Office/ Other Offices

Room No. 802, 8th Floor,
Lakson Square Building No. 1
Opp. Karachi Press Club,
Pakistan.

Office No.1104, 11th Floor at
Emerald Tower, Plot No. G-19,
Block 5, KDA Improvement
Scheme No.5, Clifton, Karachi.

Email: info@askarilife.com

UAN: 021- 111 -225- 275

Phone: +92 (021) 35630421
35630422 - 35630429

Website

www.askarilife.com

Share Registrar

THK (Pvt) Limited
1st Floor, 40-C Block-6
P.E.C.H.S, Karachi-75400

UAN: +92 (021) 111-000-322

Dir: +92 (021) 34168266-68-70

Fax: +92 (021) 34168271

E-mail: secretariat@thk.com.pk

Web: www.thk.com.pk

Bankers

Askari Bank Limited
Allied Bank Limited
Summit Bank Limited
MCB Bank Limited
The Bank of Punjab
Habib Bank Limited
JS Bank Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

We are pleased to present the unaudited financial statements for the first quarter ended 31st March, 2019.

Financial Highlights

Financial Statement Line item	31st March, 2019	31st March, 2018
	Rs. in ('000)	
Gross premium revenue	39,548	3,951
Investment income	17,082	5,520
Net Insurance Benefits	13,010	4,994
Acquisition expense	34,874	679
Marketing and administration expenses	36,834	9,103
Other expenses	1,675	372
(Loss)/profit after tax	(44,978)	(6,589)
Loss per share	(0.41)	(0.11)

Financial Analysis of the Company

Gross Premium:

The new strategy put into plan has started showing results. In the first quarter of 2019, the gross premium written by your Company stood at Rs.39.54 million which is increased of 901% from comparative quarter of 2018 Rs.3.95 million.

The new individual life business and Group life business increased to Rs.15.38 million and Rs.18.18 million from same quarter of 2018 Rs. 0.47 million and 0.17 million respectively.

Our Sales team of individual life and group life has actively pursued business effectively and targeting due share of business by launching of competitive products in the market.

Investment:

The Investment income for the first quarter of 2019 is Rs 17.08 million as compared to the same quarter of 2018 of Rs 5.52 million, representing the growth of 209%.

The Company's Investment portfolio currently stood at 66195 million, as compared to the last year of December, 2018 of Rs 714.01 million. The decrease in investment portfolio is because of cost incurred in development of new operations infrastructure. The company is constantly looking for new investment opportunities and also considering the current economic and political situation of the country.

Net Insurance Benefits

The overall net insurance benefits expense for the first quarter of 2019 is Rs 13.01 million as compared to the same quarter of 2018 of Rs 4.99 million, representing the increase of 161%. The increase is mainly due to increase in business during the period. The Company has also revamped and modernized the claims processing which make it convenient for the corporate customer/policyholders to process their claims.

Expenses:

The Marketing & administration expenses for the first quarter of 2019 is increase by 304% of Rs 36.83 million as compared to the same quarter of 2018 of Rs 9.1 million and other expenses stood at Rs.1.68 million, an increase of Rs. 1.31 million from the same quarter of 2018. The increased is mainly due to the hiring of new management & sales teams, deployment of operational infrastructure and branding & launching of Askari life. The management of your Company is confident that investments made in development of new infrastructure of the Company will prove to be greatly beneficial for the Company in the long run.

Due to above increase in expenses and developmental cost, the Loss after tax for the first quarter of 2019 is Rs.44.98 million as compared to Rs. 6.59 million of the same quarter of 2018.

Future Outlook

Your Company is continuing to focus on rebranding, development and expansion of branch network to promote new marketing strategy and launching of competitive products which will help the company in achieving the growth in premium amount in the long term.

We assure you to deliver sustainable, profitable growth in challenging and competitive business environment in order to reach leading position in the industry.

Acknowledgment

The directors would like to take this opportunity to extend their gratitude to the Securities and Exchange Commission of Pakistan (SECP) and Reinsurer for their continued guidance and support to the company's management towards the betterment of our business processes. The board also wishes to sincerely thank the company's loyal policyholders and corporate clients for placing their trust and confidence in our organization.

Finally, thanks to of our shareholders, whose loyalty and dedication for the company is a source of encouragement for us to make Askari Life a strong and dependable financial institution and a symbol of trust for the marketplace.

On behalf of the Board of Directors



Director



Chief Executive Officer

Date: 23rd April, 2019

ڈائریکٹرز رپورٹ

ہم سال ۲۰۱۹ء کی پہلی سہ ماہی کیلئے، جس کا اختتام ۳۱ مارچ ۲۰۱۹ء کو ہوا، غیر آڈٹ شدہ مالیاتی حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔
مالیاتی سرخیاں

مالیاتی حساب کے سلسلے سے متعلق مد	۳۱ مارچ ۲۰۱۹ء	۳۱ مارچ ۲۰۱۸ء
	000 روپوں میں	
مجموعی پریٹیم سے آمدنی	39,548	3,951
سرمایہ کاری سے آمدنی	17,082	5,520
خالص بیہ فوائد	13,010	4,994
اخراجات برائے حصول	34,874	679
مارکیٹنگ اور انتظامی اخراجات	36,834	9,103
دیگر اخراجات	1,675	372
بعد از ٹیکس (نقصان) فائدہ	(44,978)	(6,589)
نی حصر نقصان	(0.41)	(0.11)

کمپنی کا مالی تجزیہ

مجموعی پریٹیم

منصوبے میں شامل کی گئی نئی حکمت عملی نے اپنے نتائج ظاہر کرنا شروع کر دیے ہیں۔ ۲۰۱۹ء کی پہلی سہ ماہی میں، آپ کی کمپنی کا مجموعی پریٹیم 39.54 ملین روپے رہا، جو ۲۰۱۸ء کے 3.95 ملین روپے کے مقابلے میں 901 فیصد تک بڑھ گیا ہے۔
نیا انفرادی لائف کا کاروبار اور گروپ لائف کا کاروبار ۲۰۱۸ء کی اسی سہ ماہی کے بالترتیب 0.47 ملین روپے اور 0.17 ملین روپے سے بڑھ کر 15.38 ملین روپے اور 18.18 ملین روپے ہو گیا۔ ہماری انفرادی لائف اور گروپ لائف کی سلیزٹیم نے کاروبار کے لئے اور مارکیٹ میں تقابلی مصنوعات کا آغاز کر کے کاروبار میں ضروری شرکت کو ہدف بنانے کے لئے مستعد طور پر موثر جذبہ و جہد کی ہے۔

سرمایہ کاری

۲۰۱۹ء کی پہلی سہ ماہی کے لئے سرمایہ کاری کی آمدنی، ۲۰۱۸ء کی اسی سہ ماہی کے 5.52 ملین روپے کے مقابلے میں، 17.08 ملین روپے رہی، یعنی اس میں 209 فیصد کی نشوونما دیکھنے میں آئی۔

کمپنی کی سرمایہ کاری کا حجم، دسمبر ۲۰۱۸ء کے پچھلے سال کے 714.01 ملین روپے کے مقابلے میں موجودہ طور پر 661.95 ملین روپے رہی۔ سرمایہ کاری حجم میں کمی کی وجہ آپریشنز کے نئے انفراسٹرکچر کے فروغ پر انحصار والی لاگت کے باعث ہے۔ کمپنی مسلسل سرمایہ کاری کے نئے مواقع کی تلاش میں کوشاں ہے اور ملک کی موجودہ معاشی اور سیاسی صورت حال پر بھی توجہ مبذول کئے ہوئے ہے۔

خالص بیہ فوائد

۲۰۱۸ء کی اسی سہ ماہی کے 4.99 ملین روپے کے مقابلے میں، ۲۰۱۹ء کے پہلی سہ ماہی کے لئے، مجموعی خالص بیہ فوائد کے اخراجات 13.01 ملین روپے رہے، یعنی ان میں 161 فیصد اضافہ سامنے آیا۔ یہ اضافہ خاص طور پر اس دورانے میں کاروبار بڑھانے کی وجہ سے ہوا ہے۔ کمپنی نے کلیمز کے طریقہ کار کو بھی تبدیل اور جدید کر دیا ہے جو کارپوریٹ صارف/پالیسی کے حامل افراد کے لئے ان کے کلیمز پر عمل درآمد کو آسان بناتا ہے۔

اخراجات

مارکیٹنگ اور انتظامی اخراجات، ۲۰۱۸ء کی اسی سہ ماہی کے مقابلے میں جو کہ 9.1 ملین روپے تھے، 304 فیصد کے اضافے سے ۲۰۱۹ء کی پہلی سہ ماہی میں 36.83 ملین روپے رہے اور دیگر اخراجات 1.68 ملین روپے رہے یعنی ۲۰۱۸ء کی اسی سہ ماہی کے مقابلے میں 1.31 ملین روپے بڑھ گئے۔ اضافے کی اصل وجہ انتظامیہ اور بیوروکریسی کی تقرری، آپریشنل انفراسٹرکچر اور عسکری لائف کی برائڈنگ اور اجراء کے باعث ہوا۔ آپ کی کمپنی کی انتظامیہ پر اعتماد ہے کہ کمپنی کے نئے انفراسٹرکچر کے فروغ میں کی جانے والی سرمایہ کاریاں آنے والے وقتوں میں کمپنی کے لئے بہت ہی زیادہ فائدہ مند ثابت ہوں گی۔

اخراجات اور ترقیاتی لاگت میں درج بالا اضافے کی وجہ سے، ۲۰۱۸ء کی اسی سہ ماہی کے 6.59 ملین روپے کے مقابلے میں، بعد از ٹیکس نقصان 44.98 ملین روپے رہا۔

مستقبل پر نظر

آپ کی کمپنی نے ری براڈنگ، مارکیٹنگ کی نئی حکمت عملی کو بڑھانے کیلئے برانچ نیٹ ورک کے فروغ اور پھیلاؤ اور تقابلی مصنوعات کے آغاز پر مسلسل توجہ مرکوز کئے ہوئے ہے جو کمپنی کو آنے والے وقتوں میں پرمیٹم کی رقم میں نشوونما کے حصول میں مدد کرے گی۔ ہم آپ کو انڈسٹری میں ممتاز مقام تک پہنچنے کے لئے چیلنجنگ اور تقابلی کاروبار میں قابل برداشت، منافع بخش نشوونما پیش کرنے کا یقین دلاتے ہیں۔

اظہار تشکر

ڈائریکٹرز، ہمارے کاروبار کے طریقہ ہائے جات کی بہتری کے لئے کمپنی کی انتظامیہ کی حمایت اور مسلسل رہنمائی کیلئے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور ری انشورر کا شکریہ ادا کرنا چاہیں گے۔

بورڈ کمپنی کے خیر خواہ پالیسی ہولڈرز اور کارپوریٹ صارفین کا بھی خلوص دل سے شکریہ ادا کرنا چاہتا ہے جنہوں نے ہمارے ادارے میں اپنا اعتماد اور اعتبار قائم رکھا۔

آخر میں، ہمارے حصص کنندگان کا بھی شکریہ جنکی مسلسل وابستگی اور خیر خواہی عسکری لائف کو ایک مضبوط اور قابل بھروسہ مالیاتی ادارہ اور مارکیٹ کیلئے بھروسے کا نشان بنانے کیلئے ہمارے لئے حوصلہ افزائی کا ایک ذریعہ ہے۔



چیف ایگزیکٹو آفیسر



ڈائریکٹر

بورڈ آف ڈائریکٹرز کی جانب سے

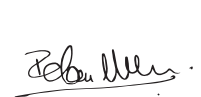
۲۳ اپریل ۲۰۱۹ء

QUATERLYREPORT2019

Condensed Interim Statement of Financial Position (Un-Audited) As at March 31, 2019

		March 31, 2019 Un-Audited	December 31, 2018 Audited
	Note	-----Rupees in '000-----	
Assets			
Property and equipment	4	32,660	5,383
Intangible assets	5	1,496	-
Investment			
Equity securities	6	6,803	6,830
Government securities	7	644,928	697,184
Mutual funds	8	10,228	9,991
Loans secured against life insurance policies		9,234	9,424
Insurance / reinsurance receivables		5,155	3,380
Other loans and receivables		12,281	20,892
Taxation - payments less provision		11,721	11,311
Prepayments		5,016	5,097
Cash and bank	9	68,349	73,881
Total assets		807,871	843,373
Equity and liabilities			
Capital and reserves attributable to company's equity holders			
Authorized share capital			
[125,000,000 ordinary shares (2018: 125,000,000) of Rs.10 each]		1,250,000	1,250,000
Issued, subscribed and paid-up share capital [110,172,014 ordinary shares (2018: 110,172,014) of Rs.10 each]		1,101,720	1,101,720
Ledger account D		(505,458)	(452,235)
Unrealised loss on available for sale investment		467	257
Accumulated loss		(95,613)	(103,858)
Total equity		501,116	545,884
Liabilities			
Insurance liabilities	10	259,882	257,883
Retirement benefit obligations		61	86
Premium received in advance		12,361	13,837
Insurance / reinsurance payables		17,358	14,112
Other creditors and accruals		17,093	11,571
Total liabilities		306,755	297,489
Total equity and liabilities		807,871	843,373
Contingencies and commitments	11		

The annexed notes 1 to 25 form an integral part of the condensed interim financial information.



Chief Financial Officer



Chief Executive Officer



Director



Director

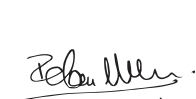


Chairman

Condensed Interim Profit and Loss Account (Un-Audited)
For the three months period ended March 31, 2019

		Three Months Ended	
		March 31, 2019	March 31, 2018
		Un-Audited	Un-Audited
Note		-----Rupees in '000-----	
	Premium revenue	39,548	3,951
	less Premium ceded to reinsurers	(12,749)	(401)
12	Net premium revenue	26,799	3,550
13	Investment income	17,082	5,520
14	Net realized fair value gain on financial assets	-	(11)
15	Other income	1,983	1,853
		19,065	7,362
	Net income	45,864	10,912
	Insurance benefits	25,101	4,994
	Recoveries from reinsurers	(12,091)	-
16	Net insurance benefits	13,010	4,994
	Net change in insurance liabilities (other than outstanding claims)	4,305	2,315
17	Acquisition expense	34,874	679
18	Marketing and administration expense	36,834	9,103
19	Other expenses	1,675	372
	Total expenses	77,688	12,469
	Results of operating activities	(44,834)	(6,551)
	(Loss)/profit before tax	(44,834)	(6,551)
20	Income tax expense	(144)	(38)
	(Loss)/profit for the period	(44,978)	(6,589)
	Earnings (after tax) per share - Rupees	(0.41)	(0.11)

The annexed notes 1 to 25 form an integral part of the condensed interim financial information.



Chief Financial Officer



Chief Executive Officer



Director



Director



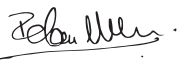
Chairman

QUARTERLYREPORT2019

Condensed Interim Statement of Comprehensive Income (Un-Audited) For the three months period ended March 31, 2019


	Note	Three Months Ended	
		March 31, 2019	March 31, 2018
		Un-Audited	
		-----Rupees in '000-----	
(Loss)/profit for the period		(44,978)	(6,589)
Other comprehensive income			
Unrealized loss on available for sale of investment	6 & 8	210	-
Total comprehensive (loss)/ income for the period		<u>(44,768)</u>	<u>(6,589)</u>

The annexed notes 1 to 25 form an integral part of the condensed interim financial information.


Chief Financial Officer


Chief Executive Officer


Director

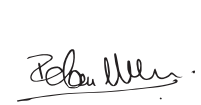

Director


Chairman

Condensed Interim Cash Flow Statement (Un-Audited)
For the three months period ended March 31, 2019


	March 31, 2019 Un-Audited	March 31, 2018 Un-Audited
Note	-----Rupees in '000-----	
Operating Cash Flows		
(a) Underwriting activities		
Insurance premium received	36,298	4,302
Claims paid	(24,815)	(6,562)
Reinsurance and other recoveries received	-	387
Commission paid	(7,663)	(556)
Marketing and administrative expensed paid	(59,478)	(9,569)
Net cash flow from underwriting activities	(55,658)	(11,998)
(b) Other operating activities		
Income tax paid	(553)	(542)
Other operating receipts / (payments) - net	8,466	(732)
Net cash flow from other operating activities	7,913	(1,274)
Total cash flow from all operating activities	(47,745)	(13,272)
Investment Activities		
Profit / return received	18,998	5,279
Dividend received	45	51
Payment for investments	(1,177,346)	(266,418)
Proceeds from investments	1,229,602	202,621
Proceeds from disposal of property and equipment	555	-
Purchase of property and equipment	(29,641)	(62)
Total cash flow from investing activities	42,213	(58,529)
Financing Activities		
Total cash flow from financing activities	-	-
Net cash flow from all activities	(5,532)	(71,801)
Cash and cash equivalents at beginning of period	73,881	166,225
Cash and cash equivalents at end of period	68,349	94,424
Reconciliation to profit and loss account		
Operating cash flows	(47,745)	(13,272)
Depreciation expense	(869)	(482)
Profit/ (loss) on disposal of investments	-	12
Gain on disposal of property and equipment	555	-
Dividend income	45	63
Other investment income	18,465	7,287
Increase in assets other than cash	(3,574)	334
(Increase) / Decrease in liabilities other than borrowings	(11,855)	(531)
Loss after taxation	(44,978)	(6,589)

The annexed notes 1 to 25 form an integral part of the condensed interim financial information.


Chief Financial Officer


Chief Executive Officer


Director


Director

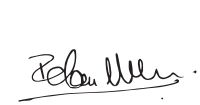

Chairman

QUATERLYREPORT2019

Condensed Interim Statement of Changes in Equity (Un-Audited) For the three months period ended March 31, 2019

	Issued, subscribed and paid-up share capital	Unappropriated loss	Ledger Account D	Unrealised loss on available for sale investment	Total
	-----Rupees in '000-----				
Balance as at January 1, 2018 (as restated)	601,720	(87,365)	(355,735)	238	158,858
Total comprehensive income for three months ended March 31, 2018	-	(6,589)	-	-	(6,589)
Deficit for the period in statutory funds	-	7,379	(7,379)	-	-
Balance as at March 31, 2018 (as restated)	601,720	(86,575)	(363,114)	238	152,269
Balance as at January 1, 2019	1,101,720	(103,858)	(452,235)	257	545,884
Total comprehensive income for three months ended March 31, 2019	-	(44,978)	-	210	(44,768)
Deficit for the period in statutory funds	-	53,223	(53,223)	-	-
Balance as at March 31, 2019	1,101,720	(95,613)	(505,458)	467	501,116

The annexed notes 1 to 25 form an integral part of the condensed interim financial information.



Chief Financial Officer



Chief Executive Officer



Director



Director



Chairman

Notes To The Condensed Interim Financial Information (Un-Audited) For the three months period ended March 31, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Askari Life Assurance Company Limited (the Company) was incorporated in Pakistan on August 18, 1992 as a public limited company under the repealed Companies Ordinance, 1984 (replaced by Companies Act 2017). Its shares are quoted on Pakistan Stock Exchange. The Company commenced life insurance operations on February 22, 1993 after registration with Controller of Insurance on February 14, 1993. The addresses of its registered and principal office are 57 Regal Plaza, M.A. Jinnah Road, Quetta and 802, 8th Floor, Lakson Square Building No.1, Karachi, respectively. The Company was taken over by Army Welfare Trust on October 27, 2017.

Army Welfare Trust as a parent company holds 54.54% (December 31, 2018: 54.54%) shares of the Company.

- 1.2 The Company is engaged in life insurance business including ordinary life business and accidental and health business.

In accordance with the requirement of Insurance Ordinance, 2000, the Company has established a Shareholder Fund and separate Statutory Funds in respect of each class of its life insurance business. The Statutory Funds established by the Company, in accordance with the advice of Appointed Actuary are as follow:

- Ordinary Life
- Universal Life
- Accidental and Health

- 1.3 The Parent company have provided a commitment to provide necessary financial support to the Company, if need arises, to address any liquidity issues to enable the Company to continue its business.

The directors of the Company have provided a commitment to provide necessary support to the Company, if need arises, to address any liquidity and solvency issues to enable the Company to continue its business.

Further, the company has sufficient assets in excess of the solvency margin required to be maintained under the Insurance Ordinance, 2000 and will be able to discharge its liabilities in the normal course of business.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act 2017 and Insurance Accounting Regulations, 2017 provisions of and directives issued under the Companies Act 2017, the Insurance Ordinance, 2000 and Insurance Rules, 2017. In case requirements differ, the provisions or directives of the Companies Act 2017, Insurance Ordinance, 2000, Insurance Accounting Regulations 2017 and Insurance Rules, 2017 shall prevail.

2.1 BASIS OF MEASUREMENT

The condensed interim financial information have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortized cost as applicable.

- 2.2 Standards, Amendments and Interpretations to Approved Accounting Standards

The condensed interim financial statements have been prepared in accordance with Insurance Ordinance, 2001, the Insurance Rules, 2017 and Insurance Accounting Regulation, 2018 which result in additional disclosures and certain changes in financial statements presentation.

QUATERLYREPORT2019

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim financial information are in line with the audited annual accounts for the year ended December 31, 2018.

4 Property and equipment

	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
	-----Rupees in '000-----	
Property and equipment	12,017	5,383
Capital Work in progress	20,643	-
	32,660	5,383

	March 31, 2019 (Un-Audited)	March 31, 2018 (Un-Audited)
	-----Rupees in '000-----	
	Addition	Deletion
Furniture & fixture	2,087	-
Office equipment	2,010	-
Computer and accessories	2,689	-
Vehicles	-	1,199
Lease improvements	580	-
	7,366	1,199

5 Intangible Assets

	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
	-----Rupees in '000-----	
	1,496	-

	March 31, 2019 (Un-Audited)	March 31, 2018 (Un-Audited)
	-----Rupees in '000-----	
	Addition	Deletion
Intangibles	1,632	-
	1,632	-

6 Equity securities

Available for sale

	March 31, 2019 (Un-Audited)				December 31, 2018 (Audited)			
	Cost	Impairment	Revaluation Surplus / (Deficit)	Carrying value	Cost	Revaluation Surplus / (Deficit)	Impairment	Carrying value
	-----Rupees in '000-----							
Related parties - Listed shares	544	-		544	281	263	-	544
East west insurance company								
Others - Listed shares	221	2		223	340	-	(119)	221
Kohat Cement Company Limited	241	15		256	512	-	(271)	241
D. G. Khan Cement Company Limited	843	85		928	1,351	-	(508)	843
Habib Bank Limited	1,099	(407)		692	1,633	-	(534)	1,099
Ghandhara Industries Limited	466	35		501	744	-	(278)	466
Milat Tractor Limited	257	(21)		236	350	-	(93)	257
Bifo Industries Limited	144	(44)		100	101	43	-	144
Desccon Oxychem Limited	1,547	(28)		1,519	2,221	-	(674)	1,547
Packages Limited	60	(15)		45	78	(18)	-	60
Al-Shaheer Corporation	239	(32)		207	323	(84)	-	239
Engro Foods Limited	1,082	385		1,467	1,958	-	(876)	1,082
Ferozsons Laboratories Limited	87	(2)		85	103	-	(16)	87
AGP Limited								
	6,890	(27)		6,803	9,995	204	(3,369)	6,890

7 Government securities
Held to maturity

March 31, 2019 (Un-Audited)						December 31, 2018 (Audited)
Maturity year	Effective coupon/ yield (%)	Amortized cost	Principal repayment	Carrying value		
-----Rupees in '000-----						
10 year Pakistan Investment Bonds	22/Jul/20	12.00%	5,148	on Maturity	5,148	5,138
10 year Pakistan Investment Bonds	18/Aug/21	12.00%	15,879	on Maturity	15,879	15,866
10 year Pakistan Investment Bonds	19/Jul/22	12.00%	18,410	on Maturity	18,410	18,388
10 year Pakistan Investment Bonds	21/Apr/26	8.75%	9,774	on Maturity	9,774	9,766
10 year Pakistan Investment Bonds	21/Apr/26	8.75%	23,312	on Maturity	23,312	23,341
3 Months Treasury Bills	17/Jan/19	8.79%	-	on Maturity	-	99,622.00
3 Months Treasury Bills	28/Feb/19	10.27%	-	on Maturity	-	172,211.00
3 Months Treasury Bills	14/Mar/19	10.30%	-	on Maturity	-	196,032
3 Months Treasury Bills	14/Mar/19	10.30%	-	on Maturity	-	156,820
3 Months Treasury Bills	11/Apr/19	10.30%	99,724	on Maturity	99,724	-
3 Months Treasury Bills	23/May/19	10.55%	108,386	on Maturity	108,386	-
3 Months Treasury Bills	06/Jun/19	10.55%	245,344	on Maturity	245,344	-
3 Months Treasury Bills	23/May/19	10.50%	78,827	on Maturity	78,827	-
3 Months Treasury Bills	09/May/19	10.35%	40,124	on Maturity	40,124	-
					644,928	697,184
					-	-
					644,928	-

8 Mutual fund
Available for sale

Available for sale	March 31, 2019 (Un-Audited)			December 31, 2018 (Audited)		
	Cost	Revaluation Surplus	Carrying value	Cost	Revaluation Surplus	Carrying value
	-----Rupees in '000-----					
Nafa income opportunity fund	9,991	237	10,228	9,938	53	9,991
	9,991	237	10,228	9,938	53	9,991

9 Cash and bank

	March 31, 2019 (Un-audited)	December 31, 2018 (Audited)
-----Rupees in '000-----		
Cash and Cash Equivalent		
- Cash in hand	30	-
- Policy stamps	351	100
Cash at bank		
- Current account	2,355	6,380
- Saving account	65,613	67,401
	68,349	73,881
Cash and cash equivalents include the following for the purposes of the cash flow statement		
Cash and bank	68,349	73,881

10 Insurance Liabilities

		March 31 2019 (Un-Audited)	December 31, 2018 (Audited)
Note			
-----Rupees in '000-----			
Reported outstanding claims (including claims in payment)	10.1	76,389	78,694
Incurred but not reported claims	10.2	1,489	1,620
Investment component of universal life and account value policies	10.3	166,922	161,565
Liabilities under individual conventional insurance contracts	10.4	3,165	3,278
Liabilities under group insurance contracts (other than investment linked)	10.5	5,155	5,202
Other insurance liabilities	10.6	6,762	7,524
		259,882	257,883

QUATERLYREPORT2019

10.1 Reported outstanding claims

Gross of Reinsurance

Payable within one year
Payable over a period of time exceeding one year

56,522	30,214
30,931	56,954
87,453	87,168

Recoverable from Reinsurance

Receivable within one year
Receivable over a period of time exceeding one year

(10,609)	(8,019)
(455)	(455)
(11,064)	(8,474)

Net reported outstanding claims

76,389	78,694
--------	--------

10.2 Incurred but not reported claims

Gross of reinsurance
Reinsurance recoveries
Net of reinsurance

3,287	3,119
(1,798)	(1,499)
1,489	1,620

March 31 2019 (Un-Audited)	December 31, 2018 (Audited)
----------------------------------	-----------------------------------

-----Rupees in '000-----

10.3 Investment component of universal life and account value policies

Investment component of account value policies

166,922	161,565
---------	---------

10.4 Liabilities under individual conventional insurance contracts

Gross of reinsurance
Reinsurance credit
Net of reinsurance

3,165	3,278
-	-
3,165	3,278

10.5 Liabilities under Group Insurance Contracts (other than Investment linked)

Gross of reinsurance
Reinsurance credit
Net of reinsurance

16,473	14,527
(11,318)	(9,325)
5,155	5,202

10.6 Other insurance liabilities

Gross of reinsurance
Reinsurance recoveries
Net of reinsurance

7,112	8,327
(350)	(803)
6,762	7,524

11 Contingencies and Commitments

11.1 Contingencies

11.1.1 There is pending adjudication bearing No 125/2012 before the Session Court, South, Karachi in respect of an employee who was previously working on contract basis at company's Hyderabad branch and committed fraud. As the company is taken over by AWT (the buyer) it was agreed with the previous management (the seller) that if any stage the Company or any of its director(s) become party and as such any liability is imposed by any court on the company or its director(s) in this regard, the accrued liability would be paid by the sellers to the company for onward payment to the affectees at earliest. The company will accordingly ensure timely and fair payment of liability.

That to guarantee the covenants made by the seller above and to fully indemnify the Buyer against any liability/loss the Sellers have furnished in favor of the buyer an irrevocable and unconditional Insurance Guarantee from a AA+ rated insurance company, East West Insurance Company Limited bearing number EWL/HO/PB-009/01/2017 to an amount of PKR 118.467 million. Further to this effect a duly executed and notarized undertaking dated 13-01-2017 has also been furnished by the Sellers to the Federal Insurance Ombudsman.

- 11.1.2 Pakistan Steel Mill had filed instant suit against the company in respect of the claims of their employees amounting to Rs. 4 million. The claim had been repudiated by the previous management on the grounds of delayed intimation. The company is contesting the case in and is at the stage of appointment of commissioner. In view of Company's legal consultant, the Company has a prima facie case and unfavourable outcome is not expected.

11.2 Commitments

Operating leases

Not later than one year

March 31, 2019 (Un-audited)	December 31, 2018 (Audited)
----- Rupees in '000 -----	
10,359	10,396

12 NET PREMIUM REVENUE

Gross premiums

Regular premium individual policies

First year

Second year renewal

Subsequent year renewal

Single premium individual policies

Group policies with cash values

Total gross premiums

Less: Reinsurance premiums ceded

On individual life first year business

On individual life second year business

On individual life renewal business

On group policies

Reinsurance commission on risk premium

Net premiums

March 31, 2019	March 31, 2018
-----Un-Audited-----	
-----Rupees in '000-----	
15,376	471
112	217
3,165	3,096
2,720	-
18,175	167
39,548	3,951
(782)	(4)
(3)	(3)
(90)	(281)
(11,874)	(133)
-	20
(12,749)	(401)
26,799	3,550

13 INVESTMENT INCOME

Income from equity securities

Available for sale

- Dividend income

Income from Debt Securities

Held to Maturity

- Return on Government Securities

Income from Term Deposits

- Return on Term Deposits

Total Investment Income

45	63
17,037	4,630
-	827
17,082	5,520

QUARTERLY REPORT 2019

14 NET REALIZED FAIR VALUE GAIN ON FINANCIAL ASSETS

Available for sale financial assets

Realized:

Gain on Listed Shares

Gain/(Loss) on Mutual Funds

-	361
-	(372)
-	(11)

15 OTHER INCOME

Return on bank balances

Gain on sale of property and equipment

Miscellaneous

March 31, 2019	March 31, 2018
(Un-Audited)	
Rupees in '000	
1,358	1,838
555	-
70	15
1,983	1,853

16 NET INSURANCE BENEFITS

Gross claims

Claims under individual policies

By death

By maturity

By surrender

Total gross individual policy claims

Claims under group policies

By death

By insured event other than death

Total gross group policy claims

Total gross claims

Less: reinsurance recoveries

On group life claims

Net insurance benefit expense

242	385
5,130	1,985
4,615	2,624
9,987	4,994
14,360	-
754	-
15,114	-
25,101	4,994
(12,091)	-
13,010	4,994

17 ACQUISITION EXPENSES

Acquisition costs

Remuneration to insurance intermediaries on

Individual policies:

Commission to agent on first year premiums

Commission to agent on second year premiums

Commission to agent on subsequent renewal premiums

Remuneration to insurance intermediaries on

Group policies:

Commission

Other acquisition cost

Policy stamps

Branch overhead

Total acquisition cost

6,654	275
-	24
-	130
1,883	17
8,537	446
299	-
26,038	233
34,874	679

18 MARKETING AND ADMINISTRATIVE EXPENSES

	March 31, 2019	March 31, 2018
	----- (Un-Audited) -----	
	----- Rupees in '000 -----	
Employee benefit cost	24,626	6,503
Travel and conveyance	907	166
Advertisements and sales promotion	227	2
Printing and stationery	471	113
Depreciation	616	482
Amortisation	137	-
Rent, rates and taxes	3,674	339
Electricity, gas and water	238	109
Entertainment	624	96
Vehicle running expenses	2,416	335
Repair and maintenance	1,313	-
Director fee	195	-
Bank charges	56	-
Postage, telegrams and telephone	869	105
Internet	211	-
Annual Supervision fee SECP	100	-
Medical fee	43	-
Fees, subscription and periodicals	28	-
Miscellaneous	83	853
Marketing and administrative expenses	36,834	9,103

19 OTHER EXPENSES

Legal and professional charges	1,075	72
Appointed actuary fees	600	300
	1,675	372

20 TAXATION

Current tax	(144)	(38)
-------------	--------------	-------------

21 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of holding Company, associated companies, staff retirement fund, Directors and key management personnel. The transactions with related parties are in normal course of business. Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows:-

Relationship	Transactions	March 31, 2019	March 31, 2018
		----- (Un-Audited) -----	
		----- Rupees in '000 -----	
Holding company	Premium revenue	56	-
Associated undertaking	Premium revenue	5,952	-
Associated undertaking	Insurance benefits	4,110	-
Associated undertaking	Expenses and acquisition cost	256	-
Contribution	Staff Provident Fund	-	231
Key Management Personnel	Remuneration	11,613	1,314
Directors	Fee	195	-

QUARTERLYREPORT2019

		March 31, 2019	December 31, 2018
		Un-Audited	Audited
		-----Rupees in '000-----	
Related Party	Balances		
Holding Company			
Army Welfare Trust	Due from insurance contract holders	147	91
Associated undertakings			
Mobil Askari (Pvt) Ltd	Due from insurance contract holders	9	-
Askari Development Holding Pvt Limited	Due from insurance contract holders	32	-
Askari General Insurance Company Limited	Due from insurance contract holders	24	-
Askari Guards Limited	Due from insurance contract holders	-	761
Askari Guards Limited	Outstanding claims	2,190	2,060
Askari Travel & Tours	Accrued expenses	-	844
MEDASK	Due from insurance contract holders	23	138
Real Estate (Head Office)	Due from insurance contract holders	-	95
AWT Housing Scheme Lahore	Due from insurance contract holders	-	72
AWT Housing Scheme Peshawar	Due from insurance contract holders	-	34
AWT Housing Scheme Sang Jani	Due from insurance contract holders	-	48
AWT Housing Scheme Karachi	Due from insurance contract holders	-	68
East West Insurance Company Limited	Equity investments	544	544
Provident Fund			
Staff Provident Fund	Payable to fund	-	85

22 SEGMENTAL INFORMATION

Revenue account by statutory fund

2019	Statutory Funds			Aggregate
	Ordinary Life	Universal Life	Accident & Health	March 31, 2019
	-----Un-Audited-----			-----Rupees in '000-----
Income				
Premiums less reinsurances	6,301	20,498	-	26,799
Net investment income	998	5,867	105	6,970
Total net income	7,299	26,365	105	33,769
Insurance benefits and expenditures				
Insurance benefits, including bonuses, net of reinsurance recoveries	3,070	9,940	-	13,010
Management expenses less recoveries	12,678	56,999	-	69,677
Total insurance benefits and expenditure	15,748	66,939	-	82,687
(Deficit) / income of income over insurance Benefit and expenditure	(8,450)	(40,574)	106	(48,918)
Add: Policyholder liabilities at the beginning of the year	9,549	169,640	-	179,189
Less: Policyholder liabilities at the end of the year	9,310	174,184	-	183,494
Net change in insurance liabilities (other than outstanding claims)	239	(4,544)	-	(4,305)
Deficit	(8,211)	(45,118)	106	(53,223)
Movement in policyholder liabilities	(239)	4,544	-	4,305
Transfer to or from shareholders' fund				
-Capital contribution from shareholders' fund	8,500	45,000	-	53,500
-Capital contribution to shareholders' fund	-	-	-	-
-Transfer of surplus to shareholders' fund	-	-	-	-
Net transfer to or from shareholders' fund	8,500	45,000	-	53,500
Balance of statutory fund at beginning of period	10,875	170,849	4,989	186,713
Balance of statutory fund at end of period	10,926	175,275	5,095	191,295

QUARTERLYREPORT2019

2018	Statutory Funds			Aggregate
	Ordinary Life	Universal Life	Accident & Health	March 31, 2018
	-----Un-Audited-----			
	-----Rupees in '000-----			
Income				
Premiums less reinsurances	33	3,497	-	3,530
Net investment income	234	3,620	53	3,907
Total net income	267	7,117	53	7,437
Insurance benefits and expenditures				
Insurance benefits, including bonuses, net of reinsurance recoveries	131	4,863	-	4,994
Management expenses less recoveries	1,049	5,607	851	7,507
Total insurance benefits and expenditure	1,180	10,470	851	12,501
(Deficit) / income of income over insurance and expenditure	(913)	(3,353)	(798)	(5,064)
Add: Policyholder liabilities at the beginning of the year	4,048	179,507	-	183,555
Less: Policyholder liabilities at the end of the year	4,740	181,130	-	185,870
Net change in insurance liabilities (other than outstanding claims)	(692)	(1,623)	-	(2,315)
Deficit	(1,605)	(4,976)	(798)	(7,379)
Movement in policyholder liabilities	692	1,623	-	2,315
Transfer to or from shareholders' fund				
-Capital contribution from shareholders' fund	1,128	4,707	768	6,603
-Capital contribution to shareholders' fund	-	-	-	-
-Transfer of surplus to shareholders' fund	-	-	-	-
Net transfer to or from shareholders' fund	1,128	4,707	768	6,603
Balance of statutory fund at beginning of period	6,770	179,973	2,702	189,445
Balance of statutory fund at end of period	6,985	181,327	2,672	190,984

23 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at March 31, 2019 and December 31, 2018:

March 31, 2019 (Un-audited)	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
	-----Rupees in '000-----			
Financial assets				
Government securities	-	644,928	-	644,928
Listed securities	6,803	-	-	6,803
Mutual Funds	10,228	-	-	10,228
December 31, 2018 (Audited)				
December 31, 2018 (Audited)	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
	-----Rupees in '000-----			
Financial assets				
Government securities	-	68,349	-	68,349
Listed securities	5,016	-	-	5,016
Mutual Funds	-	-	-	-

23.1 Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

"- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable"

"- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable"

23.2 Fair value of financial assets

The fair value of all financial assets and financial liabilities is estimated to approximate their carrying value.

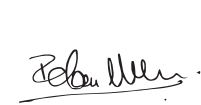
24 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information are authorised for issue on 23 April, 2019 by the Board of Directors of the Company.

25 GENERAL

25.1 The figures in the financial statements may be rounded off to nearest thousand of rupees.

25.2 Corresponding figures have been re-arranged and reclassified, wherever necessary. However, there were no significant reclassifications to report.



Chief Financial Officer



Chief Executive Officer



Director



Director



Chairman

Branch Network

Head office/Other offices

Room Number 802, 8th Floor,
Lakson Square Building Number 01,
Opp: Karachi Press Club, Sarwar
Shaheed Road, Karachi.

Office No.1104, 11th Floor at Emerald Tower,
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35630422 - 35630429

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Zubaidas Garden, Plot # 1 Survey no. 34,
Survey Sheet no. 35-P/1, situated in
Block 7 & 8 Kathiawar Cooperative
Housing Society, Karachi.

Email: Rdc.karachi@askarilife.com

Lahore:

Plot # 524, Block-15, Sector B-1,
Quaid-e-Azam Town Scheme,
College Road, Lahore.

Email: Rdc.Lahore@askarilife.com

Islamabad:

1st Floor Left side Rizwan Center
Plot #85 West, Blue Area
Sector F-7/G-7, Islamabad.

Email: Rdc.Islamabad@askarilife.com

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Askari Life Assurance Co. Ltd.

Emerald Tower, Office No. 1104, 11th Floor, Plot G-19, Block 5,
KDA Improvement Scheme No. 5, Clifton, Karachi.