



HALF YEARLY REPORT FOR THE PERIOD ENDED
JUNE 30, 2019

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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

1. FINANCIAL ACUMEN

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

2. 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.

3. ETHICAL CONDUCT

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

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

MANAGEMENT

Jehanzeb Zafar	Chief Executive Officer
Noman Muhammad	Chief Operating Officer
Rehan Mobin	Chief Financial Officer
Kaleem Abbas	Head of Distribution
Hasan Tahir	Head of HR & Admin
Syed Jawaid Raza	Head of IT
Yusuf Ansari	Head of Corporate Sales
Hasan Askari	Head-Training & Channel Management

Board Committees

Audit Committee:

Tariq Hameed	Chairman
Maj Gen. Imtiaz Hussain Sherazi, (Retd)	Member
Malik Riffat Mehmood	Member

Investment Committee:

Malik Riffat Mehmood	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
Hasan Tahir	Secretary

Management Committees:

Risk Management & Compliance Committee:

Maj. Gen Akhtar Iqbal, (Retd)	Chairman
Tariq Hameed	Member
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

Head of Internal Audit

Atif Usman Mallick

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

8th Floor, Army Welfare Trust, AWT Plaza, The Mall,
Rawalpindi, Pakistan.

Head Office

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' Review

We are pleased to present the unaudited financial statements for the half year ended June 30, 2019. The external auditors of the Company have performed limited scope review on these financial statements and have issued unqualified opinion.

Financial Highlights

Financial Statement Line item	June 30, 2019	June 30, 2018
	Rs. in ('000)	
Gross premium revenue	83,618	7,536
Investment income	32,491	12,618
Net Insurance Benefits	28,428	14,999
Acquisition expense	64,915	1,281
Marketing and administration expenses	110,306	22,563
Other expenses	3,861	1,251
Loss after tax	(116,947)	(7,298)
Loss per share	(1.06)	(0.12)

Financial Analysis of the Company

During the half year, the gross premium written was as follows:

Statutory Funds	Gross Premium	
	Rupees. in '000	
	2019	2018
Individual Life	42,378	7,283
Single Premium	6,368	-
Group Life Policies	34,872	253
Total	83,618	7,536

The change in strategy has started showing results. In the half year ended 2019, the gross premium written by your Company stood at Rs.83.6 million as compared to same period of 2018 was Rs.7.5 million.

All line of business have shown tremendous growth, the new individual life business and Group life business increased to Rs.41.46 million and Rs.34.6 million respectively.

Further, it is our pleasure to inform you that management of your Company has signed the bancassurance agreement with Askari Bank Limited. We confident that the new segment will contribute towards to achievement Company objectives. In addition the 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 as well as procuring the 90% of the renewal business.

Investment:

The Investment income for the half year of 2019 is Rs.32.49 million as compared to the same of 2018 of Rs12.62 million.

The Company's Investment portfolio currently stood at 572.08 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 infra structure. 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 half year ended of 2019 is Rs 28.43 million as compared to the same period of 2018 of Rs 14.99 million. 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 half year ended of 2019 is increase to Rs 110.30 million as compared to the same period of 2018 of Rs 22.57 million and other expenses stood at Rs.3.86 million, an increase of Rs. 1.25 million from the same period of 2018. The increase 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 half year ended of 2019 is Rs.116.95 million as compared to Rs. 7.30 million in the corresponding period last year.

Misc.:

The Company has changed its Registered Office from province of Baluchistan to Province of Punjab for better management of business

Future Outlook

Your Company will continue to focus on branding, development and expansion of branch network to promote new marketing strategies and launching of competitive products which will help the company in achieving the growth in premium amount in the long run.



Our target is 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 Reinsurers for their continued support. The Board also wishes to thank the policyholders and corporate clients for placing their trust and confidence in our organization.

Finally, thanks to 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: August 21, 2019

ڈائریکٹر رپورٹ

ہم سال ۲۰۱۹ء کی پہلی ششماہی کے لئے، جس کا اختتام ۳۰ جون ۲۰۱۹ء کو ہوا، غیر آڈٹ شدہ مالیاتی حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔ کمپنی کے خارجی آڈیٹر نے ان مالیاتی حسابات پر محدود دائرے میں نظر ثانی کی ہے اور اپنی غیر مشروط رائے پیش کی ہے۔

مالیاتی سرخیاں

مالیاتی حساب کے سلسلے سے متعلق مد	۳۰ جون ۲۰۱۹ء	۳۰ جون ۲۰۱۸ء
	000 روپوں میں	
مجموعی پریمیئم سے آمدنی	83,618	7,536
سرمایہ کاری سے آمدنی	32,491	12,618
خالص بیمہ فوائد	48,428	14,999
اخراجات برائے حصول	64,915	1,281
مارکیٹنگ اور انتظامی اخراجات	110,306	22,563
دیگر اخراجات	3,861	1,251
بعد از ٹیکس (نقصان) فائدہ	(116,947)	(7,298)
فی حصص نقصان	(1.06)	(0.12)

کمپنی کا مالی تجزیہ:

اس ششماہی کے دوران، مجموعی پریمیئم درج ذیل رہا:

مجموعی پریمیئم	2019	2018
	000 روپوں میں	
قانونی فنڈز	42,378	7,283
انفرادی لائف پریمیئم	6,368	-
سنگل پریمیئم	34,872	253
گروپ لائف پالیسیاں	83,618	7,536
کل مجموعہ		

حکمت عملی میں تبدیلی نے اپنے نتائج ظاہر کرنا شروع کردئے ہیں۔ ۲۰۱۹ء کی پہلی ششماہی میں، آپ کی کمپنی کا مجموعی پریمیئم 83.6 ملین روپے رہا، جو ۲۰۱۸ء کے اسی دورانیے میں 7.5 ملین روپے تھا۔

کاروبار کی تمام مدوں میں زبردست نشوونما دیکھنے میں آئی۔ نیا انفرادی لائف کا کاروبار اور گروپ لائف کاروبار بالترتیب 41.46 ملین روپے اور 34.6 ملین روپے تک بڑھ گیا۔

مزید برآں، ہمیں آپ کو یہ اطلاع دینے میں خوشی محسوس ہو رہی ہے کہ آپ کی کمپنی کی انتظامیہ نے عسکری بینک لمیٹیڈ کے ساتھ بینک ایشورنس کے معاہدے پر دستخط کردئے ہیں۔ ہمیں بھروسہ



ہے کہ کاروبار میں یہ نیا حصہ کمپنی کے مقاصد کے حصول کا سبب بنے گا۔ اسکے علاوہ ہماری انفرادی لائف اور گروپ لائف کی سیلز ٹیم 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 جدوجہد کرنے کے ساتھ ساتھ تجدیدی پریمیم کا 90 فیصد کا حصول بھی کیا ہے۔

سرمایہ کاری

س۔ ۲۰۱۹ء کی پہلی ششماہی کے لئے سرمایہ کاری کی آمدنی ، س۔ ۲۰۱۸ء کی اسی ششماہی کے 12.62 ملین روپے کے مقابلے میں 32.49 ملین روپے رہی۔

کمپنی کی سرمایہ کاری کا حجم ، دسمبر س۔ ۲۰۱۸ء کے پچھلے سال کے 714.01 ملین روپے کے مقابلے میں موجودہ طور پر 572.08 ملین روپے رہا۔ سرمایہ کاری حجم میں کمی کی وجہ آپریشنز کے نئے انفراسٹرکچر کے فروغ پر اٹھنے 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 بیمہ فوائد

س۔ ۲۰۱۸ء کے اسی دورانیے کے 14.99 ملین روپے کے مقابلے میں ، س۔ ۲۰۱۹ء کے پہلی ششماہی کے لئے ، مجموعی خالص بیمہ فوائد کے اخراجات 28.43 ملین روپے رہے۔ یہ اضافہ خاص طور پر اس دورانیے 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، س۔ ۲۰۱۸ء کے اسی دورانیے کے مقابلے میں جو کہ 22.57 ملین روپے تھے، س۔ ۲۰۱۹ء کی پہلی ششماہی میں 110.30 ملین روپے تک بڑھ گئے اور دیگر اخراجات 3.86 ملین روپے رہے یعنی س۔ ۲۰۱۸ء کے اسی دورانیے کے مقابلے میں 1.25 ملین روپے کا اضافہ ہوا۔ اضافے کی اصل وجہ نئی انتظامیہ اور سیلز ٹیموں کی تقرری ، آپریشنز انفراسٹرکچر اور عسکری لائف کی برانڈنگ 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 ہونگی۔

اخراجات اور ترقیاتی لاگت میں درج بالا اضافے کی وجہ سے، س۔ ۲۰۱۸ء کے اسی دورانیے کے 7.30 ملین روپے کے مقابلے میں، س۔ ۲۰۱۹ء کی پہلی ششماہی میں بعد از ٹیکس نقصان 116.95 ملین روپے رہا۔



متفرق:

کمپنی کو بہتر طور پر منظم کرنے کے لئے کمپنی نے اپنا رجسٹرڈ دفتر صوبہ بلوچستان سے صوبہ پنجاب منتقل کر لیا ہے۔

مستقبل پر نظر

آپ کی کمپنی نے ری برانڈنگ، مارکیٹنگ کی نئی حکمت عملی کو بڑھانے کے لئے 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 پریمیم کی رقم میں نشوونما کے حصول میں مدد کرے گی۔

ہمارا ہدف آپ کی کمپنی کو انڈسٹری میں ممتاز مقام تک پہنچنے کے لئے چیلنجنگ اور تقابلی کاروبار میں قابل برداشت، منافع بخش نشوونما پیش کرنا ہے۔

اظہار تشکر

ڈائریکٹرز، ہمارے کاروبار کے طریقہ ہائے جات کی بہتری کے لئے کمپنی کی انتظامیہ کی حمایت اور مسلسل رہنمائی کے لئے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور ری انشورر کا شکریہ ادا کرنا چاہیں گے۔ بورڈ کمپنی کے 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 کے لئے بھروسے کا نشان بنانے کے لئے ہمارے لئے حوصلہ افزائی کا ایک ذریعہ ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

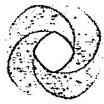

چیف ایگزیکٹو آفیسر





ڈائریکٹر

۲۱ اگست ۲۰۱۹ء



Grant Thornton

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GRANT THORNTON ANJUM RAHMAN

1st & 3rd Floor,
Modern Motors House
Beaumont Road,
Karachi 75530

T +92 021 3567 2951-56
F +92 021 3568 8834
www.gtpak.com

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ASKARI LIFE ASSURANCE COMPANY LIMITED**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Askari Life Assurance Company Limited as at June 30, 2019 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed financial statements for the six months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarter ended June 30, 2019 in the condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is **Muhammad Shaukat Naseeb**.


Grant Thornton Anjum Rahman

Chartered Accountants

Karachi

Date: August 23, 2019

ASKARI LIFE ASSURANCE COMPANY LIMITED
Condensed Interim Statement of Financial Position
As at June 30, 2019

		June 30, 2019	December 31, 2018
		Un-Audited	Audited
	Note	-----Rupees in '000-----	
ASSETS			
Property and equipment	6	90,362	5,383
Intangible assets	7	1,430	-
Investments			
Equity securities	8	5,064	6,830
Government securities	9	556,665	697,184
Mutual funds	10	10,350	9,991
Loans secured against life insurance policies		9,234	9,424
Insurance / reinsurance receivables		3,363	3,380
Other loans and receivables		20,398	20,892
Taxation - payments less provision		12,268	11,311
Prepayments		3,655	5,097
Cash and bank	11	95,482	73,881
TOTAL ASSETS		808,271	843,373

EQUITY AND LIABILITIES

**CAPITAL AND RESERVES ATTRIBUTABLE TO
COMPANY'S EQUITY HOLDERS**

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
Retained earnings arising from business other than participating business attributable to the shareholders (Ledger Account D)	(579,076)	(452,235)
Unrealised gain on available for sale investment	323	257
Accumulated losses	(93,964)	(103,858)
TOTAL EQUITY	429,003	545,884

LIABILITIES

Insurance liabilities	12	268,577	257,883
Retirement benefit obligations		7,431	86
Premium received in advance		16,589	13,837
Insurance / reinsurance payables		12,183	14,112
Other creditors and accruals		74,488	11,571
TOTAL LIABILITIES		379,268	297,489
TOTAL EQUITY AND LIABILITIES		808,271	843,373

CONTINGENCIES AND COMMITMENTS

13

The annexed notes 1 to 28 form an integral part of the condensed interim financial statement. *S. Ishaq*

[Signature]
Chief Financial Officer

[Signature]
Chief Executive Officer

[Signature]
Director

[Signature]
Director

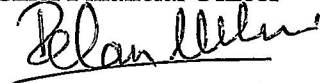
[Signature]
Chairman

ASKARI LIFE ASSURANCE COMPANY LIMITED
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the six months period ended June 30, 2019

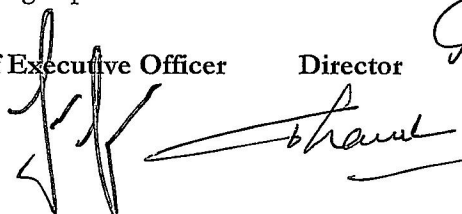
		<u>Six Months Ended</u>		<u>Quarter Ended</u>	
		<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		<u>-----Un-Audited-----</u>			
		<u>-----Rupees in '000-----</u>			
Note					
Premium revenue		83,618	7,536	44,070	3,585
less: Premium ceded to reinsurers		(21,125)	(452)	(8,376)	(51)
Net premium revenue	14	62,493	7,084	35,694	3,534
Investment income	15	34,333	12,639	17,251	7,119
Net realized fair value loss on financial assets	16	-	(21)	-	(10)
Impairment losses on available for sales investments	8.1	(1,842)	-	(1,842)	-
Other income	17	3,574	5,843	1,591	3,990
		<u>36,065</u>	<u>18,461</u>	<u>17,000</u>	<u>11,099</u>
Net income		98,558	25,545	52,694	14,633
Insurance benefits		55,252	15,807	30,151	10,813
Recoveries from reinsurers		(26,824)	(808)	(14,733)	(808)
Net insurance benefits	18	28,428	14,999	15,418	10,005
Net change in insurance liabilities (other than outstanding claims)		7,716	(7,350)	3,411	(9,665)
Acquisition expense	19	64,915	1,281	30,041	602
Marketing and administrative expenses	20	110,306	22,563	73,795	13,460
Other expenses	21	3,861	1,251	1,863	879
Total expenses		186,798	17,745	109,110	5,276
Results of operating activities		(116,668)	(7,199)	(71,834)	(648)
Loss before tax		(116,668)	(7,199)	(71,834)	(648)
Income tax expense	22	(279)	(99)	(135)	(61)
Loss for the period		(116,947)	(7,298)	(71,969)	(709)
Other comprehensive loss					
Unrealized gain/(loss) on available for sale of investments		7	-	(203)	-
		<u>7</u>		<u>(203)</u>	
Total comprehensive loss for the period		(116,940)	(7,298)	(72,172)	(709)
Loss per share - Rupees	24	(1.06)	(0.12)	(0.65)	(0.01)

The annexed notes 1 to 28 form an integral part of the condensed interim financial statement.

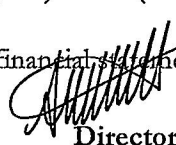
Chief Financial Officer



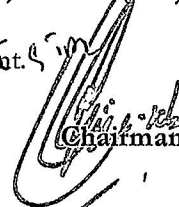
Chief Executive Officer



Director




Director



Chairman


ASKARI LIFE ASSURANCE COMPANY LIMITED
Condensed Interim Cash Flow Statement (Un-Audited)
For the six months period ended June 30, 2019

		Six Months Ended	
		June 30, 2019	June 30, 2018
		Un-Audited	Un-Audited
		-----Rupees in '000-----	
Operating Cash Flows			
(a) Underwriting activities			
Insurance premium received		86,388	8,026
Claims paid		(51,835)	(16,859)
Reinsurance and other recoveries received		3,332	391
Commission paid		(16,841)	(1,066)
Marketing and administrative expensed paid		(141,574)	(22,726)
Net cash flow from underwriting activities		(120,530)	(32,234)
(b) Other operating activities			
Income tax paid		(1,235)	(954)
Other operating receipts		14,134	4,361
Other operating payments		(9,816)	-
Loans advanced		(3,038)	(220)
Loans repayments received		2,946	647
Net cash flow from other operating activities		2,991	3,834
Total cash flow used in/from operating activities		(117,539)	(28,400)
Investment Activities			
Profit / return received		35,150	7,779
Dividend received		651	116
Payment for investments		(2,000,602)	(631,536)
Proceeds from investments		2,140,751	519,422
Proceeds from disposal of property and equipment		555	825
Purchase of property and equipment		(32,964)	(3,411)
Purchase of intangible asset		(1,706)	-
Total cash generated from / (used in) investing activities		141,835	(106,805)
Financing Activities			
Finance charges		(2,695)	-
Net cash flow from all activities		21,601	(135,205)
Cash and cash equivalents at beginning of period		73,881	166,225
and cash equivalents at end of period	11	95,482	31,020
Reconciliation to profit and loss account			
Operating cash flows		(117,539)	(28,400)
Depreciation		(10,561)	(980)
Amortization expense	20	(277)	-
Profit on disposal of investments		-	(21)
Gain on disposal of property and equipment		555	716
Dividend income		651	116
Other investment income		34,859	15,001
(Increase)/decrease in assets other than cash		(2,299)	1,194
Increase in liabilities other than borrowings		(22,336)	5,076
Loss after taxation		(116,947)	(7,298)

The annexed notes 1 to 28 form an integral part of the condensed interim financial statement. 


Chief Financial Officer


Chief Executive Officer


Director


Director


Chairman

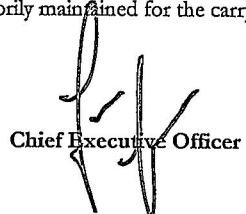
ASKARI LIFE ASSURANCE COMPANY LIMITED
Condensed Interim Statement of Changes in Equity (Un-Audited)
For the six months period ended June 30, 2019

	Issued, subscribed and paid-up share capital	Accumulated losses	Retained earnings arising from business other than participating business attributable to the shareholders (Ledger Account D) Refer note	Unrealised gain on available for sale investments	Total
	-----Rupees in '000-----				
Balance as at January 1, 2018 (as restated) - Audited	601,720	(87,365)	(355,735)	238	158,858
Total comprehensive income for six months period ended June 30, 2018	-	(7,298)	-	-	(7,298)
Deficit for the period in statutory funds	-	8,558	(8,558)	-	-
Balance as at June 30, 2018 (as restated) - Unaudited	601,720	(86,105)	(364,293)	238	151,560
Balance as at January 1, 2019 - Audited	1,101,720	(103,858)	(452,235)	257	545,884
Reclassification adjustment of impairment loss on available for sale investments	-	-	-	59	59
Total comprehensive income for six months period ended June 30, 2019	-	(116,947)	-	7	(116,940)
Deficit for the period in statutory funds	-	126,841	(126,841)	-	-
Balance as at June 30, 2019 - Unaudited	1,101,720	(93,964)	(579,076)	323	429,003

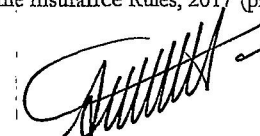
The annexed notes 1 to 28 form an integral part of the condensed interim financial statement.

Note: This includes balances maintained in accordance with the requirements of section 35 of the Insurance Ordinance, 2000 read with Rule 14 of the Insurance Rules, 2017 (previously the SEC Insurance Rules, 2002) to meet solvency margins, which are mandatorily maintained for the carrying on of the life insurance business. 5.12


Chief Financial Officer


Chief Executive Officer


Director


Director


Chairman

ASKARI LIFE ASSURANCE COMPANY LIMITED

Notes To The Condensed Interim Financial statement (Un-Audited)

For the six months period ended June 30, 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 address of its registered and principal office are 8th Floor, Army Welfare Trust, AWT Plaza, The Mall, Rawalpindi and 11th Floor, Emerald Tower, Plot No. G-19, Block 5, KDA Improvement Scheme No.5, Clifton, Karachi respectively. The Company was taken over by Army Welfare Trust on October 27, 2017. The geographical locations other than stated above are as under:

Karachi Regional Development Centre: Showroom 4-5, Zubaida Garden Ground Floor, Near Awami Markaz, K.M.C.H.S Main Shahrah e Faisal, Karachi

Lahore Regional Development Center: Plot # 524, Block-15, Sector B-1, Quaid-e-Azam Town Scheme, College Road, Lahor

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

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 Company is well committed to shortly commence the Window Takaful Operations. Company's Board of Directors in its meeting held on October 24, 2018 approved the contribution of seed money of Rs. 50 million from share holder's fund for the commencement of operation as required under circular 8 of 2014 issued by Insurance Division SECP.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statement have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' as applicable in Pakistan, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Accounting Regulations, 2017 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.

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the six months period ended June 30, 2019

These condensed interim financial statement does not include all the statement required in the annual financial statements. Accordingly, the condensed interim financial statement should be read in conjunction with the annual financial statements for the year ended December 31, 2018.

2.1 BASIS OF MEASUREMENT

These condensed interim financial statement 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

There are certain adoptions, amendments and interpretations with respect to the approved accounting standards that are not yet effective and are not expected to have any material impact on the Company's condensed interim financial statements in the period of initial application.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 IFRS 16 "Leases"

IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

This new Standard has been applied using the modified retrospective approach, where the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

The Company has applied the cost model to right-of use assets, except for those assets that meet the definition of investment property. Alternatively, the Company may elect to apply the revaluation model in IAS 16 to right-of-use assets, if it applies the revaluation model to the class of property and equipment that the right-of-use assets relate to.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is depreciated on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, of if the rate cannot be readily determined, the KIBOR (Karachi Inter Bank Offer Rate), Generally, the Company uses KIBOR rate as the discount rate.

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the six months period ended June 30, 2019

Followings are the amounts recognised by the Company in these condensed interim financial statement for the six months period ended June 30, 2019.

	Note	Rupees in '000'
Total lease liabilities - (included in other creditors and accruals)		57,233
Right of use asset	6	55,031
Finance charges - (included acquisition expense and Marketing and administrative expenses)	19 & 20	2,695
Depreciation - (included acquisition expense and Marketing and administrative expenses)	19 & 20	7,547

3.2 Intangible asset

An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and that the cost of such asset can also be measured reliably

Intangible assets acquired separately are measured on initial recognition at cost. Cost directly associated to identifiable asset and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of asset and related overhead cost. following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any, thereon.

Intangible asset is amortised from the month when such asset is available for use on straight-line basis over its useful economic life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on prospective basis.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2018.

In preparing this condensed interim financial statement, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at the year ended December 31, 2018.

5 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

5.1 During the period the Company has adopted IFRS 16 - Leases, with effect from January 1, 2019. The Company has applied IFRS 16 - Leases on four rental properties namely:

Emerald Tower - Principal office
Karachi Regional Development Centre
Lahore Regional Development Center
Islamabad Regional Development Center

ASKARI LIFE ASSURANCE COMPANY LIMITED

Notes To The Condensed Interim Financial statement (Un-Audited)

For the six months period ended June 30, 2019

- 5.2** During the period the Company has transferred its registered office and principal office from 57 Regal Plaza, M.A. Jinnah Road, Quetta and 802, 8th floor, Lakson Square Building No.1 Karachi to 8th floor, Army Welfare Trust, AWT Plaza, The Mall, Rawalpindi and 11th floor, Emerald Tower, Karachi respectively.
- 5.3** The Company has recognised impairment loss on investment in equity securities during the period amounting to Rs 1.8 million. (refer note 8.1).
- 5.4** Significant related party transactions are disclosed in note 23.
- 5.5** Window Takaful Operations (refer note 1.3).

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the six months period ended June 30, 2019

6 PROPERTY AND EQUIPMENT

	June 30, 2019 (Un-Audited)	December 31, 2018 (Audited)
	-----Rupees in '000-----	
<i>Net book value</i>		
Property and equipment	35,331	5,383
Right-of-use assets	55,031	-
	<u>90,362</u>	<u>5,383</u>

	June 30, 2019 (Un-Audited)		December 31, 2018 (Audited)	
	Addition	Deletion	Addition	Deletion
	-----Rupees in '000-----			
Furniture & fixture	6,276	-	-	38,967
Office equipment	4,461	-	90	10,503
Computer equipment	7,116	-	3,181	4,399
Vehicles	-	1,199	2,655	10,760
Lease improvements	15,111	-	-	-
Right-of-use assets	62,578	-	-	-
	<u>95,542</u>	<u>1,199</u>	<u>5,926</u>	<u>64,629</u>

7 INTANGIBLE ASSETS

	June 30, 2019 (Un-Audited)	December 31, 2018 (Audited)
	-----Rupees in '000-----	
Cost		
Opening balance	-	-
Addition during the period / year	1,706	-
Closing balance	1,706	-
Amortization		
Opening balance	-	-
Charge for the period / year	276	-
Closing balance	276	-
Net book value	<u>1,430</u>	<u>-</u>

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the six months period ended June 30, 2019
8 EQUITY SECURITIES
Available for sale

June 30, 2019 (Un-Audited)				December 31, 2018 (Audited)			
Cost	Unrealised gain / (loss) on available for sale investments	Accumulated impairment losses (refer note 8.1)	Carrying value	Cost	Unrealised gain / (loss) on available for sale investments	Accumulated impairment losses	Carrying value

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

Related parties - Listed shares

East west insurance company	281	263	-	544	281	263	-	544
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Others - Listed shares

Kohat Cement Company Limited	340	-	(203)	137	340	-	(119)	221
D. G. Khan Cement Company Limited	512	-	(342)	170	512	-	(271)	241
Habib Bank Limited	1,351	-	(558)	793	1,351	-	(508)	843
Ghandhara Industries Limited	1,633	-	(1,284)	349	1,633	-	(534)	1,099
Millat Tractor Limited	744	17	(278)	483	744	-	(278)	466
Bifo Industries Limited	350	-	(157)	193	350	-	(93)	257
Descon Oxychem Limited	101	-	(21)	80	101	43	-	144
Packages Limited	2,221	-	(1,019)	1,202	2,221	-	(674)	1,547
Al-Shaheer Corporation	78	-	(47)	31	78	(18)	-	60
Engro Foods Limited	323	-	(148)	175	323	(84)	-	239
Ferozsons Laboratories Limited	1,958	-	(1,119)	839	1,958	-	(876)	1,082
AGP Limited	103	-	(35)	68	103	-	(16)	87
	9,995	280	(5,211)	5,064	9,995	204	(3,369)	6,830

8.1 Movement in accumulated impairment losses on available for sale investments

June 30, 2019 (Un-Audited)	December 31, 2018 (Audited)
-----Rupees in '000-----	
3,369	-
1,842	3,369
5,211	3,369

Opening balance

Charge for the period / year

Closing balance

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the six months period ended June 30, 2019

9 GOVERNMENT SECURITIES

Held to maturity

Held to maturity

June 30, 2019 (Un-Audited)					December 31, 2018 (Audited)	
Maturity date	Effective coupon/ yield (%)	Face Value	Principal repayment	Carrying value	Carrying value	
-----Rupees in '000-----						
10 year Pakistan Investment Bonds	22-Jul-20	12.00%	5,200	On maturity	5,157	5,138
10 year Pakistan Investment Bonds	18-Aug-21	12.00%	16,000	On maturity	15,892	15,866
10 year Pakistan Investment Bonds	19-Jul-22	12.00%	18,700	On maturity	18,432	18,388
10 year Pakistan Investment Bonds	21-Apr-26	8.75%	32,500	On maturity	33,066	33,107
10 year Pakistan Investment Bonds	21-Apr-29	8.75%	39,200	On maturity	39,403	-
3 Months Treasury Bills	17-Jan-19	8.79%	-	On maturity	-	99,622
3 Months Treasury Bills	28-Feb-19	10.27%	-	On maturity	-	172,211
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	15-Aug-19	12.57%	195,000	On maturity	192,062	-
3 Months Treasury Bills	15-Aug-19	12.50%	256,505		252,653	
			563,105		556,665	697,184

10 MUTUAL FUND

Available for sale

<i>Available for sale</i>	June 30, 2019 (Un-Audited)			December 31, 2018 (Audited)		
	Cost	Accumulated unrealised gain	Carrying value	Cost	Accumulated unrealised gain	Carrying value
	-----Rupees in '000-----					
NAFA income opportunity fund	10,307	43	10,350	9,938	53	9,991

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the six months period ended June 30, 2019

11 CASH AND BANK

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	-----Rupees in '000-----	
Cash and Cash Equivalent			
- Cash in hand		40	-
- Policy stamps		157	100
Cash at bank			
- Current account		2,953	6,380
- Saving account		92,332	67,401
		<u>95,482</u>	<u>73,881</u>

12 INSURANCE LIABILITIES

Reported outstanding claims	12.1	81,672	78,694
Incurred but not reported claims	12.2	1,375	1,620
Investment component of universal life and account value policies	12.3	170,737	161,565
Liabilities under individual conventional insurance contracts	12.4	2,602	3,278
Liabilities under group insurance contracts (other than investment linked)	12.5	3,859	5,202
Other insurance liabilities	12.6	8,332	7,524
		<u>186,905</u>	<u>179,189</u>
		<u>268,577</u>	<u>257,883</u>

12.1 Reported outstanding claims

Gross of Reinsurance

Payable within one year	24,884	30,214
Payable over a period of time exceeding one year	65,701	56,954
	<u>90,585</u>	<u>87,168</u>

Recoverable from Reinsurance

Receivable within one year	(8,458)	(8,019)
Receivable over a period of time exceeding one year	(455)	(455)
	<u>(8,913)</u>	<u>(8,474)</u>
Net reported outstanding claims	<u>81,672</u>	<u>78,694</u>

12.2 Incurred but not reported claims

Gross of reinsurance	2,919	3,119
Reinsurance recoveries	(1,544)	(1,499)
Net of reinsurance	<u>1,375</u>	<u>1,620</u>

12.3 Investment component of universal life and account value policies

Investment component of account value policies	<u>170,737</u>	<u>161,565</u>
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ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the six months period ended June 30, 2019

	June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	-----Rupees in '000-----	
12.4 Liabilities under individual conventional insurance contracts		
Gross of reinsurance	2,602	3,278
Reinsurance credit	-	-
Net of reinsurance	<u>2,602</u>	<u>3,278</u>
12.5 Liabilities under Group Insurance Contracts (other than Investment linked)		
Gross of reinsurance	13,485	14,527
Reinsurance credit	(9,626)	(9,325)
Net of reinsurance	<u>3,859</u>	<u>5,202</u>
12.6 Other insurance liabilities		
Gross of reinsurance	8,732	8,327
Reinsurance recoveries	(400)	(803)
Net of reinsurance	<u>8,332</u>	<u>7,524</u>

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

- 13.1.1** There is pending adjudication bearing No 125/2012 before the Session Court, South, Karachi in respect of a 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 parties 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 Rs. 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.

- 13.1.2** 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.

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the six months period ended June 30, 2019

13.2 Commitments

Operating leases

	June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	-----Rupees in '000-----	
Not later than one year	-	10,396
More than one year not later than five year	-	4,475
	-	14,871

Ijarah Financing

Not later than one year	5,393	-
More than one year not later than five year	21,123	-
	26,516	-

14 NET PREMIUM REVENUE

	Half year ended		Quarter ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	-----Un-Audited-----			
	-----Rupees in '000-----			
Gross premiums				
Regular premium individual policies				
First year	33,289	670	17,913	199
Second year renewal	1,012	294	900	77
Subsequent year renewal	8,077	6,319	4,912	3,223
Single premium individual policies	6,368	-	3,648	-
Group policies without cash values	34,872	253	16,697	86
Total gross premiums	83,618	7,536	44,070	3,585
Less: Reinsurance premiums ceded				
On individual life first year business	(1,220)	(5)	(438)	(1)
On individual life second year business	(273)	(9)	(270)	(6)
On individual life renewal business	3,965	(266)	4,055	15
On group policies	(23,597)	(203)	(11,723)	(70)
Reinsurance commission on risk premium	-	31	-	11
	(21,125)	(452)	(8,376)	(51)
Net premiums	62,493	7,084	35,694	3,534

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the six months period ended June 30, 2019

15 INVESTMENT INCOME

	Half year ended		Quarter ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	-----Un-Audited-----			
	-----Rupees in '000-----			
Income from equity securities				
Dividend income	651	116	606	53
Income from debt securities				
Return on Government securities	33,682	11,046	16,645	6,416
Income from term deposits				
Return on term deposits	-	1,477	-	650
	34,333	12,639	17,251	7,119

16 NET REALIZED FAIR VALUE LOSS ON FINANCIAL ASSETS

Available for sale financial assets				
Realized:				
Gain on Listed Shares	-	412	-	51
Loss on Mutual Funds	-	(433)	-	(61)
	-	(21)	-	(10)

17 OTHER INCOME

Return on bank balances	2,735	2,256	1,377	418
Gain on sale of property and equipment	555	716	-	716
Liabilities written back	-	1,966	-	1,966
Profit commission from reinsurance	-	752	-	752
Miscellaneous	284	153	214	138
	3,574	5,843	1,591	3,990

18 NET INSURANCE BENEFITS

Gross claims

Claims under individual policies				
By death	877	954	635	569
By maturity	12,879	6,417	7,749	4,432
By surrender	8,243	7,376	3,628	4,752
Total gross individual policy claims	21,999	14,747	12,012	9,753
Claims under group policies				
By death	31,969	1,010	17,609	1,010
By insured event other than death	1,284	50	530	50
Total gross group policy claims	33,253	1,060	18,139	1,060
Total gross claims	55,252	15,807	30,151	10,813
Less: reinsurance recoveries				
On group life claims	(26,824)	(808)	(14,733)	(808)
Net insurance benefit expense	28,428	14,999	15,418	10,005

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the six months period ended June 30, 2019

19 ACQUISITION EXPENSES

Acquisition costs	Half year ended		Quarter ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	-----Un-Audited-----			
	-----Rupees in '000-----			
Remuneration to insurance intermediaries on Individual policies:				
Commission to agent on 1st year premiums	14,279	406	7,625	131
Commission to agent on 2nd year premiums	-	32	-	8
Commission to agent on subsequent renewal premiums	-	271	-	141
Remuneration to insurance intermediaries on Group policies:				
Commission	3,447	17	1,564	-
	17,726	726	9,189	280
Other acquisition cost				
Policy stamps	493	1	194	1
Branch overhead	46,696	554	20,658	321
Comission from reinsurance	-	-	-	-
	64,915	1,281	30,041	602

20 MARKETING AND ADMINISTRATIVE EXPENSES

Employee benefit cost	62,966	16,471	38,340	9,968
Travelling expenses	3,485	1,165	2,578	999
Advertisements and sales promotion	15,081	86	14,854	84
Printing and stationery	2,701	325	2,230	212
Depreciation on property and equipment	6,760	980	6,144	498
Amortisation of intangible asset	277	-	140	-
Rent, rates and taxes	1,651	816	(2,023)	477
Electricity, gas and water	887	291	649	182
Entertainment	1,075	296	451	200
Vehicle running expenses	5,267	522	2,851	187
Ijarah rental	450	-	450	-
Office Repair and maintenance	3,711	-	2,398	-
Bank charges	135	-	79	-
Postage, telegrams and telephone	2,434	268	1,354	163
Insurance	1,068	-	1,068	-
Finance charges	1,898	-	1,898	-
Miscellaneous	460	1,343	334	490
	110,306	22,563	73,795	13,460

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21 OTHER EXPENSES

	Half year ended		Quarter ended	
	June 30,	June 30,	June 30,	June 30,
	2019	2018	2019	2018
	-----Un-Audited-----			
	-----Rupees in '000-----			
Legal and professional charges	1,565	435	490	363
Appointed actuary fees	1,200	600	600	300
Director fee	370	-	175	-
Annual Supervision fee SECP	100	-	-	-
Auditors' remuneration	543	216	543	216
Fees, subscription and periodicals	83	-	55	-
	3,861	1,251	1,863	879

22 TAXATION

Current tax		(279)	(99)	(135)	(61)
Deferred tax	22.1	-	-	-	-
		(279)	(99)	(135)	(61)

22.1 The deferred tax assets of Rs.1,550,378 (December 31, 2018: Rs. 2,741,694) is not recognized in these condensed financial statements as management view that benefit arising from carry forward losses will be recognized when future profitability is consistently demonstrated.

23 TRANSACTIONS AND BALANCES 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:

		Half year ended	
		June 30,	June 30,
		2019	2018
		-----Un-Audited-----	
		---Rupees in '000---	
Relationship	Transactions		
Holding company	Premium revenue	73	-
Associated undertaking	Premium revenue	10,005	-
Associated undertaking	Insurance benefits	9,310	-
Associated undertaking	Expenses and acquisition cost	2,697	-
Contribution	Staff Provident Fund	-	471
Key management personnel	Remuneration	34,190	1,314
Gratuity fund	Expenses	7,370	-
Directors	Meeting fee	370	-

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		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
		-----Rupees in '000-----	
Related Party	Balances		
Holding Company			
Army Welfare Trust	Due from insurance contract holders	164	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	37	-
Askari Guards Limited	Due from insurance contract holders	26	761
Askari Guards Limited	Outstanding claims	2,590	2,060
Askari Travel & Tours	Accrued expenses	941	844
MEDASK	Due from insurance contract holders	81	138
Real Estate (Head Office)	Due from insurance contract holders	4	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
Askari Fuels	Due to insurance contract holders	1	-
MAL Pakistan Limited	Due to insurance contract holders	3	-
Askari Enterprises	Due to insurance contract holders	1	-
Blue Lagoon	Due to insurance contract holders	18	-
AWT Investments	Due to insurance contract holders	13	-
Askari Woolen Mills	Due from insurance contract holders	3	-
Askari Projects	Due from insurance contract holders	1	-
Army Welfare Sugar Mills	Due to insurance contract holders	86	-
Askari Farms & Seeds	Due to insurance contract holders	26	-
Gratuity	Other creditors and accruals	7,430	-
East West Insurance Company Limited	Equity investments	-	544
Provident Fund			
Staff Provident Fund	Payable to fund	-	85

24 LOSS PER SHARE

There is no dilutive effect on the basic loss per share of the company which is based on:

	Half year ended		Quarter ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	-----Un-Audited-----			
	-----Rupees in '000-----			
Loss after tax for the period	(116,947)	(7,298)	(71,969)	(709)
	----- Number of shares in'000-----			
weighted average number of ordinary shares outstanding as at period end	110,172	60,172	110,172	60,172
	-----Rupees in '000-----			
loss per share	(1.06)	(0.12)	(0.65)	(0.01)

ASKARI LIFE ASSURANCE COMPANY LIMITED

Notes To The Condensed Interim Financial statement (Un-Audited)

For the six months period ended June 30, 2019

25 SEGMENTAL INFORMATION

25.1 Revenue account by statutory fund

Income

Premiums less reinsurances

Net investment income

Total net income

Insurance benefits and expenditures

Insurance benefits, including bonuses, net of reinsurance recoveries

Management expenses less recoveries

Total insurance benefits and expenditure

(Deficit) / income of income over insurance

Benefit and expenditure

Add: Policyholder liabilities at the beginning of the period

Less: Policyholder liabilities at the end of the period

Net change in insurance liabilities(other than outstanding claims)

Deficit

Movement in policyholder liabilities

Transfer to or from shareholders' fund

Capital contribution from shareholders' fund

Capital contribution to shareholders' fund

Transfer of surplus (to) shareholders' fund

Net transfer to or from shareholders' fund

Balance of statutory fund at beginning of period

Balance of statutory fund at end of period

Statutory Funds			Aggregate	Quarter ended
Ordinary Life	Universal Life	Accident & Health	June 30, 2019	June 30, 2019
-----Un-Audited-----				
-----Rupees in '000-----				
11,275	51,218	-	62,493	35,694
2,152	12,674	246	15,072	8,103
13,427	63,892	246	77,565	43,797
6,932	21,495	-	28,427	15,417
53,011	115,252	-	168,263	98,586
59,943	136,747	-	196,690	114,003
(46,517)	(72,855)	246	(119,125)	(70,206)
9,549	169,640	-	179,189	183,494
7,336	179,569	-	186,905	186,905
2,213	(9,929)	-	(7,716)	(3,411)
(44,304)	(82,784)	246	(126,841)	(73,617)
(2,213)	9,929	-	7,716	3,411
44,000	81,000	-	125,000	71,500
-	-	-	-	-
-	-	-	-	-
44,000	81,000	-	125,000	71,500
10,875	170,849	4,989	186,713	191,295
8,359	178,994	5,235	192,588	192,589

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the six months period ended June 30, 2019

	Statutory Funds			Aggregate	Quarter ended
	Ordinary Life	Universal Life	Accident & Health	June 30, 2018	June 30, 2018
	-----Un-Audited-----				
	-----Rupees in '000-----				
Income					
Premiums less reinsurances	51	7,003	-	7,054	3,524
Net investment income	744	9,964	119	10,827	6,920
Total net income	795	16,967	119	17,881	10,444
Insurance benefits and expenditures					
Insurance benefits, including bonuses, net of reinsurance recoveries	793	14,156	50	14,999	10,005
Management expenses less recoveries	3,291	13,997	1,502	18,790	11,283
Total insurance benefits and expenditure	4,084	28,153	1,552	33,789	21,288
Deficit income over insurance and expenditure	(3,289)	(11,186)	(1,433)	(15,908)	(10,844)
Add: Policyholder liabilities at the beginning of the year	4,048	179,507	-	183,555	185,870
Less: Policyholder liabilities at the end of the year	3,926	172,279	-	176,205	176,205
Net change in insurance liabilities(other than outstanding claims)	122	7,228	-	7,350	9,665
Deficit	(3,167)	(3,958)	(1,433)	(8,558)	(1,179)
Movement in policyholder liabilities	(122)	(7,228)	-	(7,350)	(9,665)
Transfer to or from shareholders' fund					
Capital contribution from shareholders' fund	3,408	4,708	1,368	9,484	2,881
Capital contribution to shareholders' fund	-	-	-	-	-
Transfer of surplus (to) shareholders' fund	-	-	-	-	-
Net transfer to or from shareholders' fund	3,408	4,708	1,368	9,484	2,881
Balance of statutory fund at beginning of period	6,770	179,973	2,702	189,445	190,984
Balance of statutory fund at end of period	6,889	173,495	2,637	183,021	183,021

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the six months period ended June 30, 2019
25.2 Segment Statement of financial position

	As at June 30, 2019		As at December 31, 2018	
	Statutory Funds	Shareholders Fund	Statutory Funds	Shareholders Fund
	-----Rupees in '000-----			
Property and equipment	-	90,362	-	5,383
Intangible assets	-	1,430	-	-
Investments	248,328	323,751	250,029	463,976
Loans secured against life insurance policies	9,234	-	9,424	-
Insurance / reinsurance receivables	3,363	-	3,380	-
Other loans and receivables	3,950	16,448	2,726	18,166
Taxation - payments less provision	-	12,267	-	11,311
Prepayments	-	3,656	-	5,097
Cash and Bank	42,989	52,493	30,720	43,161
Total Assets	307,864	500,407	296,279	547,094
Insurance liabilities	268,577	-	257,883	-
Retirement benefit obligations	-	7,431	-	86
Premium received in advance	16,589	-	13,837	-
Insurance / reinsurance payables	12,183	-	14,112	-
Other creditors and accruals	1,026	73,462	2,924	8,647
Total Liabilities	298,375	80,893	288,756	8733

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the six months period ended June 30, 2019

26 FAIR VALUE MEASUREMENT

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at June 30, 2019 and December 31, 2018:

	Level 1	Level 2	Level 3	Total
	-----Rupees in '000-----			
Financial assets				
Equity securities	5,064	-	-	5,064
Government securities	-	556,665	-	556,665
Mutual funds	10,350	-	-	10,350
June 30, 2019 (Un-audited)	15,414	556,665	-	572,079
Financial assets				
Equity securities	6,830	-	-	6,830
Government securities	-	697,184	-	697,184
Mutual funds	9,991	-	-	9,991
December 31, 2018 (Audited)	16,821	697,184	-	714,005

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 - Fair value measurement using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Fair value measurement using inputs other than quoted prices included with in level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived
- Level 3 - Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e unobservable inputs).

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

27 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statement are authorised for issue on August 21st, 2019 by the Board of Directors of the Company.

28 GENERAL

- 28.1 The figures in these condensed interim financial statement have been rounded off to nearest thousand of rupees.
- 28.2 Corresponding figures have been re-arranged and reclassified, wherever necessary. However, there were no significant reclassifications to report. *Q.S.M.*


Chief Financial Officer


Chief Executive Officer


Director


Director


Chairman

Branch Network

Head office

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

Contact No:

UAN: 021- 111 -225- 275

Karachi:

Showroom number 05 & 06 Ground Floor, 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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