



REPORT FOR THE PERIOD ENDED JUNE 30, 2020

Table of Content

Our vision, mission & Corporate values -----	01
Company Information-----	02
Directors' Review -----	05
Directors' Review (Urdu) -----	08
Auditors' Report -----	12
Condensed Interim Statement of Financial Position-----	15
Condensed Interim Statement of Comprehensive Income-----	16
Condensed Interim Statement of Changes in Equity -----	17
Condensed Interim Cash Flow Statement -----	18
Notes to Condensed Interim Financial information -----	19
Branch network-----	43

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)
Maj Gen. Imtiaz Hussain Sherazi, (Retd)
Maj Gen. Akhtar Iqbal, (Retd)
Mr. Malik Riffat Mahmood

Mr. Javed Yunus
Ms. Ayesha Rafique
Mr. Tariq Hameed

MANAGEMENT

Mr. Jehanzeb Zafar
Mr. Noman Muhammad
Mr. Rehan Mobin
Mr. Salman Ahmad Saeed
Mr. Syed Jawaid Raza
Mr. Hasan Askari
Mr. Atif Usman Mallick
Ms. Syeda Haajra Nazish Jafri

Chief Executive Officer
Chief Operating Officer
Chief Financial Officer
Head of HR & Admin
Head of IT
Head of Bancassurance
Head- Internal Audit
Company Secretary

Board Committees

Audit Committee:

Mr. Tariq Hameed
Maj Gen. Imtiaz Hussain Sherazi, (Retd)
Mr. Malik Riffat Mehmood
Ms. Syeda Haajra Nazish Jafri

Chairman
Member
Member
Company Secretary

Investment Committee:

Mr. Malik Riffat Mehmood
Maj Gen. Akhtar Iqbal, (Retd)
Mr. Jehanzeb Zafar
Mr. Noman Noor Muhammad
Mr. Rehan Mobin

Chairman
Member
Member
Member
Member

Ethics, Human Resource Remuneration & Nomination Committee:

Ms. Ayesha Rafique
Maj Gen. Akhtar Iqbal, (Retd)
Maj Gen. Imtiaz Hussain Sherazi, (Retd)
Mr. Jehanzeb Zafar
Mr. Salman Ahmad Saeed

Chairman
Member
Member
Member
Secretary

Management Committees:

Risk Management & Compliance Committee:

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

Underwriting & Reinsurance Committee:

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

Claim Settlement Committee:

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

Appointed Actuary

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

Legal Advisor

Saiduddin & Co

External Auditor

RSM Avais Hyder Liaquat Nauman
(Chartered Accountants)

Registered Office

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

Head Office

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Directors' Review

We are pleased to present the reviewed financial statements for the half year ended June 30, 2020. The external auditors of the Company have performed limited scope review on these financial statements and have issued unqualified opinion.

Financial Highlights

Description	June 30, 2020	June 30, 2019
	Rs. in ('000)	
Gross premium revenue	141,241	83,618
Investment and other income	36,423	36,065
Net Insurance Benefits	56,221	28,428
Acquisition expense	61,678	64,915
Marketing and administration expenses	106,006	110,489
Other expenses	7,206	3,678
Loss after tax	(109,208)	(116,947)
Loss per share	(0.99)	(1.06)

Financial Analysis of the Company

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

Line of Business	Gross Premium		Variance %
	Rupees. in '000		
	2020	2019	
Individual Life	37,493	42,378	-12%
Single Premium	15,865	6,368	149%
Bancassurance	10,548	-	100%
Group Life Policies	77,335	34,872	122%
Total	141,241	83,618	69%

Gross Premium

In the half year ended June 30, 2020, the gross premium written by your Company stood at Rs.141.24 million which is increased of 69% from comparative period of 2019 was Rs.83.62 million.

The major development is in Group life business where premium has increased by Rs.42.46 million and new individual life business increased by Rs.5.7 million as comparative period of 2019.

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. However,

global outbreak of Pandemic-COVID-19 impacted the economies of the world. Due to continuous lock down in second quarter for the current year and various preventive measures announced by the Government of Pakistan, operations of Insurance Sector has also been negatively affected.

Investment:

The Investment and other income for the half year of 2020 is Rs.36.42 million as compared to the same of 2019 of Rs. 36.07 million, representing the growth of 1% even in the environment of reduced discount rates in the second quarter of the current year your company has managed to maintain the income on investment portfolio.

The Company's Investment and Bank portfolio currently stood at 622.33 million, as compared to the last year of December, 2019 of Rs 623.45 million. 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 2020 is Rs 56.22 million as compared to the same period of 2019 of Rs 28.43 million, representing the increase of 98%. The increase is mainly due to expansion of 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 2020 are reduced to Rs 106.01 million as compared to the same period of 2019 of Rs 110.49 million mainly due to the impact of lockdown during Covid-19. The other expenses stood at Rs.7.21 million and Rs.3.68 million in 2019, the increase in other expenses was relate to the payment of statutory fees. 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.

The Loss after tax for the half year ended of 2020 is Rs.109.21 million as compared to Rs. 116.95 million in the corresponding period last year.

Challenges faced by the insurance industry:

Imposition Sales tax:

The insurance industry continues to face the biggest challenge with respect of imposition of provincial sales taxes by the provincial revenue authorities. The insurance industry collectively through the forum of the Insurance Association of Pakistan (IAP) has taken up the issue with the respective authorities for the exemption of provincial sales taxes on technical grounds in order to enhance insurance penetration in Pakistan.

The details of the same have been mentioned in note 15.1.3 of the Financial statements.

Future Outlook

Your Company will continue to focus on branding, development and expansion of distribution 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.

The Pandemic-COVID-19 is expected to have an impact on the awareness and acceptability of life insurance products in the country. The Company is eyeing opportunities arising post Pandemic as it has highlighted that health or life risk can easily be converted as financial risk therefore, in our opinion, people will be more risk averse towards their income and savings which will have a positive impact on the way customers perceive life insurance products in the long run.

Our target remains 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 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: **August 26, 2020**

ہم سال ۲۰۲۰ء کی پہلی ششماہی کے لئے، جس کا اختتام ۳۰ جون ۲۰۲۰ء کو ہوا، نظر ثانی شدہ مالیاتی حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔ کمپنی کے خارجی آڈیٹرز نے ان مالیاتی حسابات پر محدود دائرے میں نظر ثانی کی ہے اور اپنی غیر مشروط رائے پیش کی ہے۔

مالیاتی سرخیاں

تفصیلات	۳۰ جون ۲۰۲۰ء	۳۰ جون ۲۰۱۹ء
	'000 روپوں میں	
مجموعی پریکٹیسیم سے آمدنی	141,241	83,618
سرمایہ کاری اور دیگر سے آمدنی	36,423	36,065
خالص بیہ فوائد	56,221	28,428
اخراجات برائے حصول	61,678	64,915
مارکیٹنگ اور انتظامی اخراجات	106,006	110,489
دیگر اخراجات	7,206	3,678
بعد از ٹیکس (نقصان) فائدہ	(109,208)	(116,947)
فی حصص نقصان	(0.99)	(1.06)

اس ششماہی کے دوران، مجموعی پریمیم درج ذیل رہا:

مجموعی پریمیم			
'000 روپوں میں			
کاروباری مد	2020	2019	فرق فیصد
انفرادی لائف	37,493	42,378	-12%
سنگل پریمیم	15,865	6,368	149%
بینک انشورنس	10,548	-	100%
گروپ لائف پالیسیاں	77,335	34,872	122%
مخل مجموعہ	141,241	83,618	69%

مجموعی پریمیم

۲۰۲۰ء کی پہلی ششماہی میں، آپ کی کمپنی کا مجموعی پریمیم 141.24 ملین روپے رہا، جو ۲۰۱۹ء کے اسی دورانیے کے 83.62 ملین روپے کے مقابلے میں 69 فیصد تک بڑھ گیا ہے۔

سب سے زیادہ نشوونما گروپ لائف کاروبار میں دیکھنے میں آئی جو ۲۰۱۹ء کے مقابلے میں 42.46 ملین روپے سے اور نیا انفرادی لائف کا کاروبار 5.7 ملین روپے سے بڑھ گیا۔

ہماری انفرادی لائف اور گروپ لائف کی سلیز ٹیم نے کاروبار کے لئے ادما رکھتے ہیں تقابلی مصنوعات کا آغاز کر کے کاروبار میں ضروری شرکت کو ہدف بنانے کے لئے مستعد طور پر موزع جدوجہد کی ہے۔ البتہ کوہ 19 کی دہاء کے عالمی طور پر پھیلاؤ نے دنیا کی معاشیات پر اثر ڈالا ہے۔ سال رواں کے دوسری سہ ماہی میں حکومت پاکستان کے اعلان کردہ مسلسل لاک ڈاؤن اور مختلف احتیاطی تدابیر کی وجہ سے، انشورنس کے شعبے کے عمل کارپوں پر بھی منفی اثر پڑا ہے۔

سرمایہ کاری

۲۰۲۰ء کی پہلی ششماہی کے لئے سرمایہ کاری اور دیگر آمدنی، ۲۰۱۹ء کی اسی ششماہی کے 36.07 ملین روپے کے مقابلے میں 36.42 ملین روپے رہی، یعنی 1 فیصد کی نشوونما دیکھنے میں آئی باوجود اس کے کہ سال رواں کے دوسری سہ ماہی میں کم کئے گئے تخفیفی نرخوں کے ماحول میں آپ کی کمپنی سرمایہ کاری پورٹ فولیو زمیں آمدنی کو برقرار رکھ پائی ہے۔

کمپنی کی سرمایہ کاری اور بینک کا حجم، دسمبر ۲۰۱۹ء کے 623.45 ملین روپے کے مقابلے میں موجودہ طور پر 622.33 ملین روپے رہا۔ 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 بیرہ فوائد

۲۰۱۹ء کے اسی دورانیے کے 28.43 ملین روپے کے مقابلے میں، ۲۰۲۰ء کے پہلی ششماہی کے لئے، مجموعی خالص بیرہ فوائد کے 56.22 ملین روپے رہے، یعنی ان میں 98 فیصد اضافہ سامنے آیا۔ 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، ۲۰۱۹ء کے اسی دورانیے کے مقابلے میں جو 110.49 ملین روپے تھے، ۲۰۲۰ء کی پہلی ششماہی میں 106.01 ملین روپے تک کم ہو گئے جس کی اصل وجہ کوڈ 19 کے دوران لاک ڈاؤن کا اثر رہا۔ دیگر اخراجات 7.21 ملین روپے اور ۲۰۱۹ء میں 3.68 ملین روپے رہے، دیگر اخراجات میں اضافے کا تعلق آئینی فیس سے تھا۔ 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 ہوگی۔

پچھلے سال کے اسی دورانیے میں 116.95 ملین روپے کے مقابلے میں ۲۰۲۰ء کی پہلی ششماہی میں بعد از ٹیکس نقصان 109.21 ملین روپے رہا۔

بیرہ صنعت کو درپیش چیلنجز:

سیلز ٹیکس کا نفاذ:

صوبائی ریونیو اتھارٹیوں کے جانب سے صوبائی سیلز ٹیکس کے نفاذ سے متعلق بیرہ صنعت کو سب سے بڑے چیلنجز کا مسلسل سامنا ہے۔ بیرہ صنعت نے انشورنس ایسوسی ایشن آف پاکستان کے فورم کے ذریعے مجموعی طور پر پاکستان میں بیرہ کی شمولیت میں اضافے کے لئے تکنیکی بنیادوں پر صوبائی سیلز ٹیکس کی چھوٹ کے لئے متعلقہ اتھارٹیوں کے ساتھ اس مسئلے کو اٹھایا ہے۔

اس کی تفصیلات مالیاتی بیانات کے نوٹ 15.1.3 میں پیش کی گئی ہیں۔

مستقبل پر نظر

آپ کی کمپنی نے ری برانڈنگ، مارکیٹنگ کی نئی حکمت عملی کو بڑھانے کے لئے تقسیمی نیٹ ورک کی برانڈنگ، اس کے فروغ اور پھیلاؤ اور تقابلی مصنوعات کے آغاز پر مسلسل توجہ مرکوز کئے ہوئے ہے جو کمپنی کو آنے والے وقتوں میں پریمیم حکم کی رقم میں نشوونما کے حصول میں مدد کرے گی۔

کوڈ 19 کی وہاں سے ملک میں بیمہ حیات کی پروڈکٹس سے آگاہی اور انکی قبولیت پر اثر پڑنے کا امکان ہے۔ کمپنی اس وہاں کے بعد پیدا ہونے والے مواقع پر نظر رکھے ہوئے ہے کیونکہ اس سے یہ بات واضح ہوئی ہے کہ صحت یا زندگی کا خطرہ بہ آسانی مالیاتی خطرے میں تبدیل ہو سکتا ہے چنانچہ ہماری رائے میں، لوگ اپنی آمدنی اور بچتوں کے سلسلے میں خطرے کو بھانپ پائیں گے جو کہ بیمہ حیات کی مصنوعات کو لوگ جس طرح سمجھتے ہیں آنے والے وقتوں میں اس پر ایک مثبت تاثر قائم ہو گا۔

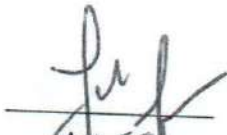
ہمارا ہدف آپ کی کمپنی کو انڈسٹری میں ممتاز مقام تک پہنچنے کے لئے چیلنجنگ اور تقابلی کاروبار میں قابل برداشت، منافع بخش نشوونما پیش کرنا ہے۔

اظہار تشکر

ڈائریکٹر مسلسل رہنمائی کے لئے سکیورٹیز 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 جتنی 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

RSM Avas Hyder Liaquat Nauman
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ASKARI LIFE ASSURANCE COMPANY LIMITED

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Askari Life Assurance Company Limited as at June 30, 2020 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 this 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 condensed interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to note 15.1.3 to the financial statements, which describes that the Company has challenged the scope and applicability of the provincial sales tax on services on the premium from life insurance business.

Our conclusion is not qualified in respect of this matter.

Other Matter

The figures for the quarters ended June 30, 2020 and June 30, 2019 in the condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Further, the financial statements of the Company for the year ended December 31, 2019 were audited by another auditor whose report dated April 30, 2020 expressed unmodified opinion thereon. Further, the condensed interim financial statements of the Company for the half year ended June 30, 2019 were reviewed by the same auditor whose report dated August 23, 2019 expressed an unmodified conclusion thereon.

The engagement partner on the review resulting in this independent auditor's report is Adnan Zaman.

A handwritten signature in blue ink, appearing to read "RSM Chartered Accountants", is written over the printed text.

Chartered Accountants
Karachi

Date: 26 August, 2020

ASKARI LIFE ASSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT JUNE 30, 2020

		June 30, 2020	December 31, 2019
		Un-Audited	Audited
	Note	----- (Rupees in '000) -----	
ASSETS			
Property and equipment	6	36,302	40,806
Right of use assets	7	40,189	56,727
Intangible assets	8	1,827	2,216
Investments			
Equity securities	9	7,194	6,819
Government securities	10	526,851	492,725
Mutual funds	11	11,640	11,067
Loans secured against life insurance policies		6,651	6,651
Insurance receivables		24,351	11,213
Other loans and receivables		28,786	14,222
Taxation - payments less provision		15,600	13,650
Prepayments		547	968
Cash and bank	12	76,647	112,844
TOTAL ASSETS		776,585	769,908

EQUITY AND LIABILITIES

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

Authorised share capital			
[200,000,000 ordinary shares {2019: 125,000,000} of Rs. 10 each]		2,000,000	1,250,000
Ordinary share capital		1,101,720	1,101,720
Money ceded to Waqf Fund		500	500
Retained earnings arising from business other than participating business attributable to the shareholders (Ledger Account D)		(842,148)	(732,558)
Unrealised gain on available-for-sale financial assets	13	23	800
Accumulated losses		(86,033)	(86,415)
TOTAL EQUITY		174,062	284,047
Advance against equity		100,000	-

LIABILITIES

Insurance liabilities	14	366,225	345,874
Retirement benefit obligations		16,206	12,177
Premium received in advance		10,235	9,575
Insurance / reinsurance payables		41,684	27,917
Other creditors and accruals		25,817	31,360
Lease liability against right of use assets		42,356	58,958
TOTAL LIABILITIES		502,523	485,861

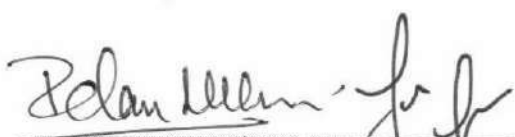
TOTAL EQUITY AND LIABILITIES

776,585 **769,908**

CONTINGENCIES AND COMMITMENTS

15

The annexed notes from 1 to 31 form an integral part of the condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer


Director

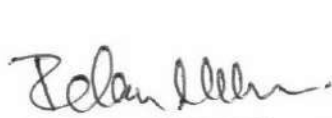

Director

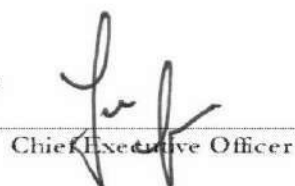

Chairman


ASKARI LIFE ASSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

	Half year ended		Quarter ended	
	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)
Note	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Gross premium / contribution revenue	141,241	83,618	45,430	44,070
Reinsurance premium / contribution ceded	(55,185)	(21,125)	(22,740)	(8,376)
Net premium / contribution revenue	86,056	62,493	22,690	35,694
Investment income	29,882	34,333	14,690	17,251
Net fair value gains / (losses) on financial assets at fair value	563	(1,842)	2,476	(1,842)
Other income	5,978	3,574	2,304	1,591
	36,423	36,065	19,470	17,000
Total income	122,479	98,558	42,160	52,694
Insurance benefits	129,626	55,252	77,035	30,151
Reinsurance recoveries	(73,405)	(26,824)	(43,809)	(14,733)
Net insurance benefits expense	56,221	28,428	33,226	15,418
Net change in insurance liabilities (other than outstanding claims)	398	7,716	(1,679)	3,411
Acquisition expenses	61,678	64,915	21,186	30,041
Marketing and administration expenses	106,006	110,489	51,189	73,850
Other expenses	7,206	3,678	5,568	1,808
Total expenses	175,288	186,798	76,264	109,110
Loss before tax	(109,030)	(116,668)	(67,330)	(71,834)
Income tax expense	(178)	(279)	(123)	(135)
Loss after tax	(109,208)	(116,947)	(67,453)	(71,969)
Other comprehensive income:				
Unrealised gain on remeasurement of available-for-sale financial assets	(777)	7	(1,375)	(203)
	(777)	7	(1,375)	(203)
Total comprehensive loss for the period	(109,985)	(116,940)	(68,828)	(72,172)
Loss per share - Rupees	(0.99)	(1.06)	(0.61)	(0.65)

The annexed notes from 1 to 31 form an integral part of the condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer


Director


Chairman

ASKARI LIFE ASSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

	Share Capital	Revenue reserves Accumulated losses	Retained earnings arising from business other than participating business attributable to the shareholders (Ledger Account D)	Money Ceded to Waqf Fund	Other Reserves Unrealised gain on available-for- sale investments	Total Equity
Note	(Rupees in '000)					
Balance as at January 1, 2019	1,101,720	(103,858)	(452,235)	-	257	545,884
Total comprehensive loss for the period	-	(116,947)	-	-	-	(116,947)
Reclassification adjustment of impairment loss on available for sale investments.	-	-	-	-	59	59
Change in fair value of available for sale investments	-	-	-	-	7	7
Deficit for the period in statutory funds	-	126,841	(126,841)	-	-	-
Balance as at June 30, 2019	1,101,720	(93,964)	(579,076)	-	323	429,003
Balance as at January 1, 2020	1,101,720	(86,415)	(732,558)	500	800	284,047
Total comprehensive loss for the period	-	(109,208)	-	-	-	(109,208)
Change in fair value of available for sale investments	-	-	-	-	(777)	(777)
Deficit for the period in statutory funds	-	109,590	(109,590)	-	-	-
Balance as at June 30, 2020	1,101,720	(86,033)	(842,148)	500	23	174,062

The annexed notes from 1 to 31 form an integral part of the condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer


Director

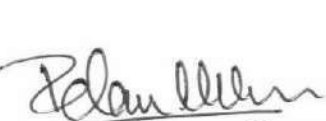

Director



Chairman

ASKARI LIFE ASSURANCE COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

	Note	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)
		----- (Rupees in '000) -----	
Operating Cashflows			
(a) Underwriting activities			
Insurance premium / contribution received		129,794	86,388
Claims paid		(78,717)	(51,835)
Reinsurance and other recoveries received		-	3,332
Commission paid		(26,984)	(16,841)
Marketing and administrative expenses paid		(151,395)	(144,269)
Net cash used in underwriting activities		(127,302)	(123,225)
(b) Other operating activities			
Income tax paid		(2,127)	(1,235)
Other operating payments		(15,246)	(12,854)
Other operating receipts		1,494	17,080
Net cash flow (used in) / generated from other operating activities		(15,879)	2,991
Total cash flow used in from all operating activities		(143,181)	(120,234)
Investment activities			
Profit received		33,568	35,150
Dividend received		1,390	651
Payment for purchase of investments		(711,853)	(2,000,602)
Proceeds from disposal of investments		676,564	2,140,751
Addition to property and equipment		(1,682)	(32,964)
Addition to intangible assets		(105)	(1,706)
Proceeds from sale of property and equipment		9,102	555
Total cash flow generated from investing activities		6,984	141,835
Financing activities			
Advance received against equity		100,000	-
Total cash flow generated from financing activities		100,000	-
Net increase in cash and cash equivalents		(36,197)	21,601
Cash and cash equivalents at beginning of period		112,844	73,881
Cash and cash equivalents at end of period	12	76,647	95,482
Reconciliation to profit and loss account			
Operating cash flows		(143,181)	(120,234)
Depreciation expense on property and equipment		(6,166)	(10,561)
Amortisation expense on intangible assets		(492)	(277)
Depreciation on right of use asset		(9,074)	-
Profit on disposal of property and equipment		1,576	555
Dividend and other investment income		34,284	37,352
Increase/(decrease) in assets other than cash		60,902	(2,299)
Increase in liabilities		(47,620)	(19,641)
Net fair value gain /(losses) on financial assets at fair value		563	(1,842)
Loss after taxation		(109,208)	(116,947)

The annexed notes from 1 to 31 form an integral part of the condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer


Director


Director


Chairman

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 major shareholding in 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, Lahore.

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 Holding Company holds 54.54% (December 31, 2019: 54.54%) shares of the Company.

- 1.2 The Company is engaged in life insurance and window family takaful 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
- Individual Family Takaful
- Universal Life Family Takaful
- Group Family Takaful

The Company commenced the Window Takaful Operations in 2019. The Company's Board of Directors in its meeting held on October 24, 2018 approved the contribution of seed money of Rs. 50 million from shareholder's fund for the commencement of operation. The Window Takaful Operation is also approved by SECP.

- 1.3 The Directors have reasonable expectation that the Company will have the resources to continue its business after taking into account the following matters:

a) As per business plan the losses made in initial years is expected to be recovered as the distribution lines mature and initial setup investments are recovered as per normal business cycle of life insurance companies. As acquisition cost of business in initial years is high, subsequent year renewals will start contributing positively to the bottom line.

b) Management also plan to increase its distribution network through introducing more bancassurance partners and also introduction digital resources for business.

c) Management has also introduced window takaful operations for distribution of shariah compliant product which allows company to capture due market share in Takaful domain.

d) The Parent company has a commitment to provide necessary financial 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 FOR PRESENTATION AND STATEMENT OF COMPLIANCE

2.1 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, Insurance Rules, 2017 and the Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Act 2017, Insurance Ordinance, 2000, Insurance Accounting Regulations 2017 Insurance Rules, 2017 and Takaful Rules, 2012 shall prevail.

2.2 Accounting Standards, IFRIC Interpretations and Amendments which became effective during the period

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 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for valuation of certain investments at their market value.

4 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupees (rounded upto thousand) which is the Company's functional and presentation currency.

5 SIGNIFICANT ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT/ JUDGEMENTS AND ESTIMATES

5.1 The significant accounting policies adopted in the preparation of these condensed financial statements are in the line with the audited annual accounts for the year ended December 31, 2019.

5.2 In preparing these condensed interim financial statements, the management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the financial statements for the year ended December 31, 2019.

5.3 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, 2019.

The COVID-19 Pandemic outbreak has resulted in consequences on economy, health and society. The COVID-19 pandemic has significantly impacted the markets around the globe and may continue to do so in the coming months of the current year, affecting the earnings and cash flows of businesses. The scale and duration of the COVID-19 pandemic remains uncertain till date. The management is monitoring the situation very closely, to estimate the overall impacts on the business.

R&W

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

6 PROPERTY AND EQUIPMENT

	June 30, 2020 (Un-Audited)	December 31, 2019 (Audited)
	-----Rupees in '000-----	
Property and equipments	36,302	40,806
	<u>36,302</u>	<u>40,806</u>

	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)		
	-----Rupees in '000 -----			
	Addition	Deletion	Addition	Deletion
Furniture & fixture	220	-	6,276	-
Office equipment	14	53	4,461	-
Computer and accessories	1,448	394	7,116	-
Vehicles	-	975	-	1,199
Lease improvements	-	-	15,111	-
	<u>1,682</u>	<u>1,422</u>	<u>32,964</u>	<u>1,199</u>

7 RIGHT TO USE OF ASSETS

	June 30, 2020 (Un-Audited)	December 31, 2019 (Audited)
	-----Rupees in '000-----	
Right of use assets	40,189	56,727
	<u>40,189</u>	<u>56,727</u>

	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)		
	-----Rupees in '000-----			
	Addition / Adjusment	Deletion	Addition / Adjusment	Deletion
Right to use of assets	43	9,009	62,578	-
	<u>43</u>	<u>9,009</u>	<u>62,578</u>	<u>-</u>

8 INTENGIBLE ASSETS

	June 30, 2020 (Un-Audited)	December 31, 2019 (Audited)
	-----Rupees in '000-----	
Intangible assets	1,827	2,216
	<u>1,827</u>	<u>2,216</u>

	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)
	-----Rupees in '000-----	
	Addition	Deletion
Intangible assets	105	-
	<u>105</u>	<u>-</u>

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

9 INVESTMENTS IN EQUITY SECURITIES

	June 30, 2020 (Un-Audited)				December 31, 2019 (Audited)			
	Cost	Unrealised Gain/(Loss)	Impairment	Fair Value	Cost	Unrealised Gain/(Loss)	Impairment	Fair Value
-----Rupees in '000-----								
AVAILABLE FOR SALE								
Related party								
Listed Shares								
East West Insurance Company Limited	281	314	-	595	281	127	-	408
Others								
Listed Shares								
Kohat Cement Company Limited	340	17	-	357	340	-	(139)	201
D. G. Khan Cement Company Limited	512	-	(256)	256	512	-	(289)	223
Habib Bank Limited	1,351	(424)	(249)	678	1,351	-	(249)	1,102
Gandhara Industries Limited	1,633	(49)	(1,100)	484	1,633	-	(1,100)	533
Millat Tractor Limited	744	-	(299)	445	744	-	(300)	444
Bifo Industries Limited	350	(23)	(99)	228	350	-	(99)	251
Descon Oxychem Limited	101	48	-	149	101	17	-	118
Packages Limited	2,221	(206)	(626)	1,389	2,221	-	(626)	1,595
Al-Shaheer Corporation	78	(6)	(43)	29	78	-	(43)	35
Friesland Campina Engro Pakistan Limited	323	(17)	(85)	221	323	-	(85)	238
Ferozsons Laboratories Limited	1,958	295	-	2,253	1,958	-	(386)	1,572
AGP Limited	103	7	-	110	103	-	(4)	99
	9,995	(44)	(2,757)	7,194	9,995	144	(3,320)	6,819

9.1 Movement in accumulated impairment losses on available for sale investments.

Opening balance
(Provision) / reversal for the period
Closing balance

	June 30, 2020 (Un-Audited)	December 31, 2019 (Audited)
	-----Rupees in '000-----	
	(3,320)	(3,369)
	563	49
	(2,757)	(3,320)

ASKARI LIFE ASSURANCE COMPANY LIMITED
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

10 INVESTMENTS IN GOVERNMENT SECURITIES

			June 30, 2020 (Un-Audited)			December 31, 2019 (Audited)		
Maturity Year	Principal Repayment		Effective Yield (%)	Face Value	Carrying Value	Effective Yield (%)	Face Value	Carrying Value
----- Rupees in '000 -----								
HELD TO MATURITY								
Pakistan Investment Bonds								
-10 year	22-Jul-20	on Maturity	12.00%	5,200	5,197	12.00%	5,200	5,176
-10 year	18-Aug-21	on Maturity	12.00%	16,000	15,937	12.00%	16,000	15,912
-10 year	19-Jul-22	on Maturity	12.00%	18,700	18,503	12.00%	18,700	18,463
-10 year	21-Apr-26	on Maturity	8.75%	32,500	33,008	8.75%	32,500	33,042
-10 year	21-Feb-29	on Maturity	11.21%	39,200	39,393	11.21%	39,200	39,400
					112,038			111,993
Market Treasury Bills								
-03 Months	12-Mar-20	on Maturity	13.34%	71,270	-	13.34%	71,270	69,471
-03 Months	04-Jun-20	on Maturity	12.69%	63,000	-	-	-	-
-06 Months	09-Apr-20	on Maturity	13.55%	200,000	-	13.55%	200,000	193,112
-03 Months	30-Jul-20	on Maturity	8.10%	46,085	45,780	-	-	-
-03 Months	27-Aug-20	on Maturity	8.04%	64,175	63,366	-	-	-
-06 Months	08-Oct-20	on Maturity	10.26%	180,000	175,080	-	-	-
-12 Months	08-Oct-20	on Maturity	13.43%	130,000	125,387	13.43%	130,000	118,149
-12 Months	06-May-21	on Maturity	7.25%	5,520	5,200	-	-	-
					414,813			380,732
					526,851			492,725

10.1 The Company has deposited 10 years Pakistan Investment Bonds having face value of Rs.111.600 million (2019: 10 years Pakistan Investment Bond having face value of Rs. 111.600 million) with State Bank of Pakistan under Section 29 of Insurance Ordinance, 2000.

11 INVESTMENTS IN MUTUAL FUNDS

			June 30, 2020 (Un-Audited)			December 31, 2019 (Audited)		
	Cost	Unrealised gain	Carrying Value			Cost	Unrealised gain	Carrying Value
----- Rupees in '000 -----								
AVAILABLE FOR SALE								
NBP Islamic money market fund	114	(1)	113			104	5	109
NAFA income opportunity fund	11,459	68	11,527			10,307	651	10,958
	11,573	67	11,640			10,411	656	11,067

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

12 CASH AND BANK

	June 30, 2020 (Un-Audited)	December 31, 2019 (Audited)
	----- Rupees in '000 -----	
Stamps in hand	305	49
Cash in hand	14	-
Cash at bank		
- current account	638	552
- saving account	75,690	112,243
Cash and cash equivalents	76,647	112,844

13 UNREALIZED GAIN ON AVAILABLE FOR SALE
FINANCIAL ASSETS

Note

	June 30, 2020 (Un-Audited)	December 31, 2019 (Audited)
	----- Rupees in '000 -----	
Investment in equity securities	(44)	144
Investment in mutual funds	67	656
	23	800

13.1 Movement in balance

Opening balance	800	257
Unrealised gain for the year	(777)	543
Closing balance	23	800

14 INSURANCE LIABILITIES

Reported outstanding claims (including claims in payment)	14.1	112,903	92,950
Incurred but not reported claims (IBNR)	14.2	1,125	1,960
Investment component of universal life and account value policies / takaful certificates	14.3	239,211	222,043
Liabilities under individual conventional insurance contracts / family takaful certificates	14.4	2,815	2,897
Liabilities under group insurance / group family takaful contracts (other than Investment linked)	14.5	3,512	8,683
Other insurance / family takaful liabilities	14.6	6,659	17,341
		253,322	252,924
		366,225	345,874

14.1 Reported outstanding claims

Gross of Reinsurance

Payable within one year	164,621	113,712
Payable over a period of time exceeding one year	10,387	10,387
	175,008	124,099

Recoverable from Reinsurance

Receivable within one year	(52,393)	(21,437)
Receivable over a period of time exceeding one year	(9,712)	(9,712)
	(62,105)	(31,149)
	112,903	92,950

Net reported outstanding claims

	June 30, 2020 (Un-Audited)	December 31, 2019 (Audited)
	----- Rupees in '000 -----	
14.2 Incurred but not reported claims		
Gross of reinsurance / re-takaful	4,004	4,746
Reinsurance / re-takaful recoveries	(2,879)	(2,786)
Net of reinsurance	<u>1,125</u>	<u>1,960</u>
14.3 Investment component of universal life and account value policies / takaful certificates		
Investment component of account value policies / certificates	<u>239,211</u>	<u>222,043</u>
14.4 Liabilities under individual conventional insurance contracts / family takaful certificates		
Gross of reinsurance / re-takaful	2,815	2,897
Reinsurance / re-takaful recoveries	-	-
Net of reinsurance	<u>2,815</u>	<u>2,897</u>
14.5 Liabilities under group insurance / group family takaful contracts (other than Investment linked)		
Gross of reinsurance / re-takaful	22,057	26,770
Reinsurance / re-takaful recoveries	(18,545)	(18,087)
Net of reinsurance	<u>3,512</u>	<u>8,683</u>
14.6 Other insurance / family takaful liabilities		
Gross of reinsurance / re-takaful	7,072	17,837
Reinsurance / re-takaful recoveries	(413)	(496)
Net of reinsurance	<u>6,659</u>	<u>17,341</u>

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

- 15.1.1** 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 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 favour 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.

- 15.1.2** 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.
- 15.1.3** During the year 2019, Sindh Revenue Board (SRB) vide notification No. SRB 3-4/5/2019 dated May 8, 2019 extended the exemption on life insurance till June 30, 2019. With effect from July 1, 2019, life insurance has been made taxable at the rate of 3% on individual life and group life insurance at the rate of 13%. Further, the Punjab Revenue Authority (PRA) also withdrew the exemption on life insurance and made the same subject to Punjab Sales Tax (PST). The Company collectively through the forum of Insurance Association of Pakistan (IAP) had filed a writ / constitutional petition in the Lahore High Court (LHC) and in the High Court of Sindh (HCS) on September 28, 2019 and November 28, 2019 against PRA and SRB respectively.

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

According to the opinion provided by the legal advisor, the insurance premium does not fall under definition of service rather an insurance policy is a financial arrangement, which is in the nature of contingent contract and not a service upon which sales tax can be levied (and that an insurance company is not rendering a service). The petitions filed in the Punjab and Sindh High Courts also includes the same grounds. It is also the opinion of life insurance companies that a vast majority of premium received from a policy holder, during the life of the policy, is in fact accounted for in the policyholders' investment which cannot be termed as service.

In view of the above the Company has not started invoicing sales tax to its customers. The amount of sales tax involved is around Rs. 18.2 million computed on the basis of risk based premium, as per the advice of the legal advisor. Moreover, based on legal view, sales tax cannot be levied as insurance is not a service.

Further, subsequent to filing petition, the matters relating to sales tax on life insurance premium were also discussed in the meeting of all the provincial tax authorities i.e. SRB, PRA, BRA and representatives of life insurance industry, where it was agreed to form a joint committee of the insurance representatives to resolve these matters. Based on the above legal opinion and ongoing discussions, the Company considers it has a reasonable strong case on the merit in the constitutional petition and the writ petition filed in the Honourable High Courts.

- 15.1.4** During the year 2019, SECP has conducted the anti-money laundering audit, as a result of which SECP imposed a penalty of Rs. 400,000, vide order No. ID/Enf/EWLA/2017-297 dated March 24, 2020 for the non compliance made by the company. The company has filed an appeal against the said order before the Appellate bench of SECP. The company and its legal advisor is confident that any unfavourable outcome is not expected.

15.2 Commitments

Operating leases

Not later than one year

Later than one year and not later than five years

	June 30, 2020 (Un-Audited)	December 31, 2019 (Audited)
	----- Rupees in '000 -----	
	6,335	5,947
	19,645	20,557
	<u>25,980</u>	<u>26,504</u>

16 NET INSURANCE PREMIUM / CONTRIBUTION REVENUE

	Half year ended		Quarter ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	----- Un-Audited -----			
	----- Rupees in '000 -----			
Gross Premiums / Contributions revenue				
Regular Premium / Contributions Individual Policies*				
First year	31,512	33,289	7,203	17,913
Second year renewal	13,060	1,012	4,789	900
Subsequent year renewal	3,469	8,077	1,373	4,912
Single premium / Contribution individual policies	15,865	6,368	6,620	3,648
Group policies without cash value	77,335	34,872	25,445	16,697
Total Gross Premiums / Contribution	<u>141,241</u>	<u>83,618</u>	<u>45,430</u>	<u>44,070</u>
Less: Reinsurance Premium / Contribution Ceded				
On individual life first year business	621	1,220	395	438
On individual life second year business	-	273	-	270
On individual life renewal business	230	(3,965)	154	(4,055)
On group policies	54,344	23,597	22,198	11,723
Less : Reinsurance commission on risk premium	(10)	-	(7)	-
Total Reinsurance Premium / Contribution Ceded	<u>55,185</u>	<u>21,125</u>	<u>22,740</u>	<u>8,376</u>
Net Premium / Contribution Revenue	<u>86,056</u>	<u>62,493</u>	<u>22,690</u>	<u>35,694</u>

*Individual policies are those underwritten on an individual basis, and include joint life policies underwritten as such.

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

		Half year ended		Quarter ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
		----- Un-Audited -----			
		----- Rupees in '000 -----			
17	INVESTMENT INCOME				
	Income from equity securities				
	<i>Available for Sale</i>				
	Dividend income	1,390	651	1,377	606
	Income from debt securities				
	<i>Held to Maturity</i>				
	Return on government securities	28,492	33,682	13,313	16,645
		<u>29,882</u>	<u>34,333</u>	<u>14,690</u>	<u>17,251</u>
18	NET FAIR VALUE GAINS/ LOSSES ON FINANCIAL ASSETS AT FAIR VALUE				
	Reversal/(impairment) in value of available for sale investments	<u>563</u>	<u>(1,842)</u>	<u>2,476</u>	<u>(1,842)</u>
19	OTHER INCOME				
	Return on bank saving accounts	4,402	2,735	1,737	1,377
	Gain on sale of property and equipment	1,576	555	567	-
	Miscellaneous	-	284	-	214
		<u>5,978</u>	<u>3,574</u>	<u>2,304</u>	<u>1,591</u>
20	NET INSURANCE BENEFITS				
	Gross Claims				
	Claims under individual policies				
	by death	602	877	115	635
	by maturity	18,556	12,879	12,378	7,749
	by surrender	11,512	8,243	6,301	3,628
	Total gross individual policy claims	30,670	21,999	18,794	12,012
	Claims under group policies				
	by death	92,830	31,969	55,278	17,609
	by insured event other than death	6,126	1,284	2,963	530
	Total gross group policy claims	98,956	33,253	58,241	18,139
	Total gross claims	129,626	55,252	77,035	30,151
	Less: Reinsurance recoveries				
	On Individual life claims	-	-	-	-
	On Group life claims	73,405	26,824	43,809	14,733
	Total reinsurance recoveries	73,405	26,824	43,809	14,733
	Net insurance benefit expense	<u>56,221</u>	<u>28,428</u>	<u>33,226</u>	<u>15,418</u>

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

		Half year ended		Quarter ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
		Un-Audited			
		Rupees in '000			
21	ACQUISITION EXPENSES				
	Remuneration to insurance intermediaries on individual policies:				
	Commission to agent on first year premiums	13,676	14,279	3,438	7,625
	Commission to agent on second year premiums	1,511	-	533	-
	Commission to agent on subsequent renewal premiums	6	-	6	-
		15,193	14,279	3,977	7,625
	Remuneration to insurance intermediaries on group policies:				
	Commission	7,445	3,447	2,162	1,564
	Stamp duty	394	493	263	194
	Other acquisition costs	38,646	46,696	14,784	20,658
		61,678	64,915	21,186	30,041

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

24 SEGMENTAL INFORMATION

24.1 Revenue Account by Statutory Fund

For the six months period ended June 30, 2020

	Statutory funds					Aggregate	Quarter ended
	Ordinary Life	Universal Life	Accident & health business	Individual Family Takaful	Group Family Takaful	June 30, 2020	June 30, 2020
	----- Rs in '000' -----						
Income							
Premium / Contributions less reinsurances	21,765	61,083	-	1,982	1,226	86,056	22,690
Net investment income	4,309	17,695	317	-	93	22,414	10,728
Total net income	26,074	78,778	317	1,982	1,319	108,470	33,418
Insurance benefits and expenditure							
Insurance benefits including bonuses, net of reinsurance recoveries	25,465	30,633	-	-	123	56,221	33,226
Management expenses less recoveries	61,942	96,550	-	1,325	1,624	161,441	69,946
Total insurance benefits and expenditure	87,407	127,183	-	1,325	1,747	217,662	103,172
(Deficit)/ surplus of income over claims and expenditure	(61,333)	(48,405)	317	657	(428)	(109,192)	(69,754)
Add: Policyholders' liabilities at beginning of the period	12,994	239,584	-	-	346	252,924	255,001
Less: Policyholders' liabilities at end of the period	7,040	245,462	-	607	213	253,322	253,322
(Deficit)/surplus	(55,379)	(54,283)	317	50	(295)	(109,590)	(68,075)
Movement in policyholders' liabilities	(5,954)	5,878	-	607	(133)	398	(1,679)
Transfers from shareholders' fund							
- Capital contributions from shareholders' fund	69,000	56,500	-	-	-	125,500	85,000
Balance of statutory fund at beginning of the period	17,374	240,340	5,593	-	818	264,125	265,187
Balance of statutory fund at end of the period	25,041	248,435	5,910	657	390	280,433	280,433

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

For the six months period ended June 30, 2019

	Statutory funds					Aggregate	Quarter ended
	Ordinary Life	Universal Life	Accident & health business	Individual Family Takaful	Group Family Takaful	June 30, 2019	June 30, 2019
	Rs in '000'						
Income							
Premium / Contribution reinsurances	11,275	51,218	-	-	-	62,493	35,694
Net investment income	2,152	12,674	246	-	-	15,072	8,102
Total net income	13,427	63,892	246	-	-	77,565	43,796
Claims and expenditure							
Claims, including bonuses, net of reinsurance recoveries	6,932	21,495	-	-	-	28,427	15,417
Management expenses less recoveries	53,011	115,252	-	-	-	168,263	98,586
Total claims and expenditure	59,943	136,747	-	-	-	196,690	114,003
(Deficit)/surplus of income over claims and expenditure	(46,516)	(72,855)	246	-	-	(119,125)	(70,207)
Add: Policyholders' liabilities at beginning of the period	9,549	169,640	-	-	-	179,189	183,494
Less: Policyholders' liabilities at end of the period	7,336	179,569	-	-	-	186,905	186,905
(Deficit) / Surplus	(44,303)	(82,784)	246	-	-	(126,841)	(73,618)
Movement in policyholders' liabilities	(2,213)	9,929	-	-	-	7,716	3,411
Transfers from shareholders' fund							
- Capital contributions from shareholders' fund	44,000	81,000	-	-	-	125,000	71,500
Balance of statutory fund at beginning of the period	10,875	170,849	4,989	-	-	186,713	191,295
Balance of statutory fund at end of the period	8,359	178,994	5,235	-	-	192,588	192,588

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ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

25 Segment Statement of financial position

Shareholders' fund	Statutory funds					June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Ordinary Life	Universal Life	Accident & health business	Individual Family Takaful	Group Family Takaful	Total	Total
-----Rs in '000-----							
36,302	-	-	-	-	-	36,302	40,806
40,189	-	-	-	-	-	40,189	56,727
1,827	-	-	-	-	-	1,827	2,216
163,372	65,052	310,357	6,904	-	-	545,685	510,611
-	1,487	5,164	-	-	-	6,651	6,651
-	23,975	-	376	-	-	24,351	11,213
12,534	14,757	300	1,195	-	-	28,786	14,222
15,600	-	-	-	-	-	15,600	13,650
547	-	-	-	-	-	547	968
50,861	5,139	13,797	1,033	1,868	3,949	76,647	112,844
870	-	-	-	(484)	(386)	-	-
322,102	110,410	329,618	9,508	1,384	3,563	776,585	769,908
-	52,747	308,936	3,600	607	335	366,225	345,874
16,206	-	-	-	-	-	16,206	12,177
-	2,030	8,155	-	-	50	10,235	9,575
-	34,586	4,121	-	33	2,944	41,684	27,917
42,356	-	-	-	-	-	42,356	31,360
16,589	3,046	5,432	-	694	56	25,817	58,958
75,151	92,409	326,644	3,600	1,334	3,385	502,523	485,861

WINDOW TAKAFUL OPERATIONS

The statement of financial position of Window Takaful Operations as at June 30, 2020 and its financial performance for the period ended June 30, 2020 is as follows:

1 Statement of Financial Position

As at June 30, 2020

Operator's Sub Fund	Statutory funds		Aggregate	Aggregate
	Universal Life Family Takaful	Group Family Takaful	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
Rupees in '000				
Share capital and reserves				
Funds received from Shareholders' Fund	-	-	-	-
Capital returned to Shareholders' Fund	-	-	-	-
Accumulated Surplus / (Deficit)	(180)	-	(180)	12
Qard-e-Hasna contributed by the Window Takaful Operator	-	-	-	-
Net shareholders' equity	(180)	-	(180)	12
Balance of statutory fund (including Technical reserves Rs. 0.336 million (December 31, 2019: Rs.0.346 million))	-	564	663	1,227
Deferred liabilities				
Staff retirement benefits	-	-	-	-
Creditors and accruals				
Outstanding claims	-	-	123	123
Contributions received in advance	-	-	50	50
Amount due to takaful / re-takaful operators	-	33	2,944	2,977
Amounts due to agents	720	-	720	85
Accrued expenses	-	-	-	-
Other creditors and accruals	30	-	30	7
	750	33	3,117	1,047
Total liabilities	750	597	3,780	5,127
Commitments	-	-	-	-
Total equity and liabilities	570	597	3,780	4,947
Cash and bank deposits				
Cash and others	-	-	-	-
Current and other accounts	1,104	942	3,771	5,817
Deposits maturing within 12 months	-	-	-	-
	1,104	942	3,771	5,817
Unsecured loans to employees	-	-	-	-
Investments				
Government securities	-	-	-	-
Listed securities	-	-	-	-
Open end mutual funds	-	-	-	-
Provision for diminution in value	-	-	-	-
	-	-	-	-
Current assets - others				
Contributions due but unpaid	-	-	-	-
Amount due from takaful / re-takaful operators	-	-	-	-
Sundry receivables	-	-	-	-
Investment income accrued	-	-	-	-
Advances and deposits	-	-	-	-
Prepayments	-	-	-	-
Taxation - payments less provision	-	-	-	-
Inter fund balance	(534)	(345)	9	(86)
	(534)	(345)	9	(86)
Fixed assets				
Tangible assets				
Furniture & fixture, office equipments	-	-	-	-
Motor vehicles	-	-	-	-
Right of use	-	-	-	-
Computer equipments	-	-	-	-
Intangible assets				
Softwares	-	-	-	-
	-	-	-	-
Total assets	570	597	3,780	4,947

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

26.2 Revenue Account

For the six months period ended June 30, 2020

Statutory Funds		Aggregate			
Universal Life Family Takaful	Group Family Takaful	For the Half year ended		For the Quarter ended	
		June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)

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

26.2.1 Participants' Investment Fund (PIF)

Income

Allocated contribution

Investment income

Total net income

591	-	591	-	591	-
-	-	-	-	-	-
591	-	591	-	591	-

Less: Claims and Expenditure

Claims

Takaful operator fee

-	-	-	-	-	-
-	-	-	-	-	-

Excess of Income over Claims and expenditure

591	-	591	-	591	-
-----	---	-----	---	-----	---

Add : Technical reserves at the beginning of the period

Less : Technical reserves at the end of the period

Deficit retained in PTF

-	-	-	-	-	-
607	-	607	-	607	-
(16)	-	(16)	-	(16)	-

Movement in technical reserves

(591)	-	(591)	-	(591)	-
-------	---	-------	---	-------	---

Surplus before distribution

Movement in technical reserves

591	-	591	-	591	-
-----	---	-----	---	-----	---

Transfers from

Qard-e-Hasna contributed by Window Takaful Operator

-	-	-	-	-	-
---	---	---	---	---	---

Money ceded to Waqf

Balance of PTF at the beginning of the period

-	-	-	-	-	-
-	-	-	-	-	-

Balance of PTF at the end of the period

591	-	591	-	591	-
-----	---	-----	---	-----	---

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

26.2 Revenue Account

For the six months period ended June 30, 2020

Statutory Funds		Aggregate			
Universal Life Family Takaful	Group Family Takaful	For the Half year ended		For the Quarter ended	
		June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)

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

26.2.2 Participants' Takaful Fund (PTF)

Income

Contribution net of retakaful

Net investment income

Other income

1,391	1,226	2,617	-	1,415	-
-	84	84	-	50	-
-	-	-	-	-	-
1,391	1,310	2,701	-	1,465	-

Less: Claims and Expenditure

Claims

Takaful operator fee

-	123	123	-	123	-
1,418	1,330	2,748	-	1,448	-
1,418	1,453	2,871	-	1,571	-

Excess / (Deficit) of Income over Claims and expenditure

(27)	(143)	(170)	-	(106)	-
------	-------	-------	---	-------	---

Add : Technical reserves at the beginning of the period

Less : Technical reserves at the end of the period

Surplus / (deficit) retained in PTF

-	346	346	-	336	-
-	213	213	-	213	-
(27)	(10)	(37)	-	17	-

Movement in technical reserves

27	143	170	-	106	-
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Surplus before distribution

Movement in technical reserves

(27)	(143)	(170)	-	(106)	-
------	-------	-------	---	-------	---

Transfers from

Qard-e-Hasna contributed by Window Takaful Operator

-	-	-	-	-	-
---	---	---	---	---	---

Money ceded to Waqf

Balance of PTF at the beginning of the period

-	-	-	-	-	-
-	806	806	-	742	-

Balance of PTF at the end of the period

(27)	663	636	-	636	-
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ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

26.2.3 Operators' Sub Fund (OSF)

Statutory Funds		-----Aggregate-----			
Universal Life Family Takaful	Group Family Takaful	For the Half year ended		For the Quarter ended	
		June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)
-----Rupees in '000-----					
31	-	31	-	31	-
-	9	9	-	6	-
1,387	1,330	2,717	-	1,417	-
-	-	-	-	-	-
-	-	-	-	-	-
1,418	1,339	2,757	-	1,454	-
865	1,317	2,182	-	895	-
460	307	767	-	624	-
1,325	1,624	2,949	-	1,519	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
93	(285)	(192)	-	(65)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	12	12	-	(115)	-
93	(273)	(180)	-	(180)	-

26.3 Statement of Contribution

For the six months period ended June 30, 2020

Statutory Funds		-----Aggregate-----			
Universal Life Family Takaful	Group Family Takaful	For the Half year ended		For the Quarter ended	
		June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)

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

Gross Contributions

Regular contributions individual family takaful*

- First year	1,845	-	1,845	-	1,845	-
- Second year	-	-	-	-	-	-
- Subsequent year renewal	-	-	-	-	-	-
Single Contribution individual family takaful	170	-	170	-	170	-
Group family takaful contribution without cash value	-	3,215	3,215	-	3,215	-
Total Gross Contributions	2,015	3,215	5,230	-	5,230	-

Participants' Investment Fund

Allocated regular contribution

Allocated single contribution

430	-	430	-	430	-
161	-	161	-	161	-
591	-	591	-	591	-

Participant's Takaful Fund (PTF)

Gross contribution

Less: Retakaful Contribution Ceded

On individual first year business	1,424	3,215	4,639	-	4,639	-
On individual second year business	33	-	33	-	33	-
On individual renewal business	-	-	-	-	-	-
On group family takaful	-	1,989	1,989	-	1,989	-

Net Contributions

1,391	1,226	2,617	-	2,617	-
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*Individual family takaful those underwritten on an individual basis, and includes Joint Life Family takaful underwritten as such.

26.4 Statement of Claims
For the six months period ended June 30, 2020

Statutory Funds		Aggregate For the Half year ended		Aggregate For the Quarter ended	
Universal Life Family Takaful	Group Family Takaful	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)

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

Gross claims

Claims under individual family takaful

- by death
- by covered event other than death
- by maturity
- by surrender

Total gross individual family takaful claims

Claims under group family takaful

- by death
- by covered event other than death

Total group family takaful claims

Total Gross Claims

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Participants' Investment Fund (PIF)

Claims under individual family takaful

- by death
- by covered event other than death
- by maturity
- by surrender

Total gross individual family takaful claims

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Participants' Takaful Fund (PTF)

Claims under individual family takaful

- by death
- by covered event other than death
- by maturity
- by surrender

Total gross individual family takaful claims

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Claims under group family takaful

- by death
- by covered event other than death

Total group family takaful claims

-	-	-	-	-	-
-	123	123	-	123	-
-	123	123	-	123	-

Less: Retakaful recoveries

- On individual family takaful first year claims
- On individual family takaful second year claims
- On individual family takaful renewal claims
- On group takaful claims

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Net Claims

-	123	123	-	123	-
---	-----	-----	---	-----	---

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

26.5 Statement of Expenses

For the six months period ended June 30, 2020

Operators' Sub Fund

Acquisition costs

Remuneration to takaful intermediaries on individual family takaful:

- Commission on first year contributions
- Commission on second year contributions
- Commission on subsequent renewal contributions
- Other benefits to takaful intermediaries

Remuneration to takaful intermediaries on group family takaful:

- Commission

Other acquisition costs:

Stamp duty

Total acquisition cost

Administration expenses

Shariah Advisor Fee
Employee benefit cost
Vehicle running expenses
Miscellaneous
Printing and stationery
Postage, telegrams and telephone

Gross management expenses

Statutory Funds		Aggregate			
Universal Life Family Takaful	Group Family Takaful	For the Half year ended		For the Quarter ended	
		June 30, 2020 (Un- Audited)	June 30, 2019 (Un- Audited)	June 30, 2020 (Un- Audited)	June 30, 2019 (Un- Audited)

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

839	-	839	-	839	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
839	-	839	-	839	-

-	1,315	1,315	-	30	-
---	-------	-------	---	----	---

26	2	28	-	26	-
26	2	28	-	26	-
865	1,317	2,182	-	895	-

108	72	180	-	150	-
274	182	456	-	365	-
18	12	30	-	22	-
19	13	32	-	19	-
37	25	62	-	61	-
4	3	7	-	7	-
460	307	767	-	624	-
1,325	1,624	2,949	-	1,519	-

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

26.6 Statement of Investment Income
For the six months period ended June 30, 2020

Statutory Funds		Aggregate			
Universal Life Family Takaful	Group Family Takaful	For the Half year ended		For the Quarter ended	
		June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)	June 30, 2020 (Un- Audited)	June 30, 2019 (Un- Audited)

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

Participants' Investment Fund (PIF)

On government securities
On other fixed income securities and deposits
Dividend income
Amortization of discount relative to par
(Loss)/ gain on sale of investments
Unrealised (loss) / gain on investments

Net investment income of PIF

a

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Participants' Takaful Fund (PTF)

On government securities
On other fixed income securities and deposits
Dividend income
Amortization of discount/(premium)
(Loss)/ gain on sale of investments
Unrealised (loss) / gain on investments

Net investment income of PTF

b

-	-	-	-	-	-
-	84	84	-	50	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	84	84	-	50	-

Operators' Sub Fund (OSF)

On government securities
On other fixed income securities and deposits
Dividend income
Amortization of discount/(premium)
(Loss)/ gain on sale of investments
Unrealised (loss) / gain on investments

Net investment income of OSF

c

-	-	-	-	-	-
-	9	9	-	6	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9	9	-	6	-

Net investment income

(a+b+c)

-	93	93	-	56	-
---	----	----	---	----	---

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

27 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

Following are the assets which are either measured at fair value or where fair value is only disclosed and is different from their carrying value:

June 30, 2020

Government securities

Listed securities

Open end mutual funds

December 31, 2019

Government securities

Listed securities

Open end mutual funds

Level 1	Level 2	Level 3	Total
-	526,851	-	526,851
7,194	-	-	7,194
11,640	-	-	11,640
18,834	526,851	-	545,685
-	492,725	-	492,725
6,819	-	-	6,819
11,067	-	-	11,067
17,886	492,725	-	510,611

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

28 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:

		June 30, 2020	June 30, 2019
		-----Un-Audited-----	
		----- (Rupees in '000) -----	
Relationship	Transactions		
Holding company	Premium revenue	1,075	73
Holding company	Advance received against equity	100,000	-
Associated undertaking	Premium revenue	15,178	11,005
Associated undertaking	Insurance benefits	12,418	9,310
Associated undertaking	Expenses and acquisition cost	5,454	2,697
Key Management Personnel	Remuneration	25,915	34,190
Gratuity fund	Expenses	4,371	7,370
Directors	Fee	210	370
Related Party	Balances	June 30, 2020 (Un-Audited)	December 31, 2019 (Audited)
Holding Company			
Army Welfare Trust	Due from insurance contract holders	1,264	188
Army Welfare Trust	Advance against equity	100,000	-
Associated undertakings			
Askari Guards Limited	Due from insurance contract holders	1,596	-
Mobil Askari Pakistan Limited	Due from insurance contract holders	313	6
Askari Fuels	Due from insurance contract holders	5	2
Askari Woolen Mills	Due from insurance contract holders	180	3
Askari Development Holding Pvt Limited	Due from insurance contract holders	154	32
Askari Flying Academy	Due from insurance contract holders	59	-
Askari General Insurance Company Limited	Due from insurance contract holders	105	21
AWT Investment	Due from insurance contract holders	27	14
Askari Chartered Aviation Services (ACS)	Due from insurance contract holders	2	2
Fauji Security Services	Due from insurance contract holders	1,477	1
MEDASK	Due from insurance contract holders	21	-
AWT Housing Scheme Karachi	Due from insurance contract holders	2,794	-

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ASKARI LIFE ASSURANCE COMPANY LIMITED

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020**

		June 30, 2020 (Un-Audited)	December 31, 2019 (Audited)
		--- (Rupees in '000) --	
Blue Lagoon	Due from insurance contract holders	270	-
Askari Seeds	Due from insurance contract holders	4	-
Askari Shoes	Due from insurance contract holders	172	-
Mobil Askari	Due from insurance contract holders	313	-
Army Welfare Shugar Mills	Due to insurance contract holders	14	102
Askari Aviation	Due to insurance contract holders	879	-
Blue Lagoon	Due to insurance contract holders	-	25
Askari Farms & Seeds Products	Due to insurance contract holders	28	26
Askari Flying Academy	Due to insurance contract holders	-	2
AWT Plaza Rawalpindi	Due to insurance contract holders	212	-
Askari Guards Limited	Outstanding claims	3,986	3,056
Fauji Security Services	Outstanding claims	600	1,000
Army Welfare Sugar Mills	Outstanding claims	500	1,100
Askari General Insurance Co Ltd	Outstanding claims	1,500	-
Askari Fuel	Outstanding claims	1,500	15
AWT Housing Scheme Lahore	Outstanding claims	-	600
Askari General Insurance Co Ltd	Accrued expenses	-	-
East West Insurance Company Limited	Equity investments	595	408
Staff Gratuity Fund	Payable to employees	16,206	12,177

29 GENERAL

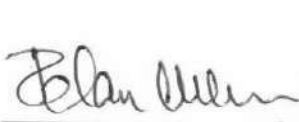




Figures have been rounded off to the nearest thousand.

30 CORRESPONDING FIGURE

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

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on
26 August, 2020.

				
Chief Financial Officer	Chief Executive Officer	Director	Director	Chairman

Branch Network

Head office

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