



REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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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. Naveed Mukhtar (Retd.)-Chairman
Maj. Gen. Muhammad Muazzam Ali Goraya (Retd)
Air Vice Marshal Muhammad Athar Shams (Retd)
Malik Riffat Mahmood
Javed Yunus
Ayesha Rafique
Tariq Hameed
Jehanzeb Zafar- CEO

Board Committees

Audit Committee:

Tariq Hameed	Chairman
Maj. Gen. Muhammad Muazzam Ali Goraya (Retd)	Member
Malik Riffat Mahmood	Member

Investment Committee:

Malik Riffat Mahmood	Chairman
Air Vice Marshal Muhammad Athar Shams (Retd)	Member
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Rehan Mobin	Member

Ethics, Human Resource Remuneration & Nomination Committee:

Ayesha Rafique	Chairperson
Maj. Gen. Muhammad Muazzam Ali Goraya (Retd)	Member
Air Vice Marshal Muhammad Athar Shams (Retd)	Member
Jehanzeb Zafar	Member

Management Committees

Risk Management & Compliance Committee:

Air Vice Marshal Muhammad Athar Shams (Retd)	Chairman
Tariq Hameed	Member
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Rehan Mobin	Member
Atif Shamim Syed	Member & Secretary

Underwriting & Reinsurance Committee:

Air Vice Marshal Muhammad Athar Shams (Retd)	Chairman
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Sumair Sarwar	Member & Secretary

Claim Settlement Committee:

Maj. Gen. Muhammad Muazzam Ali Goraya (Retd)	Chairman
Jehanzeb Zafar	Member
Rehan Mobin	Member
Bushra Aftab	Member & Secretary

Appointed Actuary

Shujat Siddiqui, MA, FIA, FPSA
Akhtar & Hasan (Pvt.) Ltd.

Legal Advisor

Saiduddin & Co

External Auditor

RSM Avas Hyder Liaquat Nauman- Chartered Accountants
(Chartered Accountants)

Registered Office

8th Floor Army Welfare Trust, AWT plaza, The Mall, Rawalpindi

Head Office

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

Phone: +92 (021) 3629941-44, 021-111-225-275

Fax: +92(021)35630429

Website

www.askarilife.com

Email:

info@askarilife.com

Share Registrar

THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial Street 2,
D.H.A., Phase VII,
Karachi-75500

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

Fax: +92 (021) 35310191

E-mail: secretariat@thk.com.pk

Web: www.thk.com.pk

Directors' Review

We are pleased to present the unaudited financial statements for the period ended September 30, 2021.

Financial Highlights

Financial Statement Line item	30-Sep-2021	30-Sep-2020
	Rs. in ('000)	
Gross premium revenue	547,143	278,102
Investment and other income	48,518	52,865
Net Insurance Benefits	83,112	89,286
Acquisition expense	231,939	119,088
Marketing and administration expenses	134,937	132,424
Other expenses	8,642	13,523
(Loss)/profit after tax	(138,379)	(168,640)
Loss per share	(0.92)	(1.53)

Financial Analysis of the Company

Gross Premium:

The new strategy put into action has started showing results. In the period ended Sep 30, 2021, the gross premium written by your Company stood at Rs.547.14 million which is an increase of 97% compared to Rs. 278.10 million in same period of 2020.

The Individual and Group life business has increased to Rs.273.45 million and Rs.273.7 million from Rs. 104.59 million and 173.52 million respectively for same period of 2020.

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

Investment:

The Investment and other income (including returns on Bank Deposits) for the period ended of 2021 is Rs.48.52 million as compared to Rs 52.87 million for the same period of 2020.

The Company's Investment portfolio currently stands at Rs.856.45 million, as compared to Rs 909.45 million as at 31 December 2020. The decrease in investment portfolio is because of payments to support business operations. 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 period ended of 2021 is Rs 83.11 million as compared to Rs 89.29 million for the same period of 2020. The Company has also revamped and modernized claims processing which makes it convenient for corporate customer and policyholders to process their claims.

Expenses:

The Marketing & Administration expenses for the period ended of Sep 30, 2021, increase by 2% of Rs.134.94 million as compared to Rs 132.42 million for the same period of 2020. Other expenses stood at Rs.8.64 million compared to Rs. 13.52 million in the same period of 2020. The management of your Company is confident that investments made in development of new infrastructure will prove to be greatly beneficial in the long run.

Along with the increase in topline revenue, loss after tax for the period ended of 2021 has decreased to Rs.138.4 million as compared to Rs. 168.6 million for the same period of 2020.

Provincial sales tax

There was no further development in the matter of petitions filed by the Company and other life insurance players in the Hon'ble High Courts of Sindh and Lahore, against the levy of Sindh Sales Tax on services (SST) and Punjab Sales Tax on services (PST), by the Sindh Revenue Board (SRB) and the Punjab Revenue Authority (PRA). The matter is explained in Note 14.1.3 to the condensed interim financial statements.

Future Outlook

Your Company is continuing to focus on branding, development and expansion of distribution network to promote new marketing strategy and launching of competitive products which will help in achieving growth in premium income in the long term with sustainable cost.

The fourth wave of Covid-19 has gripped the country. The mass immunization efforts of the government have raised hopes of defying the situation and aiding the economic turnaround. The government has implemented a policy of restricted business activities along with implementation of SOPs. This has affected the sales of the Company as well. The management will remain cautious and will closely monitor the situation as 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.

We assure you of our best efforts to deliver sustainable, profitable growth in a challenging and competitive business environment in order to reach a 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 the Reinsurer for their continued guidance and support to the Company's management towards the betterment of our business processes. The Board also wishes to sincerely thank the Company's loyal policyholders and corporate clients for placing their trust and confidence in our organization.

Finally, we thank our shareholders and staff members, whose loyalty and dedication to 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

Air Vice Marshal Muhammad Athar Shams (Retd)
Director

Jehanzeb Zafar
Chief Executive Officer

Date: October 26, 2021

ہم سال ۲۰۲۱ء کی تیسری سہ ماہی کیلئے، جس کا اختتام ۳۰ ستمبر ۲۰۲۱ء کو ہوا، غیر آڈٹ شدہ شدہ مالیاتی حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالیاتی سرخیاں

تفصیلات	۳۰ ستمبر ۲۰۲۱ء	۳۰ ستمبر ۲۰۲۰ء
	000 روپوں میں	
مجموعی پریمئیم سے آمدنی	547,143	278,102
سرمایہ کاری سے آمدنی اور دیگر سے آمدنی	48,518	52,865
خالص بیمہ فوائد	83,112	89,286
اخراجات برائے حصول	231,939	119,088
مارکیٹنگ اور انتظامی اخراجات	134,937	132,424
دیگر اخراجات	8,642	13,523
بعد از ٹیکس (نقصان) فائدہ	(138,379)	(168,640)
فی حصص نقصان	(0.92)	(1.53)

کمپنی کا مالی تجزیہ:

مجموعی پریمئیم:

اپنائی گئی نئی حکمت عملی نے اپنے نتائج ظاہر کرنا شروع کر دیے ہیں۔ ۳۰ ستمبر ۲۰۲۱ء کو ختم ہونے والے دورانیے میں، آپ کی کمپنی کا مجموعی پریمئیم 547.14 ملین روپے رہا، جو ۲۰۲۰ء کے اسی دورانیے کے 278.10 ملین روپے کے مقابلے میں 97 فیصد تک بڑھ گیا ہے۔

انفرادی اور گروپ لائف کاروبار ۲۰۲۰ء کے اسی دورانیے کے مقابلے میں بالترتیب 104.59 ملین روپے اور 173.52 ملین روپے سے بڑھ کر 273.45 ملین روپے اور 273.7 ملین روپے ہو گیا۔

ہماری انفرادی لائف اور گروپ لائف کی سیلژ ٹیموں نے کاروبار کیلئے اور مارکیٹ میں تقابلی مصنوعات کا آغاز کر کے کاروبار میں ضروری شرکت کو ہدف بنانے کے لئے مستعد طور پر موثر جدوجہد کی ہے۔

سرمایہ کاری

۲۰۲۱ نومبروں کے لئے سرمایہ کاری اور دیگر آمدنی ۲۰۲۰ء کی اسی دورانیے کے 52.87 ملین روپے کے مقابلے میں 48.52 ملین روپے رہی۔ کمپنی کی سرمایہ کاری اور بینک کا حجم، دسمبر ۲۰۲۰ء کے 909.45 ملین روپے کے مقابلے میں موجودہ طور پر 856.45 ملین روپے رہا۔ سرمایہ کاری حجم میں یہ کمی کاروباری معاملات کو سہارا فراہم کرنے کے لئے کی گئی ادائیگیوں کی وجہ سے ہیں۔ 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

۲۰۲۱ء کی تیسری سہ ماہی ختم ہونے پر ۲۰۲۰ء کے اسی دورانیے کے 89.29 ملین روپے کے مقابلے میں، مجموعی خالص بیمہ فوائد کے اخراجات 83.11 ملین روپے رہے۔ 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، ۲۰۲۰ء کے اسی دورانیے کے مقابلے میں جو 132.42 ملین روپے تھے، ۲۰۲۱ء کی تین سہ ماہیوں کے اختتام پر 2 فیصد اضافے کے ساتھ 134.94 ملین روپے ہو گئے۔ دیگر اخراجات ۲۰۲۰ء کے اسی دورانیے کے 13.52 ملین روپے کے مقابلے میں 8.64 ملین روپے رہے۔ آپ کی کمپنی کی انتظامیہ پر اعتماد ہے کہ کمپنی کے نئے انفراسٹرکچر کے فروغ میں کی جانے والی سرمایہ کاریاں آنے والے وقتوں میں کمپنی کے لئے بہت ہی زیادہ فائدہ مند ثابت ہوں گی۔

اوپری سطح پر آمدنی میں اضافے کے ساتھ ساتھ، پچھلے سال کے اسی دورانیے میں 168.6 ملین روپے کے مقابلے میں ۲۰۲۱ء کی تیسری سہ ماہی میں بعد از ٹیکس نقصان 138.4 ملین روپے رہا۔

صوبائی سیلز ٹیکس:

خدمات پر سندھ ریونیو بورڈ اور پنجاب ریونیو اتھارٹی کی جانب سے سندھ سیلز ٹیکس اور پنجاب سیلز ٹیکس عائد کئے جانے کے خلاف سندھ اور لاہور کی اعلیٰ عدالتوں میں کمپنی اور دیگر بیمہ حیات سے متعلق اداروں کی جانب سے جمع کی گئی پٹیشنز کے معاملے میں مزید کوئی پیش رفت نہیں ہوئی۔ اس کی تفصیلات مالیاتی بیانات کے نوٹ 14.1.3 میں پیش کی گئی ہیں۔

مستقبل پر نظر

آپ کی کمپنی نے ری برانڈنگ، مارکیٹنگ کی نئی حکمت عملی کو بڑھانے کیلئے تقسیمی میٹ 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 کی رقم میں پائیدار لاگت کے ساتھ نشوونما کے حصول میں مدد کرے گی۔

COVID19 کی چوتھی لہر نے ملک کو اپنی لپیٹ میں لیا ہوا ہے۔ حکومت کی بڑے پیمانے پر حفاظتی ٹیکے لگوانے کی کوششوں سے صورت حال کا مقابلہ کرنے کی اور معاشی صورت حال میں بہتری کی امیدیں بڑھ گئی ہیں۔ حکومت نے ایس او پیز کے نفاذ کے ساتھ ساتھ محدود کاروباری سرگرمیوں کی پالیسی کا نفاذ کیا ہوا ہے۔ اس سے کمپنی کی فروخت پر بھی اثر پڑا ہے۔ انتظامیہ اس سلسلے میں محتاط رہے گی اور صورت حال پر پوری طرح نظر رکھے گی کیونکہ 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 ہوگا۔

ہم آپ کو انڈسٹری میں کمپنی کو ایک ممتاز مقام تک پہنچنے کے لئے چیلنجنگ اور تقابلی کاروباری ماحول میں قابل برداشت، منافع بخش نشوونما پیش کرنے کا یقین دلاتے ہیں۔

اظہار تشکر

ڈائریکٹرز ہمارے کاروبار کے طریقہ جات کی بہتری کے لئے کمپنی کی انتظامیہ کی اعانت اور مسلسل رہنمائی کیلئے سیکو ریٹیز 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 اور عملے کا شکریہ جتنی مسلسل وابستگی اور خیر خواہی عسکری لائف کو ایک مضبوط اور قابل بھروسہ مالیاتی ادارہ اور مارکیٹ کیلئے بھروسے کا نشان بنانے

کیلئے ہمارے لئے حوصلہ افزائی کا ایک ذریعہ ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

جہانزیب ظفر
چیف ایگزیکٹو آفیسر

ایروائس مارشل محمد اطہر شمس (ریٹائرڈ)
ڈائریکٹر

تاریخ: اکتوبر ۲۶، ۲۰۲۱ء



**Condensed interim financial statements (un-audited)
For the nine months period ended September 30, 2021**

ASKARI LIFE ASSURANCE COMPANY LIMITED

ASKARI LIFE ASSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2021

		September 30, 2021	December 31, 2020
		Un-Audited	Audited
	Note	------(Rupees in '000)-----	
ASSETS			
Property and equipment	6	22,481	30,467
Right of use assets	7	17,844	31,568
Intangible assets	8	588	1,332
Investments			
Equity securities	9	9,555	10,640
Government securities	10	690,236	772,472
Mutual funds	11	59,941	39,838
Other fixed income securities		35,200	-
Loans secured against life insurance policies		6,154	6,612
Insurance receivables		59,827	38,412
Other loans and receivables		14,280	12,279
Taxation - payments less provision		19,742	17,082
Prepayments		2,184	2,967
Cash and bank	12	61,518	86,503
TOTAL ASSETS		999,550	1,050,172
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO COMPANY'S EQUITY HOLDERS			
Share capital		1,501,720	1,501,720
Money ceded to Waqf Fund		500	500
Retained earnings arising from business other than participating business attributable to the shareholders (Ledger Account D)		(1,118,846)	(971,482)
Unrealised gain on available-for-sale financial assets		2,054	2,373
Accumulated losses		(73,257)	(82,242)
TOTAL EQUITY		312,171	450,869
LIABILITIES			
Insurance liabilities	13	518,896	428,241
Retirement benefit obligations		24,833	18,151
Premium received in advance		14,185	9,677
Insurance / reinsurance payables		56,603	63,478
Other creditors and accruals		55,920	43,291
Lease liability against right of use assets		16,942	36,465
TOTAL LIABILITIES		687,379	599,303
TOTAL EQUITY AND LIABILITIES		999,550	1,050,172
CONTINGENCIES AND COMMITMENTS			

The annexed notes from 1 to 30 form an integral part of these financial statements.

Rehan Mobin
Chief Financial Officer

Jehanzeb Zafar
Chief Executive Officer

Malik Riffat Mahmood
Director

Air Vice Marshal Muhammad Athar Shams (Retd.)
Director

Lt. Gen. Naveed Mukhtar (Retd.)
Chairman

ASKARI LIFE ASSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		Nine months ended		Quarter ended	
		September 30,	September 30,	September 30,	September 30,
		2021	2020	2021	2020
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)
Note		----- (Rupees in '000) -----			
	Gross premium / contribution revenue	547,143	278,102	250,383	136,861
	Re insurance premium / contribution ceded	(187,013)	(139,112)	(85,575)	(83,927)
	Net premium / contribution revenue	360,130	138,990	164,808	52,934
16	Investment income	44,825	43,541	13,950	13,659
17	Net fair value gains / (losses) on financial assets at fair value	(747)	1,563	(613)	1,000
18	Other income	4,440	7,761	1,608	1,783
		48,518	52,865	14,945	16,442
	Total income	408,648	191,855	179,753	69,376
	Insurance benefits	319,226	209,434	100,798	79,808
	Reinsurance recoveries	(236,114)	(120,148)	(73,723)	(46,743)
19	Net insurance benefits expense	83,112	89,286	27,075	33,065
	Net change in insurance liabilities (other than outstanding claims)	88,093	5,933	42,702	5,535
20	Acquisition expenses	231,939	119,088	98,560	41,154
21	Marketing and administration expenses	134,937	132,424	45,865	42,674
22	Other expenses	8,642	13,523	4,068	6,317
	Total expenses	463,611	270,968	191,195	95,680
	Loss before tax	(138,075)	(168,399)	(38,517)	(59,369)
	Income tax expense	(304)	(241)	(83)	(63)
	Loss for the period	(138,379)	(168,640)	(38,600)	(59,432)
	Other comprehensive income:				
	Unrealised gain / (loss) on remeasurement of available-for-sale financial assets	(319)	570	128	1,347
		(319)	570	128	1,347
	Total comprehensive loss for the period	(138,698)	(168,070)	(38,472)	(58,085)
	Loss per share - Rupees	(0.92)	(1.53)	(0.26)	(0.54)

Rehan Mobin
Chief Financial Officer

Jehanzeb Zafar
Chief Executive Officer

Malik Riffat Mahmood
Director

Air Vice Marshal Muhammad Athar Shams (Retd)
Director

Lt. Gen. Naveed Mukhtar (Retd.)
Chairman

ASKARI LIFE ASSURANCE COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)
	Note	----- (Rupees in '000) -----	
Operating Cashflows			
(a) Underwriting activities			
Insurance premium / contribution received		529,666	251,404
Claims paid		(273,814)	(167,601)
Commission paid		(121,400)	(39,931)
Marketing and administrative expenses paid		(232,289)	(216,399)
Net cash used in underwriting activities		(97,837)	(172,527)
(b) Other operating activities			
Income tax paid		(2,954)	(3,187)
Other operating payments		(2,416)	(4,231)
Other operating receipts		3,190	1,647
Net cash flow / (used in) from other operating activities		(2,180)	(5,771)
Total cash used in from all operating activities		(100,017)	(178,298)
Investment activities			
Profit received		46,141	50,566
Dividend received		2,860	1,390
Payment for purchase of investments		(2,809,607)	(978,107)
Proceeds from disposal of investments		2,836,566	932,969
Addition to property and equipment		(3,422)	(6,597)
Addition to intangible assets		-	(105)
Proceeds from sale of property and equipment		2,494	6,155
Total cash flow generated from / (used in) from investing activities		75,032	6,271
Financing activities			
Advance received against equity		-	150,000
Total cash generated from financing activities		-	150,000
Net increase in cash and cash equivalents		(24,985)	(22,027)
Cash and cash equivalents at beginning of period		86,503	112,844
Cash and cash equivalents at end of period	12	61,518	90,817
Reconciliation to profit and loss account			
Operating cash flows		(100,017)	(178,298)
Depreciation expense on property and equipment		(8,966)	(14,654)
Amortisation expense on intangible assets		(742)	(741)
Depreciation on right of use asset		(9,517)	(7,474)
Profit on disposal of property and equipment		1,019	2,167
Dividend and other investment income		47,825	49,135
Increase in assets other than cash		68,438	54,799
(Increase) in liabilities		(135,672)	(75,137)
Net fair value gain / (losses) on financial assets at fair value		(747)	1,563
Loss after taxation		(138,379)	(168,640)

The annexed notes from 1 to 30 form an integral part of these financial statements.

Rehan Mobin
Chief Financial Officer

Jehanzeb Zafar
Chief Executive Officer

Malik Riffat Mahmood
Director

Air Vice Marshal Muhammad Athar Shams (Retd.)
Director

Lt. Gen. Naveed Mukhtar (Retd.)
Chairman

ASKARI LIFE ASSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	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 financial assets	Total Equity
Note	------(Rupees in '000)-----					
Balance as at January 1, 2020	1,101,720	(86,415)	(732,558)	500	800	284,047
Total comprehensive loss for the period	-	(168,640)	-	-	-	(168,640)
Change in fair value of available for sale investments	-	-	-	-	570	570
Deficit for the period in statutory funds	-	171,320	(171,320)	-	-	-
Balance as at September 30, 2020	<u>1,101,720</u>	<u>(83,735)</u>	<u>(903,878)</u>	<u>500</u>	<u>1,370</u>	<u>115,977</u>
Balance as at January 1, 2021	<u>1,501,720</u>	<u>(82,242)</u>	<u>(971,482)</u>	<u>500</u>	<u>2,373</u>	<u>450,869</u>
Total comprehensive loss for the period	-	(138,379)	-	-	-	(138,379)
Change in fair value of available for sale investments	-	-	-	-	(319)	(319)
Deficit for the period in statutory funds	-	147,364	(147,364)	-	-	-
Balance as at September 30, 2021	<u>1,501,720</u>	<u>(73,257)</u>	<u>(1,118,846)</u>	<u>500</u>	<u>2,054</u>	<u>312,171</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

Rehan Mobin
Chief Financial Officer

Jehanzeb Zafar
Chief Executive Officer

Malik Riffat Mahmood
Director

Air Vice Marshal Muhammad Athar Shams (Retd)
Director

Lt. Gen. Naveed Mukhtar (Retd.)
Chairman

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

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.

Army Welfare Trust as a Holding Company holds 66.65% (December 31, 2020: 66.65%) 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

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. The Window Takaful Operation is also approved by SECP and Company has also established Individual Family Takaful and Group Family Takaful Funds.

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 and 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 and 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

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed financial statements are in line with the audited annual accounts for the year ended December 31, 2020.

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

6 PROPERTY AND EQUIPMENT

	September 30, 2021 (Un-Audited)	December 31, 2020 (Audited)
	-----Rupees in '000-----	
Property and equipments	22,481	30,467
	<u>22,481</u>	<u>30,467</u>

	September 30, 2021 (Un-Audited)		September 30, 2020 (Un-Audited)	
	Addition	Deletion	Addition	Deletion
	-----Rupees in '000-----			
Furniture & fixture	-	-	363	-
Office equipment	-	-	174	588
Computer and accessories	1,127	476	1,618	658
Vehicles	2,295	2,295	4,442	5,417
Lease improvements	-	-	-	-
	<u>3,422</u>	<u>2,771</u>	<u>6,597</u>	<u>6,663</u>

7 RIGHT TO USE OF ASSETS

	September 30, 2021 (Un-Audited)	December 31, 2020 (Audited)
	-----Rupees in '000-----	
Right of use assets	17,844	31,568
	<u>17,844</u>	<u>31,568</u>

	September 30, 2021 (Un-Audited)		September 30, 2020 (Un-Audited)	
	Addition / Adjusment	Deletion	Addition / Adjusment	Deletion
	-----Rupees in '000-----			
Right to use of assets	-	10,588	43	9,798
	<u>-</u>	<u>10,588</u>	<u>43</u>	<u>9,798</u>

8 INTENGIBLE ASSETS

	September 30, 2021 (Un-Audited)	December 31, 2020 (Audited)
	-----Rupees in '000-----	
Intangible assets	588	1,332
	<u>588</u>	<u>1,332</u>

	September 30, 2021 (Un-Audited)		September 30, 2020 (Un-Audited)	
	Addition	Deletion	Addition	Deletion
	-----Rupees in '000-----			
Intangible assets	-	-	105	-
	<u>-</u>	<u>-</u>	<u>105</u>	<u>-</u>

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

9 INVESTMENTS IN EQUITY SECURITIES

	September 30, 2021 (Un-Audited)				December 31, 2020 (Audited)			
	Cost	Unrealised Gain	Impairment	Fair Value	Cost	Unrealised Gain / (Loss)	Impairment	Fair Value
	----- Rupees in '000 -----							
<u>AVAILABLE FOR SALE</u>								
Related party								
Listed Shares								
East West Insurance Company Limited	281	345	-	626	281	284	-	565
Others								
Listed Shares								
Kohat Cement Company Limited	340	107	-	447	340	230	-	570
D. G. Khan Cement Company Limited	512	-	(247)	265	512	-	(168)	344
Habib Bank Limited	1,351	-	(586)	765	1,351	-	(425)	926
Ghandhara Industries Limited	1,633	-	(853)	780	1,633	-	(327)	1,306
Millat Tractor Limited	744	16	-	760	744	-	(55)	689
Bifo Industries Limited	350	-	(161)	189	350	-	(82)	268
Descon Oxychem Limited	101	19	-	120	101	109	-	210
Packages Limited	2,221	(344)	-	1,877	2,221	167	-	2,388
Al-Shaheer Corporation	78	-	(42)	36	78	-	(39)	39
Friesland Campina Engro Pakistan Limited	323	-	(30)	293	323	-	(76)	247
Ferozsons Laboratories Limited	1,958	1,324	-	3,282	1,958	1,016	-	2,974
AGP Limited	103	12	-	115	103	11	-	114
	9,995	1,479	(1,919)	9,555	9,995	1,817	(1,172)	10,640

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

	September 30, 2021 (Un-Audited)	December 31, 2020 (Audited)
	-----Rupees in '000-----	
Opening balance	(1,172)	(3,320)
(Provision) / reversal for the period	(747)	2,148
Closing balance	(1,919)	(1,172)

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

10 INVESTMENTS IN GOVERNMENT SECURITIES

September 30, 2021 (Un-Audited)					December 31, 2020 (Audited)		
Maturity Year	Effective Yield (%)	Face Value	Principal Repayment	Carrying Value	Effective Yield (%)	Face Value	Carrying Value
Rupees in '000 -----							
<u>HELD TO MATURITY</u>							
10 year Pakistan Investment Bonds	18-Aug-21	-	on Maturity	-	12.37%	15,964	15,964
10 year Pakistan Investment Bonds	19-Jul-22	12.63%	10,450	on Maturity	12.63%	10,407	10,407
10 year Pakistan Investment Bonds	19-Jul-22	12.52%	8,168	on Maturity	12.52%	8,140	8,140
10 year Pakistan Investment Bonds	21-Apr-26	9.19%	9,836	on Maturity	9.19%	9,815	9,815
10 year Pakistan Investment Bonds	21-Apr-26	8.07%	23,081	on Maturity	8.07%	23,157	23,157
10 year Pakistan Investment Bonds	21-Feb-29	11.21%	39,375	on Maturity	11.21%	39,386	39,386
10 year Pakistan Investment Bonds	09-Dec-30	7.81%	40,320	on Maturity	7.81%	40,216	40,216
03 Months Treasury Bills	14-Jan-21	7.16%	-	on Maturity	7.16%	36,590	36,590
03 Months Treasury Bills	11-Feb-21	7.14%	-	on Maturity	7.14%	55,449	55,449
03 Months Treasury Bills	11-Feb-21	7.10%	-	on Maturity	7.10%	40,767	40,767
03 Months Treasury Bills	25-Feb-21	7.13%	-	on Maturity	7.13%	70,380	70,380
03 Months Treasury Bills	25-Mar-21	7.11%	-	on Maturity	7.11%	320,492	320,492
06 Months Treasury Bills	03-Jun-21	7.18%	-	on Maturity	7.18%	70,115	70,115
03 Months Treasury Bills	02-Dec-21	7.21%	300,575	on Maturity	0.00%	-	-
06 Months Treasury Bills	02-Dec-21	7.58%	74,965	on Maturity	-	-	-
06 Months Treasury Bills	24-Feb-22	7.49%	76,575	on Maturity	-	-	-
06 Months Treasury Bills	10-Feb-22	7.48%	84,115	on Maturity	-	-	-
12 Months Treasury Bills	06-May-21	7.25%	-	on Maturity	7.25%	5,385	5,385
12 Months Treasury Bills	04-Nov-21	7.53%	5,730	on Maturity	-	-	-
5 Years GOP Sukuks	09-Dec-25	7.07%	26,200	on Maturity	7.07%	26,200	26,209
				<u>690,236</u>			<u>772,472</u>

11 INVESTMENTS IN MUTUAL FUNDS

	September 30, 2021 (Un-Audited)			December 31, 2020 (Audited)		
	Cost	Unrealised gain	Carrying Value	Cost	Unrealised gain	Carrying Value
	----- Rupees in '000 -----					
<u>AVAILABLE FOR SALE</u>						
NBP islamic money market fund	120	2	122	114	3	117
NBP income opportunity fund	12,214	374	12,588	11,459	547	12,006
Alhamra islamic money market fund	8,642	-	8,642	5,543	-	5,543
ABL islamic cash fund	8,640	-	8,640	5,541	-	5,541
Alfalah islamic rozana amdani fund	8,591	-	8,591	5,543	-	5,543
Faysal halal amdani fund	8,722	187	8,909	5,540	6	5,546
NBP islamic daily dividend fund	8,593	-	8,593	5,542	-	5,542
AL-Ameen Islamic Cash Fund	3,844	12	3,856	-	-	-
	59,366	575	59,941	39,282	556	39,838

12 CASH AND BANK		September 30, 2021 (Un-Audited)	December 31, 2020 (Audited)
		----- Rupees in '000 -----	
Cash and Stamps		1,403	234
Cash at bank			
- current account		20,400	11,788
- saving account		39,715	74,481
Cash and cash equivalents		61,518	86,503
13 INSURANCE LIABILITIES			
Reported outstanding claims (including claims in payment)	13.1	117,489	114,927
Incurred but not reported claims (IBNR)	13.2	4,647	1,967
Investment component of account value policies / certificates	13.3	368,841	284,028
Liabilities under individual conventional insurance / takaful contracts	13.4	2,411	2,926
Liabilities under group insurance / group family takaful contracts (other than investment linked)	13.5	18,115	5,196
Other insurance / family takaful liabilities	13.6	7,393	19,197
		401,407	313,314
		518,896	428,241
13.1 Reported outstanding claims			
Gross of Reinsurance / Re takaful			
Payable within one year		241,736	203,812
Payable over a period of time exceeding one year		18,310	11,172
		260,046	214,984
Recoverable from Reinsurance / Re takaful			
Receivable within one year		(125,488)	(90,109)
Receivable over a period of time exceeding one year		(17,069)	(9,948)
		(142,557)	(100,057)
Net reported outstanding claims		117,489	114,927
13.2 Incurred but not reported claims			
Gross of reinsurance		17,098	9,582
Reinsurance recoveries		(12,451)	(7,615)
Net of reinsurance		4,647	1,967
13.3 Investment component of universal life and account value policies / certificates			
Investment component of account value policies		368,841	284,028
13.4 Liabilities under individual conventional insurance / takaful contracts			
Gross of reinsurance		2,611	2,941
Reinsurance credit		(200)	(15)
Net of reinsurance		2,411	2,926
13.5 Liabilities under Group Insurance / Group Family Takaful Contracts (other than Investment linked)			
Gross of reinsurance		100,455	55,296
Reinsurance credit		(82,340)	(50,100)
Net of reinsurance		18,115	5,196
13.6 Other insurance liabilities			
Gross of reinsurance		12,569	20,492
Reinsurance recoveries		(5,176)	(1,295)
		7,393	19,197

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

- 14.1.1** 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 AWI (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.

- 14.1.2** 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.
- 14.1.3** 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.

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. 66.6 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 filling 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.

- 14.1.4** 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.
- 14.1.5** Before acquisition of the East and West Life Assurance Company (the "EWLA") by Army Welfare Trust (AWT), SECP had imposed penalty of Rs.120,000/- and Rs. 200,000/- on the EWLA vide order No: EMD/Enf/EWLA/2016/4299 and order No: ID/Enf/EWLA/2017/8348 respectively. The appeals on the said orders were filed before the Appellate bench of SECP by EWLA which are pending and the outcome is awaited. The appeals shall be contested by Askari Life Assurance Company Limited (the "Company").
- 14.1.6** There is a case filed by the Nobel Hospital against the EWLA in learned court, Lahore for the recovery of health insurance bill amounting to Rs. 1.6 million (approx.). After the acquisition, the Company is in coordination with the relevant parties for the possible resolution of the case.
- 14.1.7** There is outstanding petition filed by the Punjab Employees Social Security Institution (PESSI) against EWLA in Insurance Tribunal, Lahore for the recovery of the group claims of their employees amounting to Rs.11.8 million (approx.).After the acquisition, the Company is in co-ordination with the relevant parties for the possible resolution of the case.

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

14.2 Commitments

Operating leases

	September 30, 2021 (Un-Audited)	December 31, 2020 (Audited)
	----- Rupees in '000 -----	
Not later than one year	4,702	5,394
Later than one year and not later than five years	7,947	18,623
	<u>12,649</u>	<u>24,017</u>

15 NET INSURANCE PREMIUM / CONTRIBUTION REVENUE

	Nine months ended		Quarter ended	
	September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)	September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)
	----- Rupees in '000 -----			
Gross Premiums / Contributions revenue				
Regular Premium / Contributions Individual Policies*				
First year	173,518	48,507	68,396	16,995
Second year renewal	39,936	27,682	13,539	14,622
Subsequent year renewal	23,713	4,808	11,794	1,339
Single premium / Contribution individual policies	36,279	23,588	7,301	7,723
Group policies without cash value	273,697	173,517	149,353	96,182
Total Gross Premiums / Contribution	<u>547,143</u>	<u>278,102</u>	<u>250,383</u>	<u>136,861</u>
Less: Reinsurance Premium / Contribution Ceded				
On individual life first year business	4,518	1,383	21	762
On individual life second year business	1,208	317	1,208	317
On individual life renewal business	940	381	940	151
On group policies	180,362	137,047	83,412	82,703
Less : Reinsurance commission on risk premium	(15)	(16)	(6)	(6)
Total Reinsurance Premium / Contribution Ceded	<u>187,013</u>	<u>139,112</u>	<u>85,575</u>	<u>83,927</u>
Net Premium / Contribution Revenue	<u>360,130</u>	<u>138,990</u>	<u>164,808</u>	<u>52,934</u>

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

16 INVESTMENT INCOME

Income from equity securities

Available for Sale

Dividend income	2,860	1,391	928	1
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Income from debt securities

Held to Maturity

Return on government securities	41,965	42,150	13,022	13,658
	<u>44,825</u>	<u>43,541</u>	<u>13,950</u>	<u>13,659</u>

17 NET FAIR VALUE GAINS/ LOSSES ON FINANCIAL ASSETS AT FAIR VALUE

Reversal/(impairment) in value of available for sale investments	<u>(747)</u>	<u>1,563</u>	<u>(613)</u>	<u>1,000</u>
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18 OTHER INCOME

Return on bank saving accounts	2,772	5,575	1,033	1,173
Return on other bank deposits	421	-	347	-
Gain on sale of property and equipment	1,019	2,167	-	591
Miscellaneous	228	19	228	19
	<u>4,440</u>	<u>7,761</u>	<u>1,608</u>	<u>1,783</u>

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Nine months ended		Quarter ended	
	September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)	September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)
----- Rupees in '000 -----				
19 NET INSURANCE BENEFITS				
Gross Claims				
Claims under individual policies				
by death	8,741	765	6,331	163
by insured event other than death	200	-	(20)	-
by maturity	11,247	24,659	2,788	6,103
by surrender	21,448	14,758	7,950	3,246
Total gross individual policy claims	41,636	40,182	17,049	9,512
Claims under group policies				
by death	274,652	161,358	84,311	68,528
by insured event other than death	2,938	7,894	(562)	1,768
Total gross group policy claims	277,590	169,252	83,749	70,296
Total gross claims	319,226	209,434	100,798	79,808
Less: Reinsurance recoveries				
On Individual life claims	(1,269)	-	(1,094)	-
On Group life claims	(234,845)	(120,148)	(72,629)	(46,743)
Total reinsurance recoveries	(236,114)	(120,148)	(73,723)	(46,743)
Net insurance benefit expense	83,112	89,286	27,075	33,065
20 ACQUISITION EXPENSES				
Remuneration to insurance intermediaries on individual policies:				
Commission to agent on first year premiums	98,839	21,464	41,985	7,788
Commission to agent on second year premiums	3,583	2,773	1,173	1,262
Commission to agent on subsequent renewal premiums	626	6	324	-
	103,048	24,243	43,482	9,050
Remuneration to insurance intermediaries on group policies:				
Commission	31,716	13,936	20,171	6,491
Other acquisition costs				
Employee benefit cost	62,934	52,853	23,204	16,253
Depreciation on right of use asset	3,601	5,388	1,030	1,796
Advertisements and sales promotion	10,132	2,645	3,129	1,044
Vehicle running expenses	4,017	3,057	1,279	944
Depreciation on property and equipment	3,016	2,900	975	891
Repair and maintenance	2,364	1,096	1,155	609
Travel and conveyance	1,216	3,215	545	1,177
Finance charges on lease liability against right of use asset	282	944	36	267
Electricity, gas and water	1,432	1,039	701	612
Ijara rental	1,571	2,368	586	409
Postage, telegrams and telephone	1,938	1,678	727	574
Entertainment	1,000	736	374	334
Stamp duty	1,376	652	277	258
Rent, rates and taxes	965	74	225	18
Printing and stationery	975	596	493	154
Insurance	310	1,574	160	270
Bank charges	46	14	11	2
Miscellaneous	-	80	-	1
	97,175	80,909	34,907	25,613
	231,939	119,088	98,560	41,154

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		Nine months ended		Quarter ended	
		September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)	September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)
	Note	----- Rupees in '000 -----			
21	MARKETING AND ADMINISTRATION EXPENSES				
	Employee benefit cost	84,212	83,432	29,830	29,019
	Advertisements and sales promotion	3,395	959	287	505
	Depreciation on right of use asset	5,916	7,474	2,172	1,992
	Vehicle running expenses	4,459	4,255	1,600	1,447
	Travel and conveyance	1,232	1,122	266	261
	Repair and maintenance	10,660	9,846	3,458	3,061
	Depreciation on property and equipment	5,950	6,366	1,955	2,209
	Postage, telegrams and telephone	3,589	3,732	1,166	1,242
	Printing and stationery	3,764	2,360	1,218	619
	Finance charges on lease liability against right of use asset	1,643	3,219	229	748
	Entertainment	991	1,356	485	176
	Ijara rental	2,075	2,292	590	351
	Rent, rates and taxes	198	80	126	70
	Electricity, gas and water	1,451	1,287	619	543
	Insurance	2,569	3,030	750	338
	Fees, subscription and periodicals	273	234	149	194
	Miscellaneous	1,069	403	608	(411)
	Amortisation of intangible assets	742	741	246	249
	Bank charges	265	136	111	61
	Annual supervision fee SECP	484	100	-	-
		<u>134,937</u>	<u>132,424</u>	<u>45,865</u>	<u>42,674</u>
22	OTHER EXPENSES				
	Legal and professional charges	2,821	7,977	2,241	4,405
	Appointed actuary fees	3,050	3,051	1,016	1,017
	Auditors' remuneration	652	670	132	180
	Shariah Advisor Fee	1,575	1,425	525	525
	Director meeting fee	544	400	154	190
		<u>8,642</u>	<u>13,523</u>	<u>4,068</u>	<u>6,317</u>

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

23 SEGMENTAL INFORMATION

23.1 Revenue Account by Statutory Fund

For the nine months period ended September 30, 2021 (Un-Audited)

	Statutory funds					Aggregate	Quarter ended
	Ordinary Life	Universal Life	Accident & health business	Individual Family Takaful	Group Family Takaful	Total	September 30, 2021
	----- Rs in '000' -----						
	----- Un-Audited -----						
Income							
Premium / Contributions less reinsurances	89,050	149,737	-	116,813	4,530	360,130	164,808
Net investment income	4,797	20,858	446	1,596	319	28,016	10,027
Total net income	93,847	170,595	446	118,409	4,849	388,146	174,835
Insurance benefits and expenditure							
Insurance benefits including bonuses, net of reinsurance recoveries	42,607	37,490	-	1,937	1,078	83,112	27,075
Management expenses less recoveries	105,368	136,726	-	114,184	8,027	364,305	144,529
Total insurance benefits and expenditure	147,975	174,216	-	116,121	9,105	447,417	171,604
(Deficit)/ surplus of income over claims and expenditure	(54,128)	(3,621)	446	2,288	(4,256)	(59,271)	3,231
Add: Policyholders' liabilities at beginning of the period	9,310	287,432	-	15,842	730	313,314	358,705
Less: Policyholders' liabilities at end of the period	23,533	312,482	-	63,801	1,591	401,407	401,407
(Deficit)/surplus	(68,351)	(28,671)	446	(45,671)	(5,117)	(147,364)	(39,471)
Movement in policyholders' liabilities	14,223	25,050	-	47,959	861	88,093	42,702
Transfers from shareholders' fund							
- Capital contributions from shareholders' fund	77,000	25,000	-	51,000	5,000	158,000	47,000
- Money ceded to Waqf	-	-	-	-	-	-	-
Balance of statutory fund at beginning of the period	19,331	291,662	6,227	16,363	1,508	335,091	383,589
Balance of statutory fund at end of the period	42,203	313,041	6,673	69,651	2,252	433,820	433,820

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

For the nine months period ended September 30, 2020((Un-Audited)

	Statutory funds					Aggregate	Quarter ended
	Ordinary Life	Universal Life	Accident & health business	Individual Family Takaful Contracts	Group Family Takaful	September 30, 2020	September 30, 2020
	----- Rs in '000' -----						
	----- Un-Audited -----						
Income							
Premium / Contribution reinsurances	34,456	94,013	-	8,233	2,288	138,990	52,934
Net investment income	6,310	26,159	484	8	119	33,080	10,666
Total net income	40,766	120,172	484	8,241	2,407	172,070	63,600
Claims and expenditure							
Claims, including bonuses, net of reinsurance recoveries	48,710	39,948	-	-	628	89,286	33,065
Management expenses less recoveries	108,545	133,601	-	3,996	2,029	248,171	86,730
Total claims and expenditure	157,255	173,549	-	3,996	2,657	337,457	119,795
(Deficit)/surplus of income over claims and expenditure	(116,489)	(53,377)	484	4,245	(250)	(165,387)	(56,195)
Add: Policyholders' liabilities at beginning of the period	12,994	239,584	-	-	346	252,924	253,322
Less: Policyholders' liabilities at end of the period	5,254	250,122	-	3,187	294	258,857	258,857
(Deficit) / Surplus	(108,749)	(63,915)	484	1,058	(198)	(171,320)	(61,730)
Movement in policyholders' liabilities	(7,740)	10,538	-	3,187	(52)	5,933	5,535
Transfers from shareholders' fund							
- Capital contributions from shareholders' fund	114,500	63,500	-	-	-	178,000	52,500
Balance of statutory fund at beginning of the period	17,374	240,340	5,593	-	818	264,125	280,433
Balance of statutory fund at end of the period	15,385	250,463	6,077	4,245	568	276,738	276,738

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

24 Segment Statement of financial position

Shareholders' fund	Statutory funds					September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Ordinary Life	Universal Life	Accident & health business	Individual Family Takaful	Group Family Takaful	Total	Total
-----Rs in '000-----							
Property and equipment	22,481	-	-	-	-	22,481	30,467
Right of use assets	17,844	-	-	-	-	17,844	31,568
Intangible assets	588	-	-	-	-	588	1,332
Investments	262,310	73,434	376,766	7,654	36,222	759,732	822,950
Term deposits	-	-	-	-	22,700	35,200	-
Loans secured against life insurance policies	-	1,487	4,667	-	-	6,154	6,612
Insurance receivables	-	59,425	-	376	-	59,827	38,412
Other loans and receivables	10,238	1,860	300	1,195	28	14,280	12,279
Taxation - payments less provision	19,733	-	-	-	9	19,742	17,082
Prepayments	2,184	-	-	-	-	2,184	2,967
Cash & Bank	2,540	2,128	18,493	1,200	32,154	61,518	86,503
Interfund balances	4,490	-	-	-	(4,490)	-	-
Total assets	342,408	138,334	400,226	10,425	86,623	999,550	1,050,172
Insurance liabilities net of reinsurance recoveries	-	78,111	370,354	3,599	64,651	518,896	428,241
Retirement benefit obligations	24,833	-	-	-	-	24,833	18,151
Premium received in advance	-	45	10,342	-	2,529	14,185	9,677
Insurance / reinsurance payables	-	26,793	11,226	153	1,766	56,603	63,478
Lease liability against right of use assets	16,942	-	-	-	-	16,942	43,291
Other creditors and accruals	20,858	14,729	7,750	-	11,827	55,920	36,465
Total Liabilities	62,633	119,678	399,672	3,752	80,773	687,379	599,303

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

25 WINDOW TAKAFUL OPERATIONS

The statement of financial position of Window Takaful Operations as at September 30, 2021 and its financial performance for the period ended September 30, 2021 is as follows

25.1 Statement of Financial Position

As at September 30, 2021 (Un-Audited)

Operator's Sub Fund	Statutory funds		Aggregate	Aggregate
	Individual Family Takaful	Group Family Takaful	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
-----Rupees in '000-----				
Share capital and reserves				
Funds received from Shareholders' Fund	-	-	-	-
Capital returned to Shareholders' Fund	-	-	-	-
Accumulated Surplus / (Deficit)	7,910	-	7,910	2,712
Qard-e-Hasna contributed by the Window Takaful Operator	-	-	-	-
Net shareholders' equity	7,910	-	7,910	2,712
 Balance of statutory fund (including Technical reserves				
Rs. 65.392 million (December 31, 2020: Rs.16.572 million)	-	62,772	1,223	63,995
			63,995	15,160
 Deferred liabilities				
Staff retirement benefits	-	-	-	-
 Creditors and accruals				
Outstanding claims	-	850	590	1,440
Contributions received in advance	-	2,529	1,269	3,798
Amount due to takaful / re-takaful operators	-	1,766	16,665	18,431
Amounts due to agents	11,462	-	-	11,462
Accrued expenses	-	-	-	-
Other creditors and accruals	1,118	3	-	1,121
	12,580	5,148	18,524	36,252
			36,252	10,744
 Total liabilities	12,580	67,920	19,747	100,247
			100,247	25,904
 Commitments	-	-	-	-
 Total equity and liabilities	20,490	67,920	19,747	108,157
			108,157	28,616

Operator's Sub Fund	Statutory funds		Aggregate	Aggregate
	Individual Family Takaful	Group Family Takaful	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
-----Rupees in '000-----				
Cash and bank deposits				
Cash and others	-	422	422	-
Current and other accounts	10,306	23,143	36,735	17,598
Deposits maturing within 12 months				
	10,306	23,565	37,157	17,598
Unsecured loans to employees	-	-	-	-
Investments				
Government securities	6,639	6,262	13,242	3,220
Listed securities	-	-	-	-
Open end mutual funds	-	24,235	26,326	7,704
Deposits maturing within 12 months	-	22,700	35,200	-
	6,639	53,197	74,768	10,924
Current assets - others				
Contributions due but unpaid	-	-	26	26
Amount due from takaful / re-takaful operators	-	-	-	-
Sundry receivables	-	-	-	-
Investment income accrued	-	16	675	68
Advances and deposits	12	-	12	-
Prepayments	9	-	9	-
Taxation - payments less provision	-	-	-	-
Inter fund balance	3,524	(8,858)	(4,490)	-
	3,545	(8,842)	1,529	94
Fixed assets				
Tangible assets				
Furniture & fixture, office equipments	-	-	-	-
Motor vehicles	-	-	-	-
Right of use	-	-	-	-
Computer equipments	-	-	-	-
Intangible assets				
Softwares	-	-	-	-
	-	-	-	-
Total assets	20,490	67,920	108,157	28,616

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

25.2 Revenue Account

For the nine months period ended September 30, 2021 (Un-Audited)

Statutory Funds		Nine Months ended		Quarter ended	
-----Aggregate-----					
Universal Life Family Takaful	Group Family Takaful	September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)	September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)
-----Rupees in '000-----					

25.2.1 Participants' Investment Fund (PIF)

Income

Allocated contribution

Investment income

Total net income

51,150	-	51,150	2,913	20,430	2,322
1,406	-	1,406	3	745	3
52,556	-	52,556	2,916	21,175	2,325

Less: Claims and Expenditure

Claims

Takaful operator fee

344	-	344	-	296	-
3,353	-	3,353	100	1,574	100
3,697	-	3,697	100	1,870	100

Excess of Income over Claims and expenditure

48,859	-	48,859	2,816	19,305	2,225
--------	---	--------	-------	--------	-------

Add : Technical reserves at the beginning of the period

Less : Technical reserves at the end of the period

Income retained in PIF

15,105	-	15,105	-	44,646	-
63,380	-	63,380	3,029	63,380	3,029
584	-	584	(213)	571	(804)

Movement in technical reserves

(48,859)	-	(48,859)	(2,816)	(19,305)	(2,225)
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Surplus before distribution

Movement in technical reserves

48,859	-	48,859	2,816	19,305	2,225
--------	---	--------	-------	--------	-------

Transfers from

Qard-e-Hasna contributed by Window Takaful Operator

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

Money ceded to Waqf

Balance of PIF at the beginning of the period

-	-	-	-	-	-
15,107	-	15,107	-	44,661	591

Balance of PIF at the end of the period

63,966	-	63,966	2,816	63,966	2,816
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ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

25.3 Revenue Account

For the nine months period ended September 30, 2021 (Un-Audited)

		Nine Months ended		Quarter ended	
Statutory Funds		Aggregate	Aggregate	Aggregate	Aggregate
Individual Family Takaful	Group Family Takaful	September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)	September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)

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

25.3.1 Participants' Takaful Fund (PTF)

Income

Contribution net of retakaful

Net investment income

Other income

65,663	4,530	70,193	7,608	32,696	4,991
14	305	319	109	162	25
-	-	-	-	-	-
65,677	4,835	70,512	7,717	32,858	5,016

Less: Claims and Expenditure

Claims

Takaful operator fee

1,593	1,078	2,671	628	1,757	505
65,132	2,733	67,865	7,235	31,118	4,487
66,725	3,811	70,536	7,863	32,875	4,992

Excess / (Deficit) of Income over Claims and expenditure

(1,048)	1,024	(24)	(146)	(17)	24
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Add : Technical reserves at the beginning of the period

Less : Technical reserves at the end of the period

Deficit retained in PTF

737	730	1,467	346	1,314	336
421	1,591	2,012	746	2,012	746
(732)	163	(569)	(546)	(715)	(386)

Movement in technical reserves

1,048	(1,024)	24	146	17	(24)
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Surplus before distribution

Movement in technical reserves

(1,048)	1,024	(24)	(146)	(17)	24
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Transfers from

Qard-e-Hasna contributed by Window Takaful Operator

-	-	-	-	-	-
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Money ceded to Waqf

Balance of PTF at the beginning of the period

-	-	-	-	-	-
(146)	199	53	806	46	636

Balance of PTF at the end of the period

(1,194)	1,223	29	660	29	660
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ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

25.4 Operators' Sub Fund (OSF)

	Nine Months ended				Quarter ended	
	Statutory Funds		Aggregate	Aggregate	Aggregate	Aggregate
	Individual Family Takaful	Group Family Takaful	September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)	September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)
-----Rupees in '000'-----						
Income						
Allocation fee	2,705	-	2,705	154	1,084	123
Investment income	176	15	191	15	83	6
Takaful operator fee	64,971	2,733	67,704	7,170	31,176	4,453
Certificate admin fee	430	-	430	7	234	7
Wakalat-ul-Istismar	379	-	379	4	198	4
	68,661	2,748	71,409	7,350	32,775	4,593
Less: Expenses						
Acquisition cost	89,719	3,874	93,593	4,924	41,181	2,742
Administration expenses	24,465	4,153	28,618	1,103	7,439	335
Total management cost	114,184	8,027	122,211	6,027	48,620	3,077
Excess of (expenditure)/over income						
Add : Technical reserves at the beginning of the period	-	-	-	-	-	-
Less : Technical reserves at the end of the period	-	-	-	-	-	-
	-	-	-	-	-	-
Surplus / (Deficit)	(45,523)	(5,279)	(50,802)	1,323	(15,845)	1,516
Movement in technical reserves	-	-	-	-	-	-
Capital Contribution during the period	51,000	5,000	56,000	-	22,000	-
Qard-e-Hasna contributed to the Participants Takaful Fund	-	-	-	-	-	-
Balance of OSF at the beginning of the period	1,402	1,310	2,712	12	1,755	(181)
Balance of OSF at the end of the period	6,879	1,031	7,910	1,335	7,910	1,335

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

25.5 Statement of Contribution

For the nine months period ended September 30, 2021 (Un-Audited)

	Statutory Funds		Nine months ended		Quarter ended	
			Aggregate		Aggregate	
	Individual Family Takaful	Group Family Takaful	September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)	September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)
-----'Rupees in '000-----						
Gross Contributions						
Regular contributions individual family takaful*						
- First year	87,527	-	87,527	7,108	41,430	5,263
- Second year	3,845	-	3,845	-	3,297	-
- Subsequent year renewal	-	-	-	-	-	-
Single Contribution individual family takaful	26,776	-	26,776	1,370	7,551	1,200
Group family takaful contribution without cash value	-	17,584	17,584	8,057	9,385	4,842
Total Gross Contributions	118,148	17,584	135,732	16,535	61,663	11,305
Participants' Investment Fund						
Allocated regular contribution	25,713	-	25,713	1,612	13,257	1,182
Allocated single contribution	25,437	-	25,437	1,301	7,173	1,140
	51,150	-	51,150	2,913	20,430	2,322
Less: Retakaful Contribution Ceded						
On individual first year business	1,282	-	1,282	245	506	212
On individual second year business	53	-	53	-	53	-
On individual renewal business	-	-	-	-	-	-
On group family takaful	-	13,054	13,054	5,769	7,978	3,780
Net Contributions	65,663	4,530	70,193	7,608	32,696	4,991

*Individual family takaful those underwritten on an individual basis, and includes Joint Life Family takaful underwritten as such.

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

25.6 Statement of Claims
For the nine months period ended September 30, 2021 (Un-Audited)

	Statutory Funds		Nine months ended		Quarter ended	
	Individual Family Takaful	Group Family Takaful	Aggregate September 30, 2021 (Un-Audited)	Aggregate September 30, 2020 (Un-Audited)	Aggregate September 30, 2021 (Un-Audited)	Aggregate September 30, 2020 (Un-Audited)
-----Rupees in '000-----						
Gross claims						
Participants' Takaful Fund (PTF)						
Claims under individual family takaful (PTF)						
- by death	1,943	-	1,943	-	1,743	-
- by covered event other than death	-	-	-	-	-	-
- by maturity	-	-	-	-	-	-
- by surrender	-	-	-	-	-	-
Total gross individual family takaful claims	1,943	-	1,943	-	1,743	-
Claims under group family takaful						
- by death	-	3,119	3,119	1,500	1,119	1,500
- by covered event other than death	-	239	239	328	45	205
Total group family takaful claims	-	3,358	3,358	1,828	1,164	1,705
Total Gross Claims	1,943	3,358	5,301	1,828	2,907	1,705
Participants' Investment Fund (PIF)						
Claims under individual family takaful						
- by death	-	-	-	-	-	-
- by covered event other than death	-	-	-	-	-	-
- by maturity	-	-	-	-	-	-
- by surrender	344	-	344	-	296	-
Total gross individual family takaful claims	344	-	344	-	296	-
Less: Retakaful recoveries						
On individual family takaful first year claims	350	-	350	-	350	-
On individual family takaful second year claims	-	-	-	-	-	-
On individual family takaful renewal claims	-	-	-	-	-	-
On group takaful claims	-	2,280	2,280	1,200	800	1,200
Net Claims	1,937	1,078	3,015	628	2,053	505

ASKARI LIFE ASSURANCE COMPANY LIMITED
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25.7 Statement of Expenses

For the nine months period ended September 30, 2021 (Un-Audited)

			Nine months ended		Quarter ended	
	Statutory funds		Aggregate	Aggregate	Aggregate	Aggregate
	Individual Family Takaful	Group Family Takaful	September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)	September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)
Operators' Sub Fund						
-----Rupees in '000-----						
Acquisition costs						
Remuneration to takaful intermediaries on individual family takaful:						
- Commission on first year contributions	56,970	-	56,970	3,283	28,998	2,444
- Commission on second year contributions	461	-	461	-	395	-
- Commission on subsequent renewal contributions	-	-	-	-	-	-
- Other benefits to takaful intermediaries	-	-	-	-	-	-
	57,431	-	57,431	3,283	29,393	2,444
Remuneration to takaful intermediaries on group family takaful:						
- Commission	-	3,140	3,140	1,583	605	268
Other acquisition costs:						
Employee benefit cost	20,346	680	21,026	-	6,749	-
Depreciation on right of use asset	689	-	689	-	689	-
Advertisements and sales promotion	3,876	-	3,876	-	1,197	-
Vehicle running expenses	1,330	35	1,365	-	427	-
Depreciation on property and equipment	663	-	663	-	(237)	-
Repair and maintenance	904	-	904	-	442	-
Travel and conveyance	454	2	456	-	202	-
Finance charges on lease liability against right of use asset	108	-	108	-	13	-
Electricity, gas and water	549	-	549	-	268	-
Ijara rental	601	-	601	-	224	-
Postage, telegrams and telephone	699	9	708	-	270	-
Entertainment	382	-	382	-	143	-
Stamp duty	806	5	811	58	450	30
Rent, rates and taxes	369	-	369	-	86	-
Printing and stationery	368	1	369	-	188	-
Insurance	118	-	118	-	60	-
Fees, subscription and periodicals	-	-	-	-	-	-
Legal and professional charges	-	-	-	-	-	-
Bank charges	26	2	28	-	12	-
Miscellaneous	-	-	-	-	-	-
	32,288	734	33,022	58	11,183	30
Total acquisition cost	89,719	3,874	93,593	4,924	41,181	2,742
Administration expenses						
Employee benefit cost	12,821	2,109	14,930	682	2,793	225
Advertisements and sales promotion	587	108	695	-	56	-
Depreciation on right of use asset	596	-	596	-	596	-
Vehicle running expenses	867	152	1,019	49	379	19
Travel and conveyance	213	39	252	-	55	-
Repair and maintenance	1,755	330	2,085	-	677	-
Depreciation on property and equipment	1,356	368	1,724	1	211	1
Postage, telegrams and telephone	658	118	776	11	278	4
Printing and stationery	981	156	1,137	66	414	4
Finance charges on lease liability against right of use asset	275	51	326	-	44	-
Entertainment	164	31	195	-	95	-
Ijara rental	341	64	405	-	115	-
Rent, rates and taxes	97	13	110	3	56	3
Electricity, gas and water	239	45	284	-	121	-
Insurance	388	86	474	-	118	-
Fees, subscription and periodicals	47	9	56	3	31	3
Miscellaneous	176	31	207	-	99	(32)
Money ceded to Waqf Fund	-	-	-	-	-	-
Amortisation of intangible assets	121	23	144	-	48	-
Bank charges	77	12	89	3	36	3
Annual supervision fee SECP	79	15	94	-	-	-
Legal and professional charges	465	87	552	-	438	-
Appointed actuary fees	538	97	635	-	198	-
Auditors' remuneration	198	30	228	-	26	-
Shariah Advisor Fee	1,401	174	1,575	285	525	105
Director meeting fee	25	5	30	-	30	-
	24,465	4,153	28,618	1,103	7,439	335
Gross management expenses	114,184	8,027	122,211	6,027	48,620	3,077

ASKARI LIFE ASSURANCE COMPANY LIMITED
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25.8 Statement of Investment Income
For the nine months period ended September 30, 2021 (Un-Audited)

Statutory fund		Nine months ended		Quarter ended	
		Aggregate	Aggregate	Aggregate	Aggregate
Individual	Group Family	September	September	September	September
Family	Takaful	30, 2021	30, 2020	30, 2021	30, 2020
Takaful		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)

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

Participants' Investment Fund (PIF)

On government securities	339	-	339	-	117	-
On other fixed income securities and deposits	390	-	390	3	281	3
Dividend income	677	-	677	-	347	-
Amortization of discount relative to par	-	-	-	-	-	-
(Loss)/ gain on sale of investments	-	-	-	-	-	-
Unrealised (loss) / gain on investments	-	-	-	-	-	-
Net investment income of PIF	1,406	-	1,406	3	745	3

a

Participants' Takaful Fund (PTF)

On government securities	-	49	49	-	17	-
On other fixed income securities and deposits	14	163	177	109	116	25
Dividend income	-	93	93	-	29	-
Amortization of discount/(premium)	-	-	-	-	-	-
(Loss)/ gain on sale of investments	-	-	-	-	-	-
Unrealised (loss) / gain on investments	-	-	-	-	-	-
Net investment income of PTF	14	305	319	109	162	25

b

Operators' Sub Fund (OSF)

On government securities	-	-	-	-	-	-
On other fixed income securities and deposits	176	15	191	15	83	6
Dividend income	-	-	-	-	-	-
Amortization of discount/(premium)	-	-	-	-	-	-
(Loss)/ gain on sale of investments	-	-	-	-	-	-
Unrealised (loss) / gain on investments	-	-	-	-	-	-
Net investment income of OSF	176	15	191	15	83	6

c

Net investment income	(a+b+c)	1,596	320	1,916	127	990	34
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ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

26 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:

September 30, 2021	Level 1	Level 2	Level 3	Total
Government securities	-	690,236	-	690,236
Listed securities	9,555	-	-	9,555
Open end mutual funds	59,941	-	-	59,941
	69,496	690,236	-	759,732
December 31, 2020				
Government securities	-	772,472	-	772,472
Listed securities	10,640	-	-	10,640
Open end mutual funds	39,838	-	-	39,838
	50,478	772,472	-	822,950

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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27 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:

		September 30, 2021 (Un-Audited)	September 30, 2020 (Un-Audited)
		----- (Rupees in '000) -----	
Relationship	Transactions		
Holding company	Premium revenue	603	1,075
Holding company	Insurance benefits	600	600
Holding company	Advance received against equity	-	150,000
Associated undertaking	Premium revenue	16,906	19,861
Associated undertaking	Insurance benefits	14,502	19,731
Associated undertaking	Expenses and acquisition cost	3,567	6,115
Key Management Personnel	Remuneration	35,321	41,726
Gratuity Fund	Expenses	8,986	8,110
Key Management Personnel	Advance	1,200	-
Directors	Fee	544	400
Related Party	Balances	September 30, 2021 (Un-Audited)	December 31, 2020 (Audited)
Holding Company			
Army Welfare Trust	Due from insurance contract holders	245	236
Army Welfare Trust	Outstanding claims	600	-
Associated undertakings			
Askari Guards Limited	Due from insurance contract holders	5,179	1,626
Mobil Askari Pakistan Limited	Due from insurance contract holders	9	10
Askari Fuels	Due from insurance contract holders	322	11
Askari Woolen Mills	Due from insurance contract holders	36	-
Askari Development Holding Pvt Limited	Due from insurance contract holders	4	-
Askari General Insurance Company Limited	Due from insurance contract holders	1	-
AWT Investment	Due from insurance contract holders	-	21

Askari Chartered Aviation Services (ACS)	Due from insurance contract holders	33	2
Fauji Security Services	Due from insurance contract holders	2,954	-
MEDASK	Due from insurance contract holders	-	2
Real Estate (Head Office)	Due from insurance contract holders	390	-
AWT Housing Scheme Karachi	Due from insurance contract holders	2	2
AWT Units	Due from insurance contract holders	-	6,470
Askari Shoes	Due from insurance contract holders	-	14
Askari Airport Services	Due from insurance contract holders	17	-
Askari Farms & Seeds	Due from insurance contract holders	4	-
Askari Flying Academy	Due from insurance contract holders	88	-
Askari Lagoon - FSD	Due from insurance contract holders	4	-
Askari Services Travel	Due from insurance contract holders	23	-
AWT Plaza Staff	Due from insurance contract holders	69	-
Blue Lagoon	Due from insurance contract holders	248	-
AWT Investment	Due to insurance contract holders	4	-
Askari General Insurance Company Limited	Due to insurance contract holders	-	19
AWT Housing Scheme - Lahore	Due to insurance contract holders	1	1
Army Welfare Sugar Mills	Due to insurance contract holders	17	19
Blue Lagoon	Due to insurance contract holders	-	2
Askari Farms & Seeds Products	Due to insurance contract holders	28	24
Askari Flying Academy	Due to insurance contract holders	-	2
Askari Guards Limited	Outstanding claims	4,409	3,604
Fauji Security Services	Outstanding claims	2,700	900
Army Welfare Sugar Mills	Outstanding claims	650	500
AWT Investment	Outstanding claims	-	8,000
Askari Fuels	Outstanding claims	1,217	-
Askari Travel & Tours	Accrued expenses	-	180
Askari General Insurance Company Limited	Accrued expenses	2,418	2,418
Gratuity payable to staff	Staff retirement benefits	24,833	18,151
Noman Muhammad	Other loans and receivables	1,200	-
East West Insurance Company Limited	Equity investments	626	565

28 GENERAL

Figures have been rounded off to the nearest thousand.

29 CORRESPONDING FIGURE

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

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on October 26, 2021.

Rehan Mobin
Chief Financial Officer

Jehanzeb Zafar
Chief Executive Officer

Malik Riffat Mahmood
Director

Air Vice Marshal Muhammad Athar Shams (Retd)
Director

Lt. Gen. Naveed Mukhtar (Retd.)
Chairman

Branch Network

Head office

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