



# Har Ghari

## ANNUAL REPORT 2021

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# Company Overview

Askari Life Assurance Co. Ltd, is part of one of the leading conglomerates in Pakistan, Army Welfare Trust (AWT). Our insurance solutions range from savings and family protection products to unit link plans and customized health and life coverages. We develop products and processes to enhance opportunities and mitigate the risk of threats to the overall financial and business objectives of our individual and corporate clients.

As a company we rely on innovation to be a key driver for future growth which allows for more customized solutions, digitization and swift product development.

## A Legacy of Distinction

Askari Life Assurance Co. Ltd. comes from a legacy of distinction and integrity. The parent group (AWT), was formed in 1971 and comprises of a diversified business portfolio renowned in all major sectors of Pakistan including General Insurance, Aviation, CNG, Agriculture, Manufacturing, Sugar, Lubricants, Real Estate, Security Solutions and Information Technology.

Askari General Insurance Company Limited (AGICO), under the umbrella of AWT, has been operating since 1995 with a prominent standing in Pakistan's Insurance industry.

Askari Life Assurance Co. Ltd is a Public Limited Company with shares traded in Pakistan Stock Exchange (PSX).

Askari Life also offers Assorted Product Portfolio like Universal Life Investment Plans, Group Life Insurance, Variety of term Life products providing customized options

Askari Life has a team of highly trained professionals, dedicated to offering a client focused policy management system, through swift claim processing and settlement with a strong financial backing. Askari Life is at the forefront in providing the ultimate insurance experience by adding value to the lives of its customers.

We have designed a service strategy that is highly responsive and personalized to provide complete peace of mind to our clients.

Askari Life has sophisticated Channels of Distribution like Agency Network, Bancassurance (including Askari Bank, Silk Bank, Al Baraka Bank and Samba Bank), Corporate Sales and diverse Distribution partners like TCS, Bogo Discount App, MediQ Smart healthcare.

# Vision

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

# Mission

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



# Core Values

## Financial Acumen

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

## Customer Care

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

## Ethical Conduct

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

## Sustainability

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

# Code of Conduct

The Askari Life's policy is to conduct business with honesty and integrity and be ethical in all its dealings, showing respect for the interest of those with whom it has relationship.

The Askari life is committed to run its business in an environment that is sound and sustainable. As a responsible corporate citizen, the company recognizes its social responsibilities, and endeavors to contribute for betterment of society as a whole.

Askari Life is an equal opportunity employer. Its employee recruitment and promotional policies are free of any gender bias, and is merit as well as excellence oriented. It believes in providing its employees safe and healthy working conditions, and in maintaining good channels of communications.

The Askari Life shall comply with all laws, and regulations with letter and in spirit which are applicable on the company. All employees are expected to familiarize themselves with laws and regulations governing their individual areas of responsibility, and not to transgress them. and in case employees become aware of the violation of any laws, it is the responsibility of the employee to report the matter to Head of Compliance and CEO.

Employees are required to comply with Anti-money laundering Laws and Company's Anti-Money Laundering (AML) Manual in order to prevent the company being used as a medium for money laundering activities and terrorism financing activities. Moreover, employees are also required to immediately notify the AML-Compliance Officer in case they found any suspicion of the Money laundering activities while dealing with the customers.

The Askari life does not support any political party nor contributes to the funds of groups whose activities promote party interests.

The Askari life is committed to provide services, which consistently offer value in terms of price and quality and satisfy customer needs and expectations.

The Askari life firmly believes and adheres to the principles of reliability and credibility in its financial reporting and in transparency of business transactions.

The Askari life expects its employees to abide by professional code of ethics whereby company information and assets are not used for any personal advantage or gain. Any conflict of interests should be avoided.

The Board ensures that the above principles are complied with, for which the Board has constituted the Risk Management & Compliance Committee and Audit committee, to be supportive of compliance.



# Nayab Plan

With Askari Life Nayab & Zarkhez Plans, you can map your future as you desire. It provides you a combination of protection and investment solutions with the flexibility of customization as per your specific need.

## Key Features

### Packaged Solution

Keeping in view the changing economic trends, we have bundled all your financial needs (saving, investment and protection) under one solution.

### Customized Plan

You can customize your plan according to your need and choose from variety of add-ons with the help of our financial planner.

### Tax Benefit

You can also enjoy tax benefits through Askari Life's savings & investment plan.



# Zarkhez Plan

## Additional Investment Option (Top-Up Premium)

This plan provides you an option to add or withdraw amount over and above your regular premium during the course of your policy term with ease, that will provide increment to your investment.

## Insurance Benefit

It provides the freedom to provide the desired financial security to your loved ones. In case of your unfortunate event of death, your nominated family member can be paid up to 200 times of the annual premium.

## Optional Benefits

With the variety of exclusive features/add-ons, you can draft your plan to cater to your responsibilities with ease.

- School Fee Waiver
- Child Wedding Benefit
- Hospitalization Cover
- Major Surgery Benefit
- Accidental Death & Disability Rider
- Waiver of Premium (Death)
- Waiver of Premium (Disability)
- Monthly Income Benefit
- Level Term Rider
- Critical Illness Rider



*Askari life introduces*

# Anmol Zindagi Plan

*Healthy Life, Better Future!*

**Benefits like  
never Before!**



Financial Support  
against Major diseases



Exclusive Protection  
Against COVID-19



Hospital's Stay  
Expense Covered



Get Your Hospital  
Bills Reimbursed



Hospital of your  
Choice!



Life Protection  
Solution



Double Financial  
Protection against  
Accidental Fatality



Choose Package  
as per your Needs



Complete Protection  
for your Loved Ones



Sometimes we take life and the blessings that come with it for granted. We get so busy with just living the routine life and getting used to it that uncertainties are often ignored. Despite all this, we still desire to give the finest life to our loved ones and thus, plan our future in the best possible way. However, sometimes life gets unpredictable and pursuing our dreams while leading a stress free life, seems a little far-fetched. The recent global pandemic being COVID-19 that shook the world lately was an eye opener for many as it made people value life even more. Life became more precious while relationships strengthened more than ever.

Looking at the situations that arise due to these circumstances, Askari Life continues to be there for you always; to listen to you, to offer you advice and to create lively environments for you to thrive in. We want you to be resilient and stay put, because good times will soon arrive! So, with Askari Life, no matter what the conditions be, you will be motivated to live your life to the fullest!

Hence we Introduce "Anmol Zindagi", a health and life protection plan that understands how precious your life and health are and prepares you to face any unforeseen challenges without a doubt!

## Benefits like never Before!

### Financial Support against Chronic diseases

Whenever there is a situation of a global pandemic, people realize the value of life more than ever. These are the times when people get closer to their loved ones and understand the importance of keeping theirs and their family's lives safe. Taking this into consideration, Askari Life realized that situations when people get affected by chronic diseases are not less than any other major threats that arise due to pandemics or unforeseen circumstances. Thus, financial planning for such conditions or preparation to face them without any difficulties is equally important!

Anmol Zindagi offers this exclusive benefit that provides you with 20% of the total sum assured amount in case you get diagnosed with any of the below mentioned chronic diseases so you can manage your hospital bills and expenses without any obstacles. This includes;

- o Heart Diseases treatment
- o Cancer treatment
- o Major Organ Transplant
- o Neurological Diseases treatment

This benefit is specifically designed to offer living benefits to our customers as depicted in our Brand's mantra of "Jeelo Har Ghari" so you and your loved ones continue living your life & enjoying every moment to the fullest!

### Exclusive Protection Against COVID-19

COVID-19 is one of the biggest health concerns which is believed to have a long term impact on the lives of people. With Anmol Zindagi, you can prepare for the worst in the best possible way as we will be there to take care of you and your loved ones by providing 50% extra amount of the sum assured in case of demise due to COVID-19.

### Hospital's Stay Expense Covered for up to 60 days in case of Accident

Leading a healthy lifestyle in the modern high-stress routines is challenging. Medical emergencies can arise without any intimation. At such times, treatment costs can put a huge financial burden on families. Sometimes, such huge payments can cause imbalances in your family finances.

To ensure that you are well protected against unforeseen medical expenses, Anmol Zindagi brings you a unique benefit which offers hospitalization coverage, as per which, in case of hospitalization of more than 1 day, due to accident, you will get a coverage of Rs. 5000/day, for up to 60 days, thus, a maximum coverage of

Rs. 300,000 at any hospital of your choice.

### Hospital of your Choice!

The Accidental Hospitalization coverage benefit can be availed upon admission to any registered hospital in Pakistan. So, choose your own hospital for treatment and we will get you covered!

## Additional Benefits

### Life Protection Solution

This worldly life, no matter how desirable it might be, is temporary and everyone has to leave one day or the other. But to plan the life that we live and the life that our family will live in our absence in the most desirable way, is what every individual wants. However, a sudden demise of a bread-earner without prior financial planning can make many lives difficult. And that is why Askari Life asks you to leave all your worries with us as with our Anmol Zindagi Plan, you can ensure desired financial security for your family by choosing a lump sum amount of as much as PKR 1,000,000 which will be given to your family in case of any unpleasant incident or in your absence.

### Double Financial Protection against Accidental Fatality

In the journey of life, you always walk an extra mile to provide better future to your family. However, this journey of life is full of uncertainties; you never know how the future will unveil. In today's scenario, with the increase in the number of instances of accidents, it is imperative to shield your family's future against such eventuality. Askari Life protection solution against accidents, offers an additional financial security of up to 2 million, to your family in the event of an accident that may result a sudden demise or permanent disability.

### Free Look Period

Life insurance plan is a long-time commitment towards your goal to provide desired financial security and prosperity to yourself and your loved ones. However, in case you realize that you are not satisfied with the product offering, you need not to worry, as Askari Life offers a free look period where you can return the policy documents within 14 days and get 100% refund.

### Complete Protection for your Loved Ones

Anmol Zindagi gives you the chance to protect not only your life but also the lives of those who mean the world to you! Hence, by paying a minimum additional amount, all the benefits mentioned above can be availed by your family as well.



# Kanz-ul-Askari

## Family Takaful Certificate

Kanz ul Askari Family Takaful is a Shariah compliant Family Takaful plan which offers Family Takaful protection and a minimum 10 year riba free investment. The Takaful system is based on shared responsibility, brotherhood, solidarity and mutual cooperation, where risk is shared collectively by a group of participants, who by paying contributions to a common fund, agree to jointly help member against loss or damage to any one of them as defined in the pact.

## Key Features

### Shariah Compliant Investment Package

Askari Life - Window Takaful Operations has designed a Shariah compliant Family Takaful certificate that ensures the fulfillment of your changing needs at each life cycle. This Family Takaful certificate provides a long term investment and protection plan with low but shared risks according to the Shariah guidelines.

You can be at any stage of your life and find this plan to be understanding of your needs because of its low risk profile and high returns due to the nature of its term.

### Design Your Customized Solution

With Family Takaful Certificates you can design the future you want for yourself! It provides you the flexibility to personalize your plan according to your own goals and family's unique lifestyle. There are many flexible options the plan provides, such as altering your investment and protection level. In addition to flexibility, you can also opt from various optional add-ons with the help of our certified financial advisor, who will add more benefit to your certificate.

Moreover, our universal life-participants investment fund structure offers a wide range of investment in; upto 100% in Sukuks, upto 50% in KMI 30 equities, upto 30% in Islamic TFCs, upto 50% in Mutual Funds, upto 30% in Real Estate and upto 100% in Islamic Bank /Term Deposits.

### Free Hajj Coverage

Our Family Takaful protection ensures the security of the person covered on their walk in the name of God. In case of any unforeseen instance that results in the demise of a person covered which occurs due to any accident during hajj, Askari Life - Window Takaful Operations will provide Rs. 2.5 million as sum cover to the beneficiary(ies) of the certificate.

# Iqra Family Takaful

Iqra Family Takaful is a shariah compliant family takaful plan which offers families utmost comfort of planning their child's successful future. Good quality education is a necessity for every person and no one deserves to be deprived of it only because of financial constraints, which is why, Askari Life-Window Takaful Operations brings you its extensive education plan - all crafted and prepared to help you and your child receive the best.

## Additional Investment Option (Top-Up)

This feature provides additional flexibility to your existing plan. If you have any additional funds available at any stage, you can place them as investment under Family Takaful Certificates during the course of the certificate term that will further enhance your cash value. Many people use this option to make yearly contribution payment by placing additional investment as top-up with their certificate. The minimum amount you can top up your certificate with is Rs. 10,000/- which will be allocated at a 100%.

## Tax Credit

With Family Takaful Certificates, you can also avail tax benefit, as per prevailing norms under section 62 of income tax ordinance 2001.

## Protection Multiple (Cover Multiple)

A sudden unforeseen event can affect many connected lives. In that case financial security for your family is of utmost priority. With Family Takaful Certificates, you can ensure desired financial security for your family. You can fix a significant lump sum amount as much as you anticipate from the available maximum cover that would be enough to meet your future financial needs.

## Additional Optional Benefits

Apart from standard applicable benefits such as protection and investment, both Family Takaful Certificates also offers you additional benefits, and the liberty to choose from various optional benefits, based on your goals and financial capabilities subject to the payment of additional Waqf donation.

- School Fee Waiver
- Hospitalization Coverage
- Major Surgery Benefit
- Waiver of Contribution Supplementary Benefit (Death)
- Waiver of Contribution Supplementary Benefit (Disability);  
Special needs, special benefits
- Accidental Death & Disability Supplementary Benefit
- Level Term Family Takaful (Additional Coverage Option)
- Critical Illness (CI) Supplementary Benefit
- Monthly Income Benefit
- Marriage Supplementary Benefit



# Askari Life Value Plan



Being conscious about your changing financial needs Askari Life in collaboration with Askari Bank has designed a unique product called "Askari Life Value Plan", which not only provides comprehensive protection but also enables your savings to grow steadily over-time, giving you and your loved ones peace of mind. Hence you and your family can easily realize their dreams and truly enjoy every moment of their lives, without worrying about future uncertainties.

# Key Features

## Complete Package

As we go through each stage in life, our financial responsibilities change. Our perspective on life and savings changes with time. Being conscious about your changing needs, Askari Life has designed the Askari Value plan which not only provides long-term protection from unforeseen circumstances but also brings prosperity into your life. Whether you are at the beginning of your career, have just started a family, require funds for your child's education or marriage or would like to plan for your retirement, all possibilities are ensured under the Askari Value Plan.

## Strengthen your Child's Future

When a child is born, a dream is born. We being a parent would want to shape that dream and bring it to reality in the best possible way. Either it's the question of providing top-quality education or making best arrangement for their marriage, we always want the best for our child. Askari Value Plan helps you in achieving all those dreams with ease, as this plan offers one of the most effective way to keep your child's future secured along-with the peace of mind through various exclusive benefits and coverage enhancement options that can be tailored as per your child's future financial needs.

## Customized Plan

With Askari Value Plan, you can design the future you want for yourself! It provides you the flexibility to personalize your plan according to your own goals and family's unique lifestyle. There are many flexible options the plan provides, such as altering your investment and protection level. In addition to flexibility, you can also opt from various optional add-ons with the help of our certified financial advisor, that will add more benefit to your policy.

## Additional Investment Option (Top-up)

This feature provides additional flexibility to your existing plan. If you have any additional funds available at any stage you can place them as investment under Askari Value plan during the course of the policy term that will further enhance your cash value. Many people use this option to

make yearly premium payment by placing additional investment as top-up with their policy.

## Cover Multiple (Life Insurance Protection)

A sudden departure of a bread-earner can make many lives difficult. In that case financial security for your family is of utmost priority. With Askari Value Plan you can ensure desired financial security for your family. You can fix a significant lump sum amount as much as you anticipate would be enough to fulfill their future financial needs which could be set as high as 200 times of the premium amount.

## Emergency Monetary Access

What do you do when you have an urgent requirement of cash? You either borrow it from some one or sell your valuables. To save you from all those hassles and to satisfy your urgent cash requirement, Askari Value Plan offers a valuable loan facility and easy access to cash (of up-to 50% of your account value).

## Inflation Protection

It's an unfortunate fact that the money we have is worth a little less every day. As rising inflation erodes all our savings bit by bit, we need a plan to keep our savings intact. Askari Value Plan offers this unique feature dedicated to combat inflation with just 5% increment in the premium every year.

## Tax Credit

With Askari Value Plan, you can also avail tax benefit, as per prevailing norms under section 62 of income tax ordinance 2001.

## Free Look Period

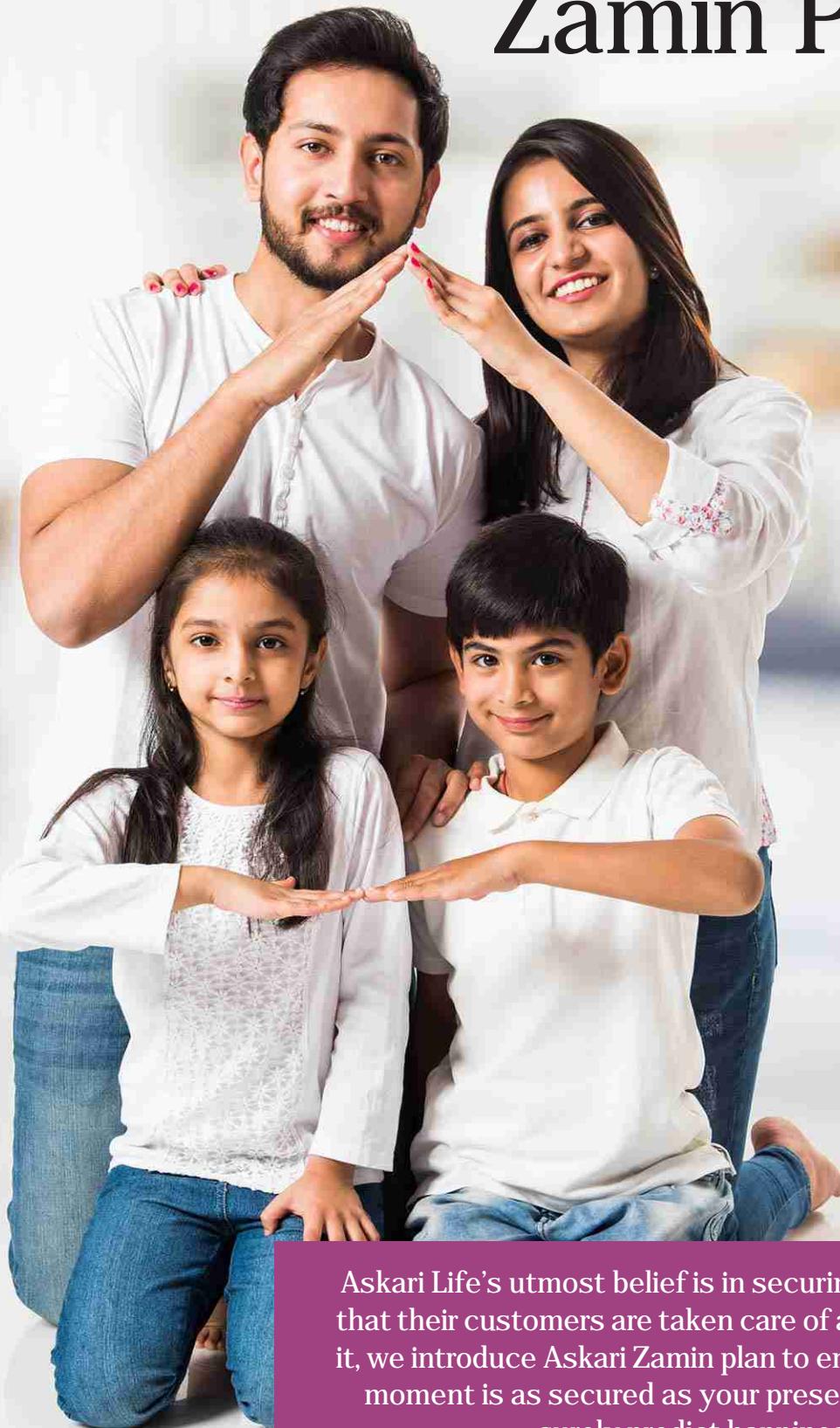
Life insurance plan is a long-time commitment towards your goal to provide desired financial security and prosperity to yourself and your loved ones. However, in case you realize that you are not satisfied with the product offering, you need not to worry, as Askari Life offers a free look period where you can return the policy documents within 14 days and get 100% refund.

# Optional Benefits

Apart from standard applicable benefits such as protection and investment, Askari Value also offers you additional benefits, and the liberty to choose from various optional insurance benefits, based on your goals and financial capabilities.

- School Fee Waiver
- Hospitalization Coverage
- Monthly Income Benefit
- Waiver of Premium (Disability)
- Waiver of Premium (Death)
- Accidental Death & Disability Rider
- Level Term Rider (Additional Coverage Option)
- Critical Illness Rider
- Major Surgery Benefit

# Askari Zamin Plan



Askari Life's utmost belief is in securing and ensuring that their customers are taken care of and to live up to it, we introduce Askari Zamin plan to ensure your next moment is as secured as your present and you can surely predict happiness in future too!

# Key Features

## Capital Protection

Askari Zamin Plan aims to preserve your principal amount while offering better returns. Hence, even if the market sees unforeseen circumstances at any time, you can be at the peace of mind of getting back the amount you paid over the period of time considering you have remained inforce for at least 10 years.

## All in one Package!

As we go through each stage in life, our financial responsibilities change. Our perspective on life and savings changes with time. Being conscious about your changing needs, Askari Zamin Plan not only provides long-term protection from unforeseen circumstances but also brings prosperity into your life. Whether you are at the beginning of your career, have just started a family, require funds for your child's education or marriage or would like to plan for your retirement, all possibilities are ensured through this plan.

## Strengthen your Child's Future

When a child is born, a dream is born. We, being a parent, would want to shape that dream and bring it to reality in the best possible way. Either it's the question of providing top-quality education or making best arrangement for their marriage, we always want the best for our child. Askari Zamin Plan helps you in achieving all those dreams with ease, as this plan offers one of the most effective ways to keep your child's future secured along with the peace of mind of opting for various exclusive benefits and coverage enhancement options that can be tailored as per your child's future financial needs.

## Make Your Own Plan

With Askari Zamin Plan, you can design the future you want for yourself! It provides you the flexibility to personalize your plan according to your own goals and family's unique lifestyle. There are many flexible options this plan provides one of which is altering your investment and protection level. In addition to flexibility, you can also opt from various optional add-ons with the help and expert advice of our certified financial advisor that will add more benefit to your policy.

## Additional Investment Option (Top-up)

This feature provides additional flexibility to your existing plan.

# Optional Benefits

Apart from standard applicable benefits such as protection and investment, Askari Zamin Plan also offers you additional benefits, and the liberty to choose from various optional insurance benefits, based on your goals and financial capabilities.

- School Fee Waiver
- Financial Support against Chronic diseases
- Hospital's Stay Expense Covered for up to 60 days in case of Accident
- Hospital of your choice!
- Monthly Income Benefit
- Waiver of Premium (Disability)
- Waiver of Premium (Death)
- Accidental Death & Disability Rider
- Level Term Benefit (Additional Coverage Option)
- Critical Illness Benefit

If you have any additional funds available at any stage, you can park them as investment under Askari Zamin Plan during the course of the policy term that will further enhance your cash value. Many people use this option to make yearly premium payment by placing additional investment as top-up with their policy.

## Cover Multiple (Life Insurance Protection)

A sudden demise of a bread-earner can make many lives difficult. In that case financial security for your family is of utmost priority. With Askari Zamin plan, you can ensure desired financial security for your family by fixing a significant lump sum amount, as much as you anticipate would be enough to fulfill their future financial needs, which could be set as high as 200 times of the premium amount.

## Anytime Cash Access

What do you do when you have an urgent requirement of cash? You either borrow it from someone or sell your valuables. To save you from all those hassles and to fulfil your urgent cash requirement, Askari Zamin Plan offers a valuable loan facility and easy access to cash (of up-to 50% of your account value).

## Inflation Protection

It's an unfortunate fact that the money we have is worth a little less every day. As rising inflation erodes all our savings bit by bit, we need a plan to keep our savings intact. Askari Zamin Plan offers this unique feature dedicated to combat inflation with just 5% increment in the premium every year.

## Tax Credit

With Askari Zamin Plan, you can also avail tax benefit, as per prevailing norms under section 62 of income tax ordinance 2001.

## Free Look Period

Life insurance plan is a long-time commitment towards your goal to provide desired financial security and prosperity to yourself and your loved ones. However, in case you realize that you are not satisfied with the product offering, you need not to worry, as Askari Life offers a free look period where you can return the policy documents within 14 days and get 100% refund.



# Askari Sarparast Falak

Askari Sarparast Falak and Askari Sarparast Mashaal Family Takaful Certificates providing both long and short term options to Participant, with the flexibility to choose the contribution payment term and coverage term that best suit your savings needs and affordability.



## Key Features

### Shariah Compliant Investment Package

Askari Life-Window Takaful Operations has designed a Shariah compliant family Takaful Certificate that ensures the fulfillment of your changing needs at each life cycle. This family Takaful Certificate provides a long term investment and protection plan with low but shared risks according to the Shariah guidelines.

You can be at any stage of your life and find this plan to be understanding of your needs because of its low risk profile and high returns due to the nature of its term.

### Design Your Customized Solution

With both certificates you can design the future you want for yourself! It provides you the flexibility to personalize your plan according to your own goals and family's unique lifestyle. There are many flexible options the plan provides, such as altering your investment and protection level. In addition to flexibility, you can also opt from various optional add-ons with the help of our certified financial advisor, who will add more benefit to your certificate.

Moreover, the fund structure offers a wide range of investment in; Upto 100% in Sukuks, Upto 50% in KMI 30 Equities, Upto 30% in Islamic TFCs, Upto 50% in Mutual Funds, Upto 30% in Real Estate and Upto 100% in Islamic Bank /Term Deposits.

### Free Hajj Coverage

Our Family Takaful protection ensures the security of the person covered on their walk in the name of God. In case of any unforeseen instance that result in the demise of a the person covered which occurs due to any accident during Hajj, Askari Life-Window Takaful Operations will provide Rs. 2.5 million as coverage to the beneficiary(ies) of the certificate.



# Askari Sarparast Mashaal

## Additional Investment Option (Top-Up)

This feature provides additional flexibility to your existing plan. If you have any additional funds available at any stage, you can place them as investment under Sarparast Falak during the course of the certificate term that will further enhance your cash value. Many people use this option to make yearly contribution payment by placing additional investment as top-up with their certificate. The minimum amount you can top up your certificate with is Rs. 10,000/- which will be allocated at a 100%.

## Tax Credit

With both certificates, you can also avail tax benefit, as per prevailing norms under section 62 of income tax ordinance 2001.

## Protection Multiple (Cover Multiple)

A sudden unforeseen event can affect many connected lives. In that case financial security for your family is of utmost priority. With Sarparast Falak, you can ensure desired financial security for your family. You can fix a significant lump sum amount as much as you anticipate from the available maximum cover that would be enough to meet your future financial needs.

## Optional Benefits

Apart from standard applicable benefits such as protection and investment, Sarparast Falak also offers you additional benefits, and the liberty to choose from various optional benefits, based on your goals and financial capabilities subject to additional Waqf Donation.

- School Fee Waiver
- Hospitalization Coverage
- Major Surgery Benefit
- Anmol Zindagi Supplementary Benefit
- Waiver of Contribution Supplementary Benefit (Death)
- Waiver of Contribution Supplementary Benefit (Disability);  
Special needs, special benefits
- Accidental Death & Disability Supplementary Benefit
- Level Term Family Takaful (Additional Coverage Option)
- Critical Illness (CI) Supplementary Benefit
- Monthly Income Benefit

# Askari Muhaffiz Plan



The ongoing worldwide pandemic being Covid-19 that shook the world recently was a shocker for some as it made individuals value life much more. Life became more precious while relationships strengthened more than ever.

Hence we Introduce "Askari Muhaffiz Plan", a health and life protection plan that is specially designed considering how precious your life and health are as it prepares you to face any unforeseen challenges without a doubt!

# One of its kind Benefits!

## Financial Support against Chronic diseases

Whenever there is a situation of a global pandemic, people realize the value of life more than ever. These are the times when people get closer to their loved ones and understand the importance of keeping theirs and their family's lives safe. Taking this into consideration, Askari Life realized that situations when people get affected by chronic diseases are not less than any other major threats that arise due to pandemics or unforeseen circumstances. Thus, financial planning for such conditions or preparation to face them without any difficulties is equally important!

Samba Muhaffiz Plan offers this exclusive benefit that provides you with 20% of the total sum assured amount in case you undergo surgery for any of the below mentioned chronic diseases, so you can manage your hospital bills and expenses without any obstacles. This includes;

- Heart Diseases treatment
- Cancer treatment
- Major Organ Transplant
- Neurological Diseases treatment

This benefit is specifically designed to offer living benefits to our customers as depicted in our Brand's mantra of "Jee Lo Har Ghari" so you and your loved ones continue living your life & enjoying every moment to the fullest!

## Exclusive Protection Against COVID-19

Covid-19 is one of the biggest health concerns which is believed to have a long term impact on the lives of people. With Samba Muhaffiz Plan, you can prepare for the worst in the best possible way as we will be there to take care of you and your loved ones by providing 50% extra amount of the sum assured in case of demise due to Covid-19.

## Double Financial Protection against Accidental Fatality

In the journey of life, you always walk an extra mile to provide better future to your family. However, this journey of life is full of uncertainties; you never know how the future will unveil. In today's scenario, with the increase in the number of instances of accidents, it is imperative to shield your family's future against such eventuality. Askari Life protection solution against accidents, offers an additional financial security of up to 4 million, to your family in the event of an accident that may result a sudden demise or permanent disability.

# Additional Benefits

## Life Protection Solution

This worldly life, no matter how desirable it might be, is temporary and everyone has to leave one day or the other. But to plan the life that we live and the life that our family will live in our absence in the most desirable way, is what every individual wants. However, a sudden demise of a bread-earner without prior financial planning can make many lives difficult. And that is why Askari Life asks you to leave all your worries with us as with our Samba Muhaffiz Plan, you can ensure desired financial security for your family by choosing a lump sum amount of as much as PKR 2,000,000 which will be given to your family in case of any unpleasant incident or in your absence.

## Complete Protection for your Loved Ones

Samba Muhaffiz Plan gives you the chance to protect not only your life but also the lives of those who mean the world to you! Hence, by paying an additional amount, all the benefits mentioned above can be availed by your family as well.

## Free Look Period

Life insurance plan is a long-time commitment towards your goal to provide desired financial security and prosperity to yourself and your loved ones. However, in case you realize that you are not satisfied with the product offering, you need not to worry, as Askari Life offers a free look period where you can return the policy documents within 14 days and get 100% refund.

# Anmol Family Takaful



The Takaful system is based on shared responsibility, brotherhood, solidarity and mutual cooperation, where risk is shared collectively by a group of participants, who by paying contributions to a common fund, agree to jointly help member against loss or damage to any one of them as defined in the pact.

## Key Features

### All in one Package!

As we go through each stage in life, our financial responsibilities, our perspective in life change with time. Being conscious about your evolving needs, Anmol Family Takaful Plan not only provides protection from unforeseen circumstances but also brings the desired peace of mind for everyone as you would be certain about your health and wellness and can live life in peace to the fullest!

### Financial Support against Chronic diseases

Imagine having to worry about your finances in case of undergoing a surgery. Such a calamity can create a havoc in your family. Thus, financial planning for such conditions or preparation to face them without any difficulties is equally important!

Anmol family Takaful Plan offers this exclusive benefit that provides you with an upfront financial support of up to 20% of the sum covered value you in case you undergo surgery for any of the below mentioned chronic diseases, so you can manage your hospital bills and expenses without any obstacles. This includes;

- Heart Diseases treatment
- Cancer treatment
- Major Organ Transplant
- Neurological Diseases treatment

This benefit is specifically designed to offer living benefits to our participants as depicted in our Brand's mantra of "Jeelo Har Ghar" so you and your loved ones continue living your life & enjoying every moment to the fullest!

### Hospital's Stay Expense Covered for up to 60 days in case of Accident

Leading a healthy lifestyle in the modern high-stress routines is challenging. Medical emergencies can arise without any intimation. At such times, treatment costs can put a huge financial burden on families. Sometimes, such huge payments can cause imbalances in your family finances.



# Tahaffuz Family Takaful

To ensure that you are well protected against unforeseen medical expenses, Anmol Family Takaful Plan brings you a unique benefit which offers hospitalization coverage (only on accidental hospitalization), as per which, in case of hospitalization due to accident, you will get a coverage of Rs.2500/day, for up to 60 days, thus, a maximum coverage of Rs.150, 000 at any hospital of your choice.

## Exclusive Protection against Covid-19

Covid-19 is one of the biggest health concerns which is believed to have a long term impact on the lives of people. With Anmol Family Takaful Plan, you can prepare for the worst in the best possible way as we will be there to take care of you and your loved ones by providing 50% extra amount of the sum covered in case of demise due to Covid-19 (can be availed during the first 6 months of the certificate issuance)

## Money Back Guarantee

Family Takaful Certificate is a commitment towards your goal to provide desired financial security and prosperity to yourself and your loved ones. However, in case you realize that you are not satisfied with the product offering, you need not to worry, as Askari Life-Window Takaful Operations offers a free look period where you can return the Participant's Membership documents within 14 days and get 100% refund.

## Protection Benefit

How well your future may be planned? Your protection along with your loved ones protection is priceless! Our Family Takaful Protection benefit ensures the financial safety of you and your family in cases of unfortunate events. The Certificate pays the beneficiary (ies) a fixed amount.

## Monthly Income Benefit

This certificate also offers monthly income benefit, through which in case of any unforeseen circumstance in the covered person's life as defined in the Provisions in this Documents, Askari Life-Window Takaful Operations will pay a monthly income up to 15 months to the beneficiary (ies) of the certificate.

## Free Look Period

Family Takaful Certificate is a commitment towards your goal to provide desired financial security and prosperity to yourself and your loved ones. However, in case you realize that you are not satisfied with the product offering, you need not to worry, as Askari Life-Window Takaful Operations offer a free look period where you can return the Participant's Membership Documents (PMD) within 14 days and get a 100% refund of contribution.



# CEO Message

Askari Life management team made concerted efforts to maintain growth momentum in 2021 capitalizing on the strong foundations laid down in preceding years. Despite the challenging environment, Askari Life team showed immense resilience to improve product structures and incentives to help engage new partners for distribution. Towards the last quarter, Company expanded its direct sales footprint by increasing distribution network in all the major cities of Pakistan.

Competent teams of professionals at Askari Life are continuously striving for bringing innovative products in conventional and Takaful space alongside building cost effective yet scalable distribution strategies. By the grace of Almighty, Company maintained its growth path by increasing individual life and corporate business. Management team is confident of competitive business results in coming years due to efficiency in operational infrastructure and increased demand for Life Insurance products.

Our teams make our work meaningful and exciting, boasting a culture of transparency and collaboration, allowing individuals to deliver at their best. I want to thank our customers, distributors, partners and shareholders for placing their trust in our team and brand. I also want to thank our employees for their outstanding commitment to our core values and dedication to making Askari Life a trusted financial partner.



Jehanzeb Zafar  
CEO Askari Life

# Company Information

## Board of Directors

Lt. Gen. Naveed Mukhtar (Retd)

Chairman/ Non-Executive Director

Air Vice Marshal Muhammad Athar Shams (Retd)

Non-Executive Director

Malik Riffat Mahmood

Non-Executive Director

Javed Yunus

Non-Executive Director

Ayesha Rafique

Independent Director

Tariq Hameed

Independent Director

Jehanzeb Zafar

CEO/ Executive Director

## Board Committees

### Audit Committee

Tariq Hamid Chairman

Malik Riffat Mahmood Member

Muhammad Nadeem Rajput Secretary

### Investment Committee

Malik Riffat Mahmood Chairman

Air Vice Marshal Muhammad Athar Shams (Retd) Member

Jehanzeb Zafar Member

Muhammad Azmatullah Sharif Member

Rehan Mobin Member

Muhammad Nadeem Rajput Secretary

### Ethics, Human Resource Remuneration & Nomination Committee

Ayesha Rafique Chairperson

Air Vice Marshal Muhammad Athar Shams (Retd) Member

Jehanzeb Zafar Member

Salman Ahmad Saeed Secretary

# Management Team

Muhammad Azmatullah Sharif  
Chief Operating Officer

Khalid Nazir  
Corporate Sales

Rehan Mobin  
Chief Financial Officer

Zeeshan Haider  
Bancassurance

Syed Ali Imran  
Distribution Services

Atif Usman  
Internal Audit

Salman Ahmad Saeed  
Human Resource and Administration

Muhammad Nadeem Rajput  
Company Secretary

Sohail Siddiqui  
Information Technology

Atif Shamim Syed  
Compliance

# Management Committees

## Risk Management & Compliance Committee

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

## Underwriting & Reinsurance Committee

Air Vice Marshal Muhammad Athar Shams, (Retd)	Chairman
Jehanzeb Zafar	Member
Muhammad Azmatullah Sharif	Member
Sumair Sarwar	Member & Secretary

## Claim Settlement Committee

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 Avais 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 21 36269941-44,  
UAN: +92 (021) 111-225-275  
Fax: +92 21 3514 7540

## Website

[www.askarilife.com](http://www.askarilife.com)

## Email

[info@askarilife.com](mailto: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 21 111-000-322  
Fax: +92 21 35310191  
E-mail: [secretariat@thk.com.pk](mailto:secretariat@thk.com.pk)  
Web: [www.thk.com.pk](http://www.thk.com.pk)

## Bankers

Askari Bank Limited  
Allied Bank Limited  
Summit Bank Limited  
MCB Bank Limited  
Habib Bank Limited  
JS Bank Limited  
Al Baraka Bank (Pakistan) Limited  
Silk Bank Limited  
Samba Bank Limited

## **CHAIRMAN'S REVIEW**

It gives me personal pleasure to present the 29th Annual Report for the year ended December 31, 2021 to the stakeholders of Askari Life Assurance Company Limited on the overall performance of the Board and the effectiveness of its role in achieving the objectives of the Company.

### **THE ECONOMY**

Year 2021 remained a tough year for the country's economy. Pakistan's economic landscape continues to face pressures from deficit in current account, devaluation in Pak Rupee and higher inflation.

The year 2021 was expected to be a better year for the economy of Pakistan due to widespread vaccine deployment throughout the country. COVID-19 has been contained to a vast extent, however, the battle with the pandemic is far from over.

Pakistan is focusing on various economic stimuli designed to boost the economy of the country. However, the lingering effect of the pandemic have made the economic situation uncertain. This is further aggravated by the war in Ukraine which has resulted in rising oil prices and inflation.

Among domestic factors, political stability, the pace of governance reforms, security situation, impact of climate change on our agriculture, successful implementation of forthcoming trade, industrial and economic diplomacy policies would be decisive factors for Pakistan's economy this year.

Increasing awareness for Insurance products, low Insurance penetration and high interest rates indicate fertile market for life assurance products. Askari Life is building strong foundations to evolve into a leading financial services company by creating value for our policyholders and our community.

### **COMPANY'S FINANCIAL PERFORMANCE**

The Company's financial performance for the year 2021 was as follows:

- The gross premium written by your Company stood at Rs.834.92 million (including Takaful Contributions) as compared to the same period of 2020 which was Rs.449.26 million.
- Marketing & Administration expenses stood at Rs.185.53 million, (2020: Rs.180.46 million) and other expenses stood at Rs. 12.70 million, decrease by Rs. 12.49 million from the previous year (2020: 25.19 million),
- The Net Claim expenses stood at Rs.154.94 million, (2020: Rs.126.70 million),
- The Company's Investment portfolio currently stood at 1,021.25 million, as compared to the last year for December, 2020 which was Rs 909.45 million.

In 2021, all lines of business have shown tremendous growth, the Company has initiated distribution partnership for Bancassurance with Bank Al Baraka and received an impressive response from the market. It has become key focus of the company to enhance profitability by expanding distribution network while carefully monitoring the cost of acquisition and management of the existing business.

### **FUTURE PROSPECTS OF THE COMPANY**

In 2022 and beyond, the Company will continue to focus on 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 on a long-term basis. It is aimed to deliver sustainable, profitable growth in challenging and competitive business environment in order to reach leading position in the industry.

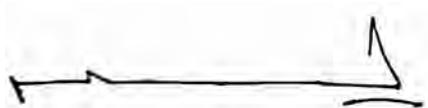
The company plans to continuing use of improved business technology to enable management to compete and operate effectively and efficiently. Due to the unprecedented economic situation posed by COVID-19, the Board and management are making all possible efforts to minimize its impact on the financials of the Company.

## ACKNOWLEDGEMENT

I would like to take this opportunity to express my sincere thanks to Pakistan Stock Exchange and the Securities and Exchange Commission of Pakistan (SECP) for their continued direction and support given in managing the affairs of the company in a prudent manner. I also wish to record my appreciation for the contribution made by the able and efficient officers, staff and sales force of the company towards its development and count on their continued effort for 2022.

My thanks and appreciation to our shareholders, whose trust is a source of confidence for us to make Askari Life a sound financial organization and a symbol of trust for the marketplace.

May Almighty Allah bless us all (Ameen).

A handwritten signature in black ink, appearing to read "Naveed Mukhtar". It consists of a long horizontal line with a small loop at the end and a vertical stroke above it.

Lt Gen Naveed Mukhtar, (Retd)  
Chairman  
Rawalpindi, March 28, 2022

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of your Company are pleased to present the Financial Statements along with the Auditors' Report for the year ended December 31, 2021. The external auditors of the Company have issued an un-qualified opinion on the financial statements.

### PRINCIPAL ACTIVITY

The Company is actively engaged in life insurance business. We provide individual life insurance / window Takaful, group/corporate life / window family takaful and accidental to companies all over Pakistan.

#### Operational Review

After acquiring majority shareholding of the Company, the Board has focused its attention towards rebuilding operational infrastructure of the Company to enable it to effectively compete in the market and target due share of business. To achieve this goal, the Board of your Company has considered both short term and long-term strategy for business.

2021 saw massive vaccine deployment throughout the country. Covid-19 related restrictions were eased considerably. This helped in rebuilding public confidence resulting in slow economic recovery. However, the battle with the pandemic is not over yet, and a level of uncertainty still persists.

During the second half of the year 2021, the economy of Pakistan started moving towards stabilization as a result of prudent monetary and fiscal policies, however, rising inflation has impacted the purchasing power of people. The insurance industry also faced non-pandemic challenges including talent retention, and evolving customer preferences.

In the year 2021, the company effectively managed all these challenges. It expanded the agency network through effective and efficient distribution strategy. There is significant growth in the Company's Group Life portfolio. The distribution structure of the company has been enhanced to capitalize on the expanding Takaful market. On the Bancassurance side, Company further widen its network by increasing distributor banks and making further inroads in existing network. The company is also effectively managing its existing portfolio in order to increase renewals and persistency.

The Company is exploring 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 are 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.

The management of the Company is fully committed to board's vision for the growth of business, provide services to the highest standards to policy holders, shareholders and other stakeholders of the Company.

#### Gross Premium:

During the year the Gross Premium written was as follows:

### Gross Premium:

During the year the Gross Premium written was as follows:

Statutory Funds	Gross Premium Rupees. in '000		
	2021	2020	Variance %
First Year	318,352	121,258	163%
Second Year Renewal	76,922	52,560	46%
Subsequent Year Renewal	45,472	7,351	519%
Single Premium	47,121	37,745	25%
Individual Premium	487,867	218,914	123%
Group Policies without cash value	347,053	230,350	51%
<b>Total</b>	<b>834,920</b>	<b>449,264</b>	<b>86%</b>

The change in the company's strategy has started showing results. During the year 2021, the gross premium written by your Company stood at Rs.834.92 million (including Takaful Contributions) as compared to the same period of 2020 which was Rs. 449.26 million.

The trust and confidence of our Policyholders/Takaful Participants reflected in all line of business and shown tremendous growth in business. The individual business Sales Team demonstrated exceptional performance and contribute 163% increase and written Rs. 318.35 million business as compared to Rs.121.25 million last year. Further the renewal of individual business and Group life business increased by 104% and 51% respectively.

### Expenses

During the year 2021, marketing & administration expenses stood at Rs.185.53 million (2020: Rs.180.46 million) the increase is mainly due to management expenses due to increase in business. Whereas other expenses stood at Rs. 12.70 million, decrease by Rs. 12.49 million from the previous year (2020: 25.19 million).

### Claims:

During the year 2021, net Claim expenses stood at Rs.154.94million, (2020: Rs. 126.70 million), that is consistent with increased in business.

### Investment and other Income

The Investment and other income for the year 2021 is Rs 64.37million as compared to the same period of 2020 of Rs 68.77 million.

The Company's Investment portfolio currently stood at 1,021.25 million, as compared to the last year for December, 2020 which was Rs 909.45 million. The increase in investment portfolio is the advance against equity received by Parent Company. The company is constantly looking for new investment opportunities and also considering the current economic and political situation of the country

### Company's Financial performance

Moreover, your Company's net loss (before tax) for the year 2021 stood at Rs.242.05 million, an increase of Rs. 3.7 million, (2020: Rs.238.35 million). The loss per share is PKR. 1.61 (2020 PKR 2.09)

### **Paid up Requirement of the Company:**

The Company maintains adequate capital to support its existing and planned business activities. The Company's paid-up capital has met the minimum capital requirement of Rs.700 million as prescribed by SECP in section 11 of the Insurance Rule 2017.

### **Retirement Benefits:**

The Company operates an unfunded gratuity scheme for its permanent employees. The amount of gratuity fund liability at year end has been computed by Actuary. Balance of unfunded Gratuity as at December 31, 2021 was Rs.23.47 million (2020: Rs.18.15million).

### **Investment in Associate Undertaking**

The Company has equity investment of Rs.0.251 million (Cost) in EAST West Insurance Company Limited, whereas the market value of investment as at December 31, 2021 was Rs. 0.583 million (2020: 0.565 million).

### **Related party transactions**

At each Board meeting, the Board of Directors approves the Company's transactions made with associated companies and related parties based on the recommendations of the Audit Committee. All such transactions are executed at arm's length basis.

### **Risk Management & Reinsurance:**

The Company's reinsurance arrangements are with the internationally recognized reinsurers, having high credit ratings.

The Company has developed the risk management policy and placed at the website of the Company required by Listed Companies (Code of Corporate Governance) Regulations, 2019. This policy provides the guidance to the Company regarding the management of risk within the Company to support the achievement of corporate objectives and ensure financial sustainability of the Company for effective decision making.

## **CORPORATE AND FINANCIAL REPORTING FRAMEWORK**

The Board is aware of its responsibilities as established by the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the following is stated:

- The financial statements are prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements, changes, if any, are appropriately disclosed in the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards and International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored
- Board of Directors propose the re-appointment of M/s RSM Avais Hyder Liaquat Nauman- Chartered Accountantsas recommended by the Audit Committee and recommended for shareholders' approval to hold the office of external auditors for the year ending December 31, 2022.
- The Board is ultimately responsible for the Company's system of internal control and reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve objectives, and by its nature can provide only reasonable and not absolute assurance against material misstatement or loss. Business strategies agreed to divisional level are approved by the Board. In addition, there is an annual budgeting and strategic planning process. Financial results are prepared quarterly and these strategies are reviewed during the year to reflect significant changes in the business environment.

- The principal features of control framework include:
- Evaluation and approval procedures for major capital expenditure and other transactions.
- Regular reporting and monitoring of financial performance of the Company as a whole, using operating developments and quarterly financial statements, which highlight key performance indicators and variance from budgets and quarterly forecasts.
- Review of the group's health, safety, environment contingency management processes and other significant policies.
  
- There are no doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance
- The key operating and financial data for the last six years is annexed.
- The statement of shareholding in the Company as December 31, 2021 is included with the Report.
- There has been no trading during the year in the shares of the Company carried out by the directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children.

#### **Composition of Board of Directors and their meetings**

- Total number of Directors are eight (8) which consists of
  - (a) Male: 07
  - (b) Female: 01
- The composition of Board of the Directors of the Company currently consists of following

Category	Names
Independent Directors	Ayesha Rafique Tariq Hameed
Executive Director	Jehanzeb Zafar - CEO
Non-Executive Directors	Lt Gen. Naveed Mukhtar, (Retd) Maj. Gen. Muhammad Muazzam Ali Goraya (Retd) Air Vice Marshal Muhammad Athar Shams (Retd) Malik Riffat Mahmood Javed Yunus

- During the year 2021, four(4) meetings of the Board of Directors were held and attendance position was as under.

Serial No	Name of Director	Number of Meetings Attended
01	Lt. Gen. Naveed Mukhtar (Retd.)	04 out of 04
02	Maj. Gen. Muhammad Muazzam Ali Goraya (Retd)	04 out of 04
03	Air Vice Marshal Muhammad Athar Shams (Retd)	04 out of 04
04	Malik Riffat Mahmood	03 out of 04
05	Tariq Hameed	03 out of 04
06	Javed Yunus	03 out of 04
07	Ayesha Rafique	04 out of 04
08	Jehanzeb Zafar - CEO	04 out of 04

Leave of absence was granted for the Director who could not attend the Board meetings.

#### **Composition of Board Committees:**

- The Board has formed the following Board committees:

1) Ethicas, Human Resource, Remuneration and Nominations Committee:

Name of the Member	Category
Ayesha Rafique	Chairperson
Maj. Gen. Muhammad Muazzam Ali Goraya (Retd)	Member
Air Vice Marshal Muhammad Athar Shams (Retd)	Member
Jehanzeb Zafar	Member
Salman Ahmed Saeed	Secretary

2) Investment Committee:

Name of the Member	Category
Malik Riffat Mahmood	Chairman
Air Vice Marshal Muhammad Athar Shams (Retd)	Member
Jehanzeb Zafar	Member
Rehan Mobin	Member

3) Audit Committee:

Name of the Member	Category
Tariq Hameed	Chairman
Maj Gen. Muhammad Moazzam Ali Goraya (Retd)	Member
Malik Riffat Mahmood	Member

4) Underwriting & Reinsurance Committee:

Name of the Member	Category
Air Vice Marshal Muhammad Athar Shams, (Retd)	Chairman
Jehanzeb Zafar	Member
Sumair Sarwar	Member & Secretary

5) Claim Settlement Committee:

Name of the Member	Category
Maj Gen. Muhammad Moazzam Ali Goraya, (Retd)	Chairman
Jehanzeb Zafar	Member
Rehan Mobin	Member
Bushra Aftab	Member & Secretary

6) Risk Management & Compliance Committee

Name of the Member	Category
Air Vice Marshal Muhammad Athar Shams, (Retd)	Chairman
Tariq Hameed	Member
Jehanzeb Zafar	Member
Rehan Mobin	Member
Atif Shamim Syed	Member & Secretary

### **Remuneration policy of Non-Executive Directors:**

The Board value the representation of independent directors and their expertise in the business. The remuneration policy is decided by the Board to appreciate member directors for their professional contribution towards the sustainability and growth of the Company. In addition of meeting fee, the directors are also reimbursed for travelling, boarding & lodging and ancillary expenses where needed by the respective Board members for attending the Board meetings. Board has also ensured the remuneration of independent directors shall be appropriate and commensurate with the level of expertise offered by Independent Directors. A formal Board Remuneration Policy is in place that serves as a guiding tower for establishing the remuneration of Board Members.

### **Challenges faced by the insurance industry:**

#### **Imposition Sales tax:**

Currently, the insurance industry is facing 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 25.1.3 of the Audited Financial statements.

#### **Compliances of AML requirements:**

Furthermore, life insurance companies are also facing the challenges in the implementation of the stringent Anti Money laundering (AML) requirements imposed by the SECP. In order for effective implementation of AML regulations, SECP arranged necessary awareness sessions for the insurance companies on AML regulations from time to time and at different sessions of the SECP, the representatives from insurance industry have raised their concerns and at length discussed the challenges in the implementation of AML regulations and Companies have also requested the SECP for providing of necessary support to Companies for an effective compliances of AML regulations in letter & spirit.

Furthermore, Companies are facing numerous challenges in the collection of customer due diligence documents regarding their source of funds and due to the lack of awareness on AML regulations.

#### **Code of Conduct**

The Board of Directors has adopted the professional standards and corporate values in conducting the business of life insurance with honesty and integrity. The roles & responsibilities of the Company & employees towards the stakeholders are mentioned in the form of code of conduct as whole, the Board is taking necessary steps to disseminate the code of conduct throughout Company and is also available on the website of the Company.

### **FUTURE OUTLOOK**

During 2021, Pakistan carried out mass vaccination of its population but the economy faced many challenges related to COVID -19 and its after effects. The Board of Directors and the management of your company are making every effort to deal with and minimize the effect of the same on the Company's finances and seeking new opportunities arising post pandemic.

In 2022 and beyond, management of the company will maintain focus on development of distribution network to promote new marketing strategy and yield optimum value for shareholders. The company will continue its focus on increasing business by introducing Bancassurance partnerships and capitalise on demand for Takaful products. Our efforts to explore distribution are not limited to Bancassurance, company will also explore and build avenues such as alternative distribution and direct sales. Alongside increase in premium growth, company will take concrete steps to improve profitability by improving internal controls and operational efficiency. The company will continue its efforts for the sustainability of the business by providing better services to its customer and building value for its shareholders.

Company will critically analyse and monitor of cost of business acquisition to improve the profitability while at the same time special focus will be given on retention and motivation of the sales team by career development and compensation programs.

Your management is certain that focus on the above objectives will result in improvement of the financial results while developing an improved corporate culture within the organization. The company is focused on the Boards vision and strategy, which, we are confident, will be mutually beneficial for the policyholders and shareholders of the organization.

#### **STATEMENT OF CODE OF CONDUCT**

The Board has adopted the statement of Code of Conduct. All employees are informed of this statement and are required to observe these rules of conduct in relation to business and regulations.

#### **REGISTERED OFFICE:**

The Company has registered office is in Rawalpindi

#### **DIVIDEND**

The Board of Directors suggest that no dividend shall be declared for the year ended December 31, 2021, as Company has to focus on expanding business reach while maintaining solvency.

#### **PATTERN OF SHAREHOLDING**

The pattern of shareholding, as required by section 236 of the Companies Act 2017 and Code of Corporate Governance is enclosed.

#### **STATUTORY AUDITORS**

The present Auditors, M/s RSM Avais Hyder Liaquat Nauman Chartered Accountants, (Chartered Accountants) retire after the completion of current year term. The Board of Directors hereby propose the reappointment of M/s. RSM Avais Hyder Liaquat Nauman- Chartered Accountants for the financial year 2022, on the recommendation of the Audit Committee.

#### **ACKNOWLEDGEMENT**

The directors would like to take this opportunity to extend their gratitude to the Securities and Exchange Commission of Pakistan (SECP) for their continued guidance and support to the company's management.

The board also wishes to sincerely thank the company's loyal policyholders and corporate clients for placing their trust and confidence in our organization.

The Directors also wish to record their appreciation for the extraordinary efforts of the management staff and field force of the company towards its development and growth. Their constant dedication to high ethical standards, client service and hard work will make your company an important member among the private sector life insurers.

Further, the Board would like to thank the Insurance Association of Pakistan (IAP) for their guidance, support and invaluable representation of our industry.

The Board also like to thank the reinsurers and bankers of the Company for their support and efforts towards the betterment of our business processes.

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

For and on behalf of the Board of Directors



Director



Chief Executive Officer

Date: March 28, 2022

## حصص یافتگان کے لئے ڈائریکٹر زر پورٹ ۲۰۲۱ء

کمپنی ڈائرکٹر، ۳۱ ستمبر ۲۰۲۱ء کو ختم ہونے والے سال کیلئے، بورڈ کی سالانہ رپورٹ اور آڈیٹ شدہ مالیاتی بیانات، بشمول آڈیٹر زر پورٹ، پیش کرنے میں مسروت محسوس کرتے ہیں۔ کمپنی کے خارجی آڈیٹر نے مالیاتی بیانات پر غیر مشروط طرائے دی ہے۔

### اہم سرگرمی

کمپنی تنہ ہی سے بیمه زندگی کے کاروبار میں مشغول رہی ہے۔ ہم پاکستان بھر میں لوگوں اور کمپنیوں کو انفرادی بیمه زندگی / ونڈ و تکافل گروپ / کار پوریٹ لائف / ونڈ و تکافل اور حادثاتی بیمه فراہم کرتے ہیں۔

### آپریشنل جائزہ

کمپنی کی اکثریتی حصہ شماری حاصل کرنے کے بعد، بورڈ نے اپنے توجہ کمپنی کے آپریشنل انفارسٹرکچر کو مارکیٹ میں موثر طور پر مقابلہ کرنے اور کاروبار کے صحیح اهداف بنانے کے قابل ہونے کے لئے دوبارہ تشكیل دینے پر مرکوز کر دی ہے۔ اس ہدف کے حصول کے لئے آپ کی کمپنی کے بورڈ نے کاروبار کے لئے قبل المدت اور طویل المدت حکمت عملی پر غور کیا ہے۔

۲۰۲۱ء میں ملک بھر میں ویسین کی بے پناہ صفائی رائی دیکھنے میں آئی۔ کووڈ ۱۹ سے متعلق پابندیوں میں کافی آسانیاں دی گئیں۔ اس سے عوام کے اعتناء بحال کرنے میں مددگر جو معاشی بحالی گرچہ ست کا نتیجہ ثابت ہوئیں۔ البتہ، اس عالمی وباء سے جنگ ابھی ختم نہیں ہوئی ہے اور غیر یقینی یا ایک پیانا بھی قائم ہے۔

۲۰۲۱ء کی دوسری ششماہی کے دوران، پاکستان کی معیشت محتاط مالی اور مالیاتی پالیسیوں کے نتیجے میں استحکام کی جانب گامزن ہے، البتہ، بڑھتے ہوئے افراط از رز نے عوام الناس کی قوت خرید پر اثر ڈالا ہے۔ بیمه اندھر کو بھی عالمی وباء سے ہٹ کر چینجز کا سامنا ہوا جس میں قابلیت اور مہارت کو روکنے اور صارف کی ترجیحات کا ارتقاء شامل ہیں۔

۲۰۲۱ء میں، کمپنی نے موثر طور پر ان چینجز کا مقابلہ کیا۔ کمپنی نے موثر اور کارگز ارتقیم کاری کی حکمت عملی کے ذریعے ایک نیٹ ورک پھیلایا۔ کمپنی کے گروپ لائف پورٹ فولیو میں نمایاں نشوونما ہوئی ہے۔ کمپنی کے تقسیم کارڈ ہانچے میں بڑھتی ہوئی تکافل مارکیٹ پر سرمایہ کاری کرنے کے لئے اضافہ کیا گیا ہے۔ بینکوں کے شعبے میں، کمپنی نے اپنے نیٹ ورک کو تقسیم کاربینکوں میں اضافہ کر کے اور موجودہ نیٹ ورک میں مزید بہتری کے ذریعے زیادہ وسیع کر دیا ہے۔ تجدیدوں اور ثابت قدمی کو بڑھانے کیلئے کمپنی اپنے موجودہ پورٹ فولیو کا بھی موثر طور پر انتظام چلا رہی ہے۔

کمپنی و باء کے ختم ہونے کے بعد پیدا ہونے والے موقع بھی تلاش کر رہی ہے کیونکہ یہ واضح ہوا ہے کہ صحت یا زندگی کا خطرہ بے آسانی ایک مالیاتی خطرے میں منتقل ہو سکتا ہے چنانچہ ہماری رائے میں، لوگ اپنی آمنی اور بچتوں کے حوالے سے خطرہ مول یعنے کے بہت زیادہ مخالف ہیں جس سے آنے والے وقت میں صارفین کے بیہدہ حیات کی پروٹکٹس کے بارے میں احساس پر ایک ثابت اثر قائم ہو گا۔

کمپنی کی انتظامیہ نے، کمپنی کے کاروبار کی نشوونما کیلئے، پالیسی ہولڈرز، حص کنندگان اور کمپنی کے دیگر اسٹیک ہولڈرز کو اعلیٰ ترین درجے کی خدمات فراہم کرنے کے بورڈ کے ویژن پر خود کو مکمل طور پر پابند کیا ہوا ہے۔

### مجموعی پریمیم

سال کے دوران، مجموعی پریمیم کی صورت حال درج ذیل رہی:

فرق	قانونی فنڈر		مجموعی پریمیم 000 روپوں میں
	2020	2021	
163%	121,258	318,352	پہلے سال
46%	52,560	76,922	دوسرے سال تجدید
519%	7,351	45,472	سال ما بعد تجدید
25%	37,745	47,121	سنگل پریمیم
123%	218,914	487,867	انفرادی پریمیم
51%	230,350	343,053	نقد ندر کے بغیر گروپ پالیسیاں
86%	<b>449,264</b>	<b>834,920</b>	<b>ٹوٹل:</b>

کمپنی کی حکمت عملی کی تبدیلی نے متاثر کھانے شروع کر دیے ہیں۔ ۲۰۲۱ء میں آپ کی کمپنی کا مجموعی پریمیم، ۲۰۲۰ء کے اسی دورانے کے مقابلے میں جو 449.26 ملین روپے تھا، (بیشمول تکافل کثیری بیوشن) 834.92 ملین روپے رہا۔

ہمارے پالیسی ہولڈرز/تکافل شراؤکت داروں کا ہم پر اعتماد اور یقین کاروبار کی تمام مددوں میں ظاہر ہوا جس سے کاروبار میں غیر معمولی نشوونما دیکھنے میں آئی۔ انفرادی کاروبار کی سیلزٹیم نے غیر معمولی کارکردگی کا مظاہرہ کیا اور 163 نیصد اضافہ پیش کیا اور پچھلے سال کے 121.25 ملین روپے کے مقابلے میں 318.35 ملین روپے کا کاروبار دیا۔ اسکے علاوہ انفرادی کاروبار کی تجدید اور گروپ لائف کاروبار بالترتیب 104 نیصد اور 51 نیصد بڑھ گیا۔

## آخرات

۲۰۲۱ء کے دوران، مارکیٹنگ اینڈ ایڈمنیسٹریشن اخراجات 185.53 ملین روپے رہے (۲۰۲۰: 180.46 ملین روپے)۔ یہ اضافہ خاص طور سے کاروبار میں اضافے کی وجہ سے انتظامی اخراجات کے باعث ہے۔ جبکہ دیگر اخراجات 12.70 ملین روپے رہے، جن میں پچھلے سال کے مقابلے میں 12.49 ملین کی کمی آئی (۲۰۲۰: 25.19 ملین روپے)۔

## کلیموں

۲۰۲۱ء کے دوران، اصل کلیموں اخراجات 154.94 ملین روپے رہے (۲۰۲۰: 126.70 ملین روپے) جو کہ کاروبار میں اضافے کے اعتبار سے مطابقت رکھتا ہے۔

## سرماہی کاری اور دیگر آمدن

۲۰۲۱ء کیلئے سرماہی کاری اور دیگر آمدن ۲۰۲۰ء کے اسی دورانے کے مقابلے میں جو کہ 68.77 ملین روپے تھی، 64.37 ملین روپے رہی۔

کمپنی کا سرماہی کاری پورٹ فولیو پچھلے سال دسمبر ۲۰۲۰ء کے اسی دورانے کے لئے جو کہ 909.45 ملین روپے تھا، حالیہ طور پر 1,021.25 ملین روپے رہا۔ سرماہی کاری پورٹ فولیو میں یہ اضافہ بانی کمپنی سے ایکویٹی کی مدد میں حاصل ایڈوانس ہے۔ کمپنی نے سرماہی کاری کے نئے موقع پر مسلسل نظر رکھی ہوئی ہے اور ملک کی موجودہ معاشی اور سیاسی صورت حال کو بھی مدنظر رکھا ہوا ہے۔

## کمپنی کی مالی کارکردگی

مزید برآں ۲۰۲۱ء کے لئے آپ کی کمپنی کا اصل نقصان (قبل از ٹکس) 242.05 ملین روپے رہا، جس میں 3.7 ملین کا اضافہ ہوا۔ (۲۰۲۰: 238.35 ملین روپے)۔ فی حصہ نقصان 1.61 روپے رہا (۲۰۲۰: 2.09 روپے)۔

## کمپنی کی پیداپ ضرورت

کمپنی اپنی موجودہ اور زیر منصوبہ کاروباری سرگرمیوں کو سہارا دینے کیلئے مناسب سرماہی برقرار رکھتی ہے۔ کمپنی نے 700 ملین روپے کی کم از کم سرماہی کی ضرورت کو پورا کر دیا ہے جو کہ سیکیورٹیز اینڈ ایچینج کمیشن آف پاکستان کے انشورنس قوانین 2017 کی شق 11 میں مقرر کی گئی ہے۔

## ریٹائرمنٹ پروفائل

کمپنی اپنے مستقل ملازمین کیلئے ایک غیر فنڈ شدہ گریجوٹی اسکیم چلاتی ہے۔ سال کے اختتام پر گریجوٹی فنڈ کی واجب الادائیگیوں کی رقم کا حساب انکپوری کی طرف سے کیا گیا ہے۔ ۳۱ دسمبر ۲۰۲۱ء کو غیر فنڈ شدہ گریجوٹی کا میزان 23.47 ملین روپے تھا (۲۰۲۰: 18.15 ملین روپے)۔

## مربوط اقرار میں سرمایہ کاری

کمپنی نے ایسٹ ولیٹ انشورنس کمپنی لمبیڈ میں 0.251 ملین روپے (لاگت) کی ایکوئی سرمایہ کاری کی ہے جبکہ سرمایہ کاری کی مارکیٹ ولیٹ ۳۱ دسمبر ۲۰۲۱ء کو 0.583 ملین روپے تھی (۲۰۲۰: 0.565 ملین روپے)۔

## متعلقہ فریق سے لین دین

ہر بورڈ میٹنگ میں، بورڈ آف ڈائریکٹر ز آڈٹ کمیٹی کی سفارشات پر مربوط کمپنیوں اور متعلقہ فریقین سے کتنے جانے والے والے لین دین کی منظوری دیتے ہیں۔ ایسے تمام لین دین آرمز لینچ (arm's length) کی بنیاد پر کئے جاتے ہیں۔

## رِسک میجنٹ اور ری انشورنس

کمپنی کے ری ان سورنس انتظامات بین الاقوامی طور پر تسلیم شدہ، اعلیٰ کریڈٹ درجات کے حامل ری ان سورز کے ساتھ ہیں۔

لِسٹنگ کمپنیز (کوڈ آف کارپوریٹ گورننس) قوانین، 2019 کی ضرورت کے تحت، کمپنی نے رِسک میجنٹ پالیسی تیار کر لی ہے اور اسکو کمپنی کی ویب سائٹ پر ڈال دیا گیا ہے۔ یہ پالیسی کارپوریٹ مقاصد کے حصول میں مدد دینے کیلئے کمپنی کے اندر خطرے کی تنظیم سے متعلق کمپنی کو رہنمائی فراہم کرتی ہے اور موثر فیصلہ سازی کے لئے کمپنی کے مالی استحکام کو یقینی بناتی ہے۔

## کارپوریٹ اور مالیاتی روپریگک کافریم ورک

بورڈ، سکیورٹیز اینڈ ایچیچیخ کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کی طے کردہ ذمہ داریوں سے آگاہ ہے۔ چنانچہ، درج ذیل پیش ہیں:

- کمپنی کی انتظامیہ کے تیار کردہ مالیاتی بیانات اس کے امور کو، اسکے آپریشنز کے نتائج، نقدر قوم کے بہاؤ اور ایکوئی میں تبدیلیاں واضح طور پر پیش کرتے ہیں
- کمپنی نے تمام تر کھاتے صحیح طور پر مرتب کئے ہیں

۰ مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور تبدیلیاں اگر کوئی ہیں تو ان کو مالیاتی بیانات میں ظاہر کیا گیا ہے اور اکاؤنٹنگ تخمینے مناسب اور محتاط فحصے پر بنی ہیں

۱۰ بین الاقوامی فناشل رپورٹنگ اسٹینڈرڈ روز اور بین الاقوامی اکاؤنٹنگ اسٹینڈرڈ روز جیسے ان کا اطلاق پاکستان میں ہوتا ہے، مالیاتی بیانات کی تیاری میں ان پر عمل کیا گیا ہے اور اگر کسی باعث کہیں ان سے اختلاف ہوا ہے تو اسکو مناسب طور پر عیاں کیا گیا ہے اور اس کی وضاحت کی گئی ہے

۱۱ داخلی کنٹرول کا سسٹم اپنے ڈھانچے کے اعتبار سے کافی متوازن ہے اور موثر طور پر اطلاق شدہ اور زیرگرانی ہے

۱۲ بورڈ آف ڈائرکٹرز نے آڈٹ کمپنی کی سفارش پر آرائیں ایم اویس حیدر لیاقت نعمان چارٹرڈ اکاؤنٹننس کی تقریبی کی تجویز دے دی ہے اور ۳۱ دسمبر ۲۰۲۲ء کو ختم ہونے والے سال کے لئے خارجی آڈیٹر ز کا دفتر سنجانے کیلئے حصہ کنندگان کی منظوری کے لئے اس کی سفارش کر دی ہے

۱۳ بورڈ قطعی طور پر، کمپنی کے داخلی کنٹرول اور اس کی افادیت پر نظر ثانی کرنے کا ذمہ دار ہے۔ البتہ، ایسا سسٹم مقاصد حاصل کرنے میں ناکامی کے خطرے کو ختم کرنے کی بہت اس کا انتظام چلانے کے لئے تشکیل دیا گیا ہے، اور اپنی نوعیت کے اعتبار سے مادی غلط بیانی یا نقصان کے خلاف صرف مناسب نہ کامل یقین فراہم کرتا ہے۔ ڈویژنل لیوں پر متفقہ کاروبار کی حکمت عملیاں بورڈ کی طرف سے منظور کی جاتی ہیں۔ اسکے علاوہ، ایک سالانہ بجنگ اور حکمت عملی کی منصوبہ بندی کا طریقہ کار بھی موجود ہے۔ مالیاتی بتائی سہ ماہی بنیاد پر تیار کئے جاتے ہیں اور ان حکمت عملیوں پر، کاروبار کے ماحول میں نہایاں تبدیلیوں پر غور کرنے کیلئے پورے سال کے دوران نظر ثانی کی جاتی ہے۔ ۱۴ کنٹرول فریم ورک کے اہم فچر میں شامل ہیں:

۱۵ سرمائے کے بڑے اخراجات اور دیگر لین دین کے لئے تخمینے اور منظوری کا طریقہ کار

۱۶ آپریٹنگ ارتقاء اور سہ ماہی مالیاتی بیانات کے استعمال سے، مجملہ کمپنی کے مالیاتی کارکردگی کی مسلسل رپورٹنگ اور نگرانی، جو کارکردگی کے کلیدی انڈیکیٹرز اور بجٹ سے فرق اور سہ ماہی پیشین گوئیوں کی نشانہ ہی کرتی ہے

۱۷ گروپ کی صحت، حفاظت، ماحول کے غیر یقینی ہونے کی صورت میں انتظام کے طریقہ ہائے اور دیگر نہایاں پالیسیاں

۱۸ کمپنی کو یہ کاروبار جاری رکھنے کے لئے اسکی قابلیت کے متعلق کوئی واضح شکوہ و شبہات نہیں ہیں

۱۹ کار پوریٹ گورننس کے بہترین طریقہ ہائے کار سے کہیں بھی کوئی ماذی اختلاف نہیں کیا گیا ہے

۲۰ پچھلے چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی مواد مسلک ہے

۲۱ دسمبر ۲۰۲۱ء تک کمپنی میں شیر ہولڈنگ کا بیان رپورٹ کے ساتھ شامل ہے

۲۲ سال کے دوران، ڈائریکٹر ز، چیف ایگزیکیوٹو آفیسر، چیف آپریٹنگ آفیسر، سیکریٹری، ہیڈ آف انٹریل آڈٹ اور انکی شریک حیات

اور نابالغ بچوں کی طرف سے، کمپنی کے حصص میں کوئی تجارت نہیں ہوتی ہے

### بورڈ آف ڈائرکٹرز کی ترتیب اور ان کی میمبرگز

ڈائرکٹر زکی کل تعداد 8 ہے جن میں 7 مرد حضرات ہیں اور ایک خاتون شامل ہیں

۔ کمپنی کے بورڈ آف ڈائرکٹر زکی ترتیب موجودہ طور پر درج ذیل پر مشتمل ہے:

نام	عہدہ
عائشہ رفیق	انڈپینڈنٹ ڈائرکٹر
طارق حمید	
جہاں زیب ظفر چیف ایگزیکیوٹو آفیسر	ایگزیکیوٹو ڈائرکٹر
لیفٹنٹ جزل نوید محترم (ریٹائرڈ)	نان ایگزیکیوٹو ڈائرکٹر
میحبر جزل محمد معظم علی گورایا (ریٹائرڈ)	
ایر وائس مارشل محمد اطہر شمس (ریٹائرڈ)	
ملک رفت محمود	
جاوید یونس	

سال ۲۰۲۱ کے دوران، بورڈ آف ڈائرکٹر زکی چار میمبرگز ہوئیں اور ان میں شرکت کی صورت حال درج ذیل رہی:

نمبر شمار	ڈائرکٹر کا نام	شرکت کی گئی میمبرگز کی تعداد
1	لیفٹنٹ جزل نوید محترم (ریٹائرڈ)	چار میں سے چار
2	میحبر جزل محمد معظم علی گورایا (ریٹائرڈ)	چار میں سے چار
3	ایر وائس مارشل محمد اطہر شمس (ریٹائرڈ)	چار میں سے چار
4	ملک رفت محمود	چار میں سے تین
5	طارق حمید	چار میں سے تین
6	جاوید یونس	چار میں سے تین
7	عائشہ رفیق	چار میں سے چار
8	جہاں زیب ظفر چیف ایگزیکیوٹو آفیسر	چار میں سے چار

ان ڈائرکٹر زکی غیر حاضری کے لئے رخصت دی گئی جو بورڈ کی میمبرگز میں شرکت نہ کر سکے

## بورڈ کمیٹیوں کی ترتیب

بورڈ نے درج ذیل بورڈ کمیٹیاں تشکیل دی ہیں:

### 1. انتخکس، ہیون ریسورس اور ریپورٹریشن اور نومی نیشن کمیٹی

عہدہ	رکن کا نام
چیئرمین	عائشہ رفیق
رکن	ایزروائس مارشل محمد اطہر شمس (ریٹائرڈ)
رکن	میحر جزل محمد معظم علی گورایا (ریٹائرڈ)
رکن	جہاں زیب ظفر
سیکریٹری	سلمان احمد سعید

### 2. سرمایہ کمیٹی

عہدہ	رکن کا نام
چیئرمین	ملک رفت محود
رکن	ایزروائس مارشل محمد اطہر شمس (ریٹائرڈ)
رکن	جہاں زیب ظفر
رکن	نعمان نور محمد
رکن	ریحان مبین

### 3. آڈٹ کمیٹی

عہدہ	رکن کا نام
چیئرمین	طارق حمید
رکن	میحر جزل محمد معظم علی گورایا (ریٹائرڈ)
رکن	ملک رفت محود

بورڈ نے درج ذیل انتظامی کمیٹیاں بھی تشکیل دی ہوئی ہیں:

## 1. انڈر رائٹنگ اوری انشورنس کمپنی

عہدہ	رکن کا نام
چیئرمین	ایئر واکس مارشل محمد اطہر شمس (ریٹائرڈ)
رکن	جہاں زیب ظفر
رکن	نعمان نور محمد
رکن اور سیکریٹری	سمیر سرور

## 2. کلیم تصفیہ کمپنی

عہدہ	رکن کا نام
چیئرمین	میھر جزل محمد معظم علی گورایا (ریٹائرڈ)
رکن	جہاں زیب ظفر
رکن	ریحان بیمن
رکن اور سیکریٹری	بشری آفتاب
	رسک میجنٹ اینڈ کمپلائنس کمپنی

عہدہ	رکن کا نام
چیئرمین	ایئر واکس مارشل محمد اطہر شمس (ریٹائرڈ)
رکن	طارق حمید
رکن	جہاں زیب ظفر
رکن	ریحان بیمن
رکن اور سیکریٹری	عاطف شیم سید

## نان ایگزیکیوٹو ڈائرکٹر کے معاوضے کی پالیسی

بورڈ اپنے کاروبار میں انڈینڈنٹ ڈائرکٹر زکی نمائندگی اور تجربے کی قدر کرتا ہے۔ کمپنی کے فروع اور استحکام کے لئے رکن ڈائرکٹر کے پیشہ و رانہ حصے کے لئے ان کی خدمات کو سراہنے کے لئے معاوضہ پالیسی کا فیصلہ بورڈ کی جانب سے کیا جاتا ہے۔ میٹنگ فیس کے علاوہ، بورڈ میئنگس میں شرکت کے لئے متعلقہ بورڈ ارکان کی طرف سے جب ضرورت ہو، ان ڈائرکٹر زکو سفر/ قیام و طعام اور دیگر اخراجات کیلئے بازاڈا یگنی کی جاتی ہے۔ بورڈ نے اس بات کو تینی بنایا ہے کہ انڈینڈنٹ ڈائرکٹر زکا معاوضہ ان کے تجربے کے درجے کے مطابق اور مناسب ہوگا۔ ایک رسی بورڈ ریموزیشن پالیسی بنائی گئی ہے جو بورڈ کے ارکان کے معاوضے طے کرنے کیلئے ایک رہنمائی فراہم کرنے والے مینار کا کام کرتی ہے۔

### سیلز ٹکس کا اطلاق

موجودہ طور پر، بیمه صنعت کو سب سے بڑے چینچ کا سامنا، صوبائی ریونیوا تھارٹیز کی جانب سے صوبائی سیلز ٹکس کے اطلاق سے متعلق ہے۔ بیمه صنعت نے ان شورنس ایسوی ایشن آف پاکستان کے فورم کے ذریعے جمیع طور پر پاکستان میں بیمه کے پھیلاوہ کو بڑھانے کے لئے تکنیک بنیادوں پر صوبائی سیلز ٹکس کی چھوٹ کیلئے متعلقة اتحارٹیز سے اس مسئلہ کو اٹھایا ہے۔ آڈٹ شدہ مالیاتی بیانات کے نوٹ 1.3.25 میں اس کی تفصیلات پیش کی گئی ہیں۔

### ایٹھی منی لانڈرگ کی ضروریات کی پاسداری

مزید ہر آں، بیمه حیات کمپنیاں سیکیورٹیز ایکسچیج کمیشن آف پاکستان کی طرف سے عائد کی گئی سخت ایٹھی منی لانڈرگ ضروریات کے اطلاق میں بھی چینجز کا سامنا کر رہی ہیں۔ ایٹھی منی لانڈرگ قوانین کے موثر اطلاق کے لئے، سیکیورٹیز ایکسچیج کمیشن آف پاکستان وقاً فو قتاً ایٹھی منی لانڈرگ قوانین پر بیمه کمپنیوں کیلئے ضروری آگاہی سیشنز کا اہتمام کیا اور سیکیورٹیز ایکسچیج کمیشن آف پاکستان کے مختلف سیشنز میں بیمه صنعت کے نمائندگان نے اپنے تفکرات کا اظہار کیا اور تفصیل سے ایٹھی منی لانڈرگ قوانین کے اطلاق میں درپیش چینجز پر گفتگو کی اور کمپنیوں نے سیکیورٹیز ایکسچیج کمیشن آف پاکستان سے ایٹھی منی لانڈرگ قوانین کی باضابطہ موثر عملداری کیلئے کمپنیوں کو ضروری مدد فراہم کرنے کی درخواست بھی کی ہے۔

مزید یہ کہ، کمپنیاں صارفین سے ان کے فنڈز کی دستیابی سے متعلق ان کی دستاویزات کے حصول میں اور ایٹھی منی لانڈرگ قوانین سے آگاہی نہ ہونے کے سبب کئی چینجز کا سامنا کر رہی ہیں۔

### ضابطہ اخلاق

بورڈ آف ڈائرکٹرز نے بیمه حیات کا کاروبار چلانے کے لئے، ایمان داری اور دیانت داری کے ساتھ، پیشہ و رانہ اسٹینڈرڈ رُڈ زار کاروپوریت اقدار کو اپنایا ہے۔ اسٹیک ہولڈرز کے لئے کمپنی اور اس کے ملازم میں کے کردار اور ذمہ داریاں مکمل طور پر ضابطہ اخلاق کی شکل میں پیش کی گئی ہیں۔ بورڈ اس ضابطہ اخلاق کو پوری کمپنی میں پھیلانے کے لئے ضروری اقدامات کر رہا ہے اور یہ کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

### مستقبل پر نظر

۲۰۲۲ء، پاکستان نے اپنی آبادی کی کثیر پیانے پر پکسی نیشن کا عمل جاری رکھا لیکن معیشت کو کوڈ ۱۹ اور اس کے مضر اثرات سے متعلق بے مثال چینجز کا سامنا کرنا پڑا۔ بورڈ آف ڈائرکٹرز اور آپ کی کمپنی کی انتظامیہ کمپنی کی مالیات پر اس کے اثر سے نمٹنے اور اس کو کم کرنے کے لئے طریقوں کی حکمت عملیوں اور بعداز وباء نئے موقع تلاش کرنے کیلئے ہر ممکن کوشش کر رہے ہیں۔

۲۰۲۲ء میں اور بعد ازاں، کمپنی کی انتظامیہ مارکیٹنگ کی نئی حکمت عملی کو فروغ دینے کے لئے تقسیمی نیٹ ورک کی وسعت اور اسکی ترقی پر توجہ جاری رکھے گی اور حصص کنندگان کیلئے زیادہ سے زیادہ قدر پیدا کرے گی۔ کمپنی پینکشورنس کی شرکت داریاں متعارف کراکے کاروبار بڑھانے پر توجہ جاری رکھے گی اور تکافل مصنوعات کیلئے ضرورت پر سرمایہ کاری کرے گی۔ تقسیم کاری کو پھیلانے کے لئے ہماری کوششیں صرف پینکشورنس تک محدود نہیں رہیں گی، بلکہ کمپنی اور ذرائع بھی تلاش کرے گی اور ان کو اپنانے کی جیسے کہ مقابلہ تقسیم کاری اور براہ راست سیلز۔ پریمیم کی نشوونما میں اضافے کے ساتھ ساتھ، کمپنی داخلی کنٹرول اور آپریشنل صلاحیتوں اور کارکردگیوں کو مزید بہتر کر کے، منافع جات بہتر بنانے کے لئے ٹھوس اقدامات اٹھائے گی۔ اس حصول کے سلسلے میں، کمپنی اپنے صارفین کو بہتر خدمات فراہم کر کے اور حصص کنندگان کیلئے قدر بنا کر، کاروبار کے استکام کیلئے اپنی کوششیں جاری رکھے گی۔

کمپنی نے سیلز ٹیم کو انکے کیریئر میں ترقی کے پروگرام کے علاوہ، معاوضے کے ذریعے، انکو کمپنی میں برقرار رکھنے اور حوصلہ افزائی اور ترغیب پر بھی توجہ مرکوز کی ہوئی ہے۔

آپ کی انتظامیہ کو یقین ہے کہ درج بالا اہداف پر توجہ سے بہتر مالیاتی متاثر حاصل ہونگے جبکہ یہ ادارے کے اندر ایک بہتر کارپوریٹ کلچر کو فروغ بھی دے گا۔ کمپنی بورڈ کے ویژن اور حکمت عملی پر اپنی توجہ مرکوز رکھے ہوئے ہے جو، ہمیں بھروسہ ہے کہ پالیسی ہولڈرز کے لئے اور ادارے کے حصص کنندگان کیلئے مشترکہ طور پر فائدہ مند ثابت ہوگی۔

### ضابطہ اخلاق کا بیان

بورڈ نے ایک ضابطہ اخلاق اپنایا ہوا ہے۔ تمام ملازمین کو اس بیان سے آگاہ کر دیا گیا ہے جن کو کاروبار اور گیولیشنز سے متعلق اخلاق کے ان قوانین پر عمل پیرا ہونے کی ضرورت ہے۔

### رجسٹرڈ آفس:

کمپنی نے اپنا آفس را ولپنڈی میں رجسٹر کروایا ہے۔

### ڈویڈنڈ

بورڈ آف ڈائرکٹری نے تجویز دی ہے کہ ۳۱ دسمبر ۲۰۲۲ء کو ختم ہونے والے سال کے لئے کسی ڈویڈنڈ کا اعلان نہیں کیا جائے گا کیونکہ کمپنی ادائے قرض کی صلاحیت کو برقرار رکھتے ہوئے کاروبار کو وسعت دینے پر توجہ مرکوز رکھنا چاہتی ہے۔

### شیئر ہولڈنگ کا نمونہ

کمپنیز ایکٹ 2017 کی شق 236 اور بورڈ آف گورننس کے تحت درکار، شیئر ہولڈنگ کا نمونہ مسلک ہے۔

## قانونی آڈیٹر

موجودہ آڈیٹر، میسرز آر ایس ایم او ایس حیدر لیاقت نعمان چارٹرڈ اکاؤنٹنٹس، (چارٹرڈ اکاؤنٹنٹس) موجودہ سال کی مدت کی تکمیل پر ریٹائر ہو رہے ہیں۔ بورڈ آف ڈائرنر کمیٹی کی سفارش پر مالیاتی سال ۲۰۲۲ء کے لئے میسرز آر ایس ایم او ایس حیدر لیاقت نعمان چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی تجویز دے دی ہے۔

## اظہار شکر

ڈائرنر کمپنی کی انتظامیہ کی حمایت اور مسلسل رہنمائی کیلئے سکیورٹیز اینڈ ایچیجن کمیشن آف پاکستان کے مشکور ہیں۔

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

ڈائرنر کمپنی کے انتظامی عملے اور فیلڈ فورس کی معمول سے ہٹ کر کاوشوں کو جوانہوں نے کمپنی کی ترقی اور نشوونما میں پیش کیں، خراج تحسین پیش کرتے ہیں۔ اعلیٰ اخلاقی اسٹینڈرڈز کیلئے، صارف کو پیش کی جانے والی خدمات اور جانشناختی سے کام کرنے کے لئے، ان کی مسلسل

وابستگی آپ کی کمپنی کو نجی شعبے میں بیمه زندگی کا کاروبار کرنے والوں میں ایک اہم رکن بنائے گی۔

مزید برآں، بورڈ، انشورس ایسوی ایشن آف پاکستان کا بھی، انگریزی رہنمائی، تعاون اور ہماری صنعت کی قابل قدر نمائندگی کیلئے شکر یہ ادا کرنا چاہے گا۔

بورڈ، ری انشورس اور کمپنی کے بینکر ز کا بھی، ہماری کارروباری طریقہ جات کے بہتری کے لئے اتنے تعاون اور کوششوں کا بھی شکر یہ ادا کرنا چاہے گا۔

آخر میں، ہمارے حصہ کنندگان کا بھی شکر یہ جتنی مسلسل وابستگی اور خیرخواہی 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 ڈائرنر کمپنی کی جانب سے



چیف ایگزیکیوٹو آفیسر

ڈائرنر

۲۸ مارچ ۲۰۲۲ء

## KEY FINANCIAL DATA FOR THE LAST SIX YEAR DATA

	2021	2020	2019	2018	2017	2016
<b><u>REVENUE ACCOUNT</u></b>						
Premium - Net of Reinsurance	600,421	281,371	219,535	25,661	16,758	20,081
Interest and Other Income	64,370	68,769	76,437	32,811	25,622	40,209
	<b>664,791</b>	<b>350,140</b>	<b>295,972</b>	<b>58,472</b>	<b>42,380</b>	<b>60,290</b>
Claims Less Reinsurance	154,944	126,702	82,127	50,083	37,332	49,516
Net Commission & Acquisition Cost	390,152	195,752	178,998	11,222	3,399	4,010
Other Administrative Cost	198,233	205,650	223,482	114,271	42,473	48,674
Movement in Policyholders' Liabilities	163,513	60,390	73,735	(4,366)	(5,751)	(19,959)
Profit/(Loss) Before Tax	(242,051)	(238,354)	(262,370)	(112,738)	(35,073)	(21,951)
Taxation	(389)	(447)	(510)	(255)	(589)	(166)
Profit/(Loss) After Tax	<b>(242,440)</b>	<b>(238,801)</b>	<b>(262,880)</b>	<b>(112,993)</b>	<b>(35,662)</b>	<b>(22,117)</b>
<b><u>BALANCE SHEET</u></b>						
Investments	877,479	822,950	510,611	714,005	423,768	359,808
Other Assets	243,869	163,855	159,548	123,985	86,070	97,455
Fixed Assets	34,040	63,367	99,749	5,383	17,129	19,291
	<b>1,155,388</b>	<b>1,050,172</b>	<b>769,908</b>	<b>843,373</b>	<b>526,967</b>	<b>476,554</b>
Issued, Subscribed and Paid-Up Capital	1,501,720	1,501,720	1,101,720	1,101,720	601,720	601,720
Advance Against Equity	100,000		-	-	100,000	-
Capital contribution and Accumulated Surplus/(Loss)	(1,324,226)	(1,072,628)	(828,874)	(563,359)	(448,752)	(411,596)
Balance of Statutory Fund	508,609	335,091	264,125	186,713	189,445	193,747
Other Liabilities	369,285	285,989	232,937	118,299	84,554	92,683
	<b>1,155,388</b>	<b>1,050,172</b>	<b>769,908</b>	<b>843,373</b>	<b>526,967</b>	<b>476,554</b>

## پچھلے چھ سال کا کلیدی معلوماتی مواد

2016 روپے میں '000	2017 روپے میں '000	2018 روپے میں '000	2019 روپے میں '000	2020 روپے میں '000	2021 روپے میں '000	
						آمدنی اکاؤنٹ
20,081	16,758	25,661	219,535	281,371	600,241	پریمیم - ری انسورنس کا گل مجموعہ
<u>40,209</u>	<u>25,622</u>	<u>32,811</u>	<u>76,437</u>	<u>68,769</u>	<u>64,370</u>	سودا اور دیگر آمدنی
<u>60,290</u>	<u>42,380</u>	<u>58,472</u>	<u>295,972</u>	<u>350,140</u>	<u>664,791</u>	
49,516	37,332	50,083	82,127	126,702	154,944	کلیم متفقی ری انسورنس
4,010	3,399	11,222	178,998	195,752	390,152	کمیشن اور حصول کی لागت
48,674	42,473	114,271	223,482	205,650	198,233	دیگر انتظامی اخراجات
(19,959)	(5,751)	(4,366)	73,735	60,390	163,513	پالیسی مولڈرز کی ذمہ داریوں میں تحریک
(21,951)	(35,073)	(112,738)	(262,370)	(238,354)	(242,051)	نفع / (نقصان) قبل از الگیں
(166)	(589)	(255)	(510)	(447)	(389)	الگیں
<u>(22,117)</u>	<u>(35,662)</u>	<u>(112,993)</u>	<u>(262,880)</u>	<u>(238,801)</u>	<u>(242,440)</u>	نفع / (نقصان) بعد از الگیں

2016 روپے میں '000	2017 روپے میں '000	2018 روپے میں '000	2019 روپے میں '000	2020 روپے میں '000	2021 روپے میں '000	
						بیلنس شیٹ
359,808	423,768	714,005	510,611	822,950	877,479	سرمایہ کاری
97,455	86,070	123,985	159,548	163,855	243,869	دیگر اناشیجات
19,291	17,129	5,383	99,749	63,367	34,040	مستقل اناشیجات
<u>476,554</u>	<u>526,967</u>	<u>843,373</u>	<u>769,908</u>	<u>1,050,172</u>	<u>1,155,388</u>	
601,720	601,720	1,101,720	1,101,720	1,501,720	1,501,720	جاری کردہ، اقراری اور پیڈاپ سرمایہ
-	100,000	-	-	-	100,000	اکیوٹی کے بدلتے میں ایئرو انسر
(411,596)	(448,752)	(563,359)	(828,874)	(1,072,628)	(1,324,226)	مجموعی زائد ضرورت (نقصان)
193,747	189,445	186,713	264,125	335,091	508,609	تاونی نیٹ کا بیان
92,683	84,554	118,299	232,937	285,989	369,285	دیگر واجب الادا گیاں
<u>476,554</u>	<u>526,967</u>	<u>843,373</u>	<u>769,908</u>	<u>1,050,172</u>	<u>1,155,388</u>	

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## Independent Auditor's Review Report

To the members of Askari Life Assurance Company Limited

### Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 and Code of Corporate Governance for Insurers, 2016

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Code of Corporate Governance for Insurers, 2016 (both herein referred to as 'the Regulations') prepared by the Board of Directors of Askari Life Assurance Company Limited ('the Company') for the year ended December 31, 2021 in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and provisions of the Code of Corporate Governance for Insurers, 2016.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2021.

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Further, we highlight below instances of non-compliance with the requirement(s) of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

S. No	Paragraph reference:	Description:
1.	36, 38	The company did not conduct Directors' orientation during the year.

  
Chartered Accountants  
Karachi

Dated: 28 March, 2022

UDIN: CR202110242bFd7RwBvL

# **Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 & Listed Companies (Code of Corporate Governance) Regulations, 2019 Year ended December 31, 2021**

## **Askari Life Assurance Company Limited**

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 and Listed Companies (Code of Corporate Governance) Regulations 2019, for the purpose of establishing a framework of good Governance, whereby the Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The total number of directors are 7 as per the following:-
  - a. Male: 6
  - b. Female: 1
2. The Company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Directors	Ayesha Rafique Tariq Hameed
Executive Director	Jehanzeb Zafar- CEO
Non-Executive Directors	Lt. Gen. Naveed Mukhtar (Retd.) Maj. Gen. Muhammad Muazzam Ali Goraya (Retd) Air Vice Marshal Muhammad Athar Shams (Retd) Malik Riffat Mahmood Javed Yunus
Female Director	Ayesha Rafique

All the independent Directors meet the criteria of independence as laid down under the Code of Corporate Governance for Insurer, 2016 and Listed Companies (Code of Corporate Governance) Regulations 2019.

3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
4. No casual vacancy arose during the year.
5. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a Banking Company, A Development Financial Institution (DFI) or Non-Banking Financial Institution or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
6. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with supporting policies and procedures.
7. The Board has developed a vision /mission statement, overall Corporate Strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved has been maintained.

8. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers, have been taken by the Board as empowered by the relevant provisions of the Act and Code of Corporate Governance 2019 regulations.
9. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers were circulated at least seven (07) days before the meeting. The minutes of the meeting were appropriately recorded and circulated. The Board has complied with the requirements of the act and regulations with respect to frequency, recording and circulating minutes of the Board meeting.
10. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code according to the provided timeline.
11. The Company has undertaken the process of orientation course for some of its Directors.
12. One of the Board members have undertaken Directors' Training Program. More members are encouraged to carry out the program by June 30, 2022. Directors' Training done by: Mr. Jehanzeb Zafar (Executive director)
13. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
14. The Directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance for Insurers, 2016, Listed Companies Code of Corporate Governance 2019 and fully describes the salient matters required to be disclosed.
15. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
16. The financial statements of the Company were duly endorsed by the Chief Executive Officer and Chief Financial Officer before approval of the Board.
17. The Directors, Chief Executive Officer and others executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.
18. The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016.
19. The Board has formed the following Management Committees:

**1) Underwriting & Reinsurance Committee:**

Name of the Member	Category
Air Vice Marshal Muhammad Athar Shams, (Retd)	Chairman
Jehanzeb Zafar	Member
Sumair Sarwar	Member & Secretary

**2) Claim Settlement Committee:**

Name of the Member	Category
Maj Gen. Muhammad Moazzam Ali Goraya, (Retd)	Chairman
Jehanzeb Zafar	Member
Rehan Mobin	Member
Bushra Aftab	Member & Secretary

**3) Risk Management & Compliance Committee**

Name of the Member	Category
Air Vice Marshal Muhammad Athar Shams, (Retd)	Chairman
Tariq Hameed	Member
Jehanzeb Zafar	Member
Rehan Mobin	Member
Atif Shamim Syed	Member & Secretary

**20. The Board has formed the following Board committees:**

**1) Ethics, Human Resource, Remuneration and Nominations Committee:**

Name of the Member	Category
Ayesha Rafique	Chairperson
Maj. Gen. Muhammad Muazzam Ali Goraya (Retd)	Member
Air Vice Marshal Muhammad Athar Shams (Retd)	Member
Jehanzeb Zafar	Member
Salman Ahmed Saeed	Secretary

**2) Investment Committee:**

Name of the Member	Category
Malik Riffat Mahmood	Chairman
Air Vice Marshal Muhammad Athar Shams (Retd)	Member
Jehanzeb Zafar	Member
Rehan Mobin	Member

**21. The Board has also formed an Audit Committee. It comprises of three members, all of whom are non-executive Directors and the Chairman of the Committee is an independent Director. The composition of the Audit Committee is as follows:**

**Audit Committee:**

Name of the Member	Category
Tariq Hameed	Chairman
Maj Gen. Muhammad Moazzam Ali Goraya (Retd)-	Member
Malik Riffat Mahmood	Member
Atif Shamim Syed	Acting Secretary

**22. The meeting of the Investment Committee was held at least once every quarter. The meeting of Audit Committee was held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code of Corporate Governance for Insurers, 2016. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.**

**23. An effective internal Audit function is in place which is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.**

**24. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code of Corporate Governance for Insurers, 2016. The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the persons heading the underwriting, claim, reinsurance, risk management and grievance functions / departments possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000);**

Name of the Person	Designation
Mr. Jehanzeb Zafar	Chief Executive Officer
Mr. Rehan Mobin	Chief Financial Officer
Mr. Noman Muhammad *	Chief Operating Officer/Actuary/Head of Risk Management
Mr. Atif Shamim Syed	Head of Compliance/ Acting Company Secretary
Ms. Syeda Haajra Nazish Jafri **	Company Secretary
Mr. Atif Usman	Head Internal Audit
Mr. Sumair Sarwar	Head of Underwriting
Ms. Bushra Aftab	Head of Claims
Mr. Mohib ul Haq	Head of Reinsurance
Mr. Azfar Khan	Head of Grievance

\* Resigned in November 2021

\*\* Resigned in September 2021

25. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No, XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
26. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
27. The Appointed Actuary by the Company has confirmed that neither he nor his spouse and minor children hold shares of the Company.
28. The Board ensures that the Appointed Actuary complies with the requirements set out for him in the Code of Corporate Governance for Insurers, 2016.
29. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code of Corporate Governance for Insurers, 2016.
30. The Board ensures that the Risk management system of the Company is in place as per the requirement of the Code of Corporate Governance for Insurers, 2016.
31. The Company has set up a risk management function, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016.
32. The Board has developed a mechanism for the annual evaluation of the board's own performance, members of board and of its committees. The Board evaluation was carried out during the year.
33. The Board ensures that as part of the risk management system, the Company gets rated from PACRA which is being used by its risk management function/department and the respective Committee as a risk monitoring tool. The rating assigned by the said rating agency. The rating assigned by the said rating agency, as per their latest assessment dated July 14, 2021 is (A-) with stable outlook.
34. The Board has set up a grievance department / function as per the requirement of the Code of Corporate Governance for Insurers, 2016.

35. The Company has not obtained any exemptions from the Securities and Exchange Commission of Pakistan in respect of the requirements of the Code of Corporate Governance for Insurers, 2016.
36. We confirm that all other material principles contained in the Code of Corporate Governance for Insurers, 2016 have been complied with, except for the following: (xix) The insurer shall make appropriate arrangements to carry out orientation courses for its directors to acquaint them with their duties and responsibilities and enable them to manage the affairs of the insurer on behalf of shareholders, towards which reasonable progress is being made to seek compliance by the end of next accounting year.
37. We confirm that all requirements of regulations 3,6,7,8,27,32,33 and 36 of the Code of Corporate Governance Regulations, 2019 have been complied with.
38. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27, 32,33 and 36 of the Code of Corporate Governance Regulations, 2019 are below: Non-compliance of regulation 18: One Director of the company has taken the orientation course in previous years and more Directors are encouraged to take the orientation by June 30, 2022.

By order of the Board



Jehanzeb Zafar  
Chief Executive Officer

Shariah Advisor Review Report to the Board of Directors  
Year ended December 31, 2021

الحمد لله رب العلمين والصلوة والسلام على سيد الأنبياء والمرسلين  
محمد النبي الأمي وعلى آله وصحابه أجمعين، وبعد:

The Company was licensed by SECP and commenced its Window Takaful Operations in 2019. By the grace of Almighty Allah, the year under review was the third year the Company offered its Takaful Services. The dedicated and sincere efforts of Management, Development Staff, support and guidance of Board of Directors are applaudable that enable the Company to underwrite a progressive and impressive numbers in the 3rd year of its WTO Operations.

I have examined the accompanying financial statements, Takaful Products and Investment Policy of Askari Life Assurance Company Limited - Window Takaful Operations (hereafter referred to as "the Window Takaful") for the year ended 31 December, 2021.

I acknowledge that as the Shariah Advisor of the Window Takaful, it is my responsibility to ensure that the financial arrangements, contracts and transactions entered into by the Window Takaful with its participants and stakeholders are in compliance with the requirements of Shariah rules and principles. It is the responsibility of the Window Takaful's management to ensure that the rules, principles and guidelines set by the Shariah Advisor are complied with, and that all policies and services being offered are duly approved by the Shariah Advisor.

The primary scope of Shariah Audit is to review the Window Takaful's compliance with Shariah Guidelines, and includes the examination of the appropriate evidence of transactions undertaken by the Window Takaful during the year 2021.

It is the responsibility of the Shariah Advisor to express his opinion on the submitted financial statements. In my opinion, and to the best of my understanding based on the provided information and explanations, below are the findings:

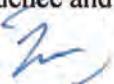
- (i) Financial transactions undertaken by the Window Takaful for the year ended December, 31 2021 were in accordance with guidelines issued by Shariah Advisor as well as the requirements of Takaful Rules 2012.
- (ii) The guidance has been provided regarding development of new products and review of investment policy in compliance of Statutory and Shariah Laws. Furthermore, the management of the Window Takaful has been advised to strictly follow Shariah compliance and contact for clarification when required, if any.
- (iii) Training Session has been conducted for management, development and operational staff for the understanding of Takaful Principles and basis of Products. I hope that

2,

these learning sessions will continue in future for new entrants and to update the changes in business environment.

- (iv) Consequently, we have found that the Window Takaful is in accordance with the Shariah principles in all transactional aspects.

In conclusion, I pray to Almighty Allah Subhana Taala guide us the Sirat-e-Mustaqeem, enable us to overcome on every hindrance/weaknesses and bring financial prosperity to Askari Life Window Takaful Operations and all its stakeholders and to meet the expectation of our Takaful Participants' confidence and trust with our competitive services and returns.

  
Mufti Zubair Usmani  
Shariah Advisor

Dr. Muhammad Zubair Usmani  
Shariah Adviser  
WINDOW TAKAFUL OPERATIONS  
ASKARI LIFE ASSURANCE COMPANY LIMITED

## Management's Statement of Compliance with the Shariah Principles Year ended December 31, 2021

الحمد لله رب العلمين والصلوة والسلام على سيد الأنبياء والمرسلين  
محمد النبي الأمي وعلى آله وصحابه أجمعين، وبعد؛

The financial arrangements, contracts and transactions, entered into by Askari Life Assurance Company Limited – Window Takaful Operations (the Company) for the year ended December 31, 2021 are in compliance with the Takaful Rules, 2012.

Further we confirm that:

- The Company has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations with zero tolerance. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the Board of Directors have been implemented;
- All the products and policies have been approved by Shariah Advisor and the financial arrangements including policies, contracts and transactions, entered into by Window Takaful Operations are in accordance as approved by Shariah Advisor.
- The assets and liabilities of Window Takaful Operations (Participant Takaful Fund and Operator's Sub Fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.

This has been duly confirmed by the Shariah Advisor of the Company.



Jehanzeb Zafar  
Chief Executive Officer

RSM Avais Hyder Liaquat Nauman  
Chartered Accountants

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## INDEPENDENT REASONABLE ASSURANCE REPORT

### TO THE BOARD OF DIRECTORS OF ASKARI LIFE ASSURANCE COMPANY LIMITED

### REPORT ON THE STATEMENT OF MANAGEMENT'S ASSESSMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

We were engaged by the Board of Directors of Askari Life Assurance Company Limited ("the Company") to report on the management's assessment of compliance of the Window Takaful Operations ("Takaful Operations") of the Company, as set out in the annexed statement prepared by the management for the year ended December 31, 2021, with the Takaful Rules, 2012, in the form of an Independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of compliance of the Operations with the Takaful Rules, 2012, in all material respects.

#### Applicable Criteria

The criteria against which the subject matter information (the Statement) is assessed comprise of the provisions of Takaful Rules, 2012.

#### Responsibilities of the Management

The Board of Directors/management of the Company are responsible for designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012.

The Board of Directors/management of the Company are also responsible for preventing and detecting fraud and for identifying and ensuring that the Takaful Operations comply with laws and regulations applicable to its activities. They are also responsible for ensuring that the management, where appropriate, those charged with governance, and personnel involved with the Takaful Operations compliance with the Takaful Rules, 2012 are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

#### Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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RSM Avais Hyder Liaquat Nauman is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

The firm applies International Standard on Quality Control 1 "Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Our Responsibilities**

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Takaful Operations compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012. Reasonable assurance is less than absolute assurance.

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed included:

- Evaluate the systems, procedures, and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah advisor's guidelines;
- Evaluating the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee! Shariah Advisor and the board of directors;
- Test for a sample of transactions relating to Takaful operations to ensure that these are carried out in accordance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012; and
- Review the statement of management's assessment of compliance of the Takaful transactions for the year ended 31 December 2021 with the Takaful Rules, 2012.

### Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the annexed statement, for the year ended 31 December 2021, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

*RSM Mian Hyderli aged*  
Chartered Accountants  
Karachi  
Date: March 28, 2022

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASKARI LIFE ASSURANCE COMPANY LIMITED

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the annexed financial statements of Askari Life Assurance Company Limited (the Company), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, the statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of comprehensive income, the statement of changes in equity and statement of cash flow together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2021 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to note 27.1.3 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 opinion is not modified in respect of this matter.

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RSM Avais Hyder Liaquat Nauman is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

S. No.	Key Audit Matters	How Our Audit Addressed the Key Audit Matters
1	<p><b>Valuation of insurance liabilities</b></p> <p>Refer note 21 to the financial statements.</p> <p>The Company has significant Insurance liabilities representing 72.20% of the Company's total liabilities. This is an area that involves significant judgement over uncertain future outcomes, mainly the ultimate total settlement value of long-term policyholder liabilities. Economic assumptions, including investment return, and associated discount rates, and operating assumptions including mortality, morbidity, expenses and persistency (including consideration of policyholder behavior) are the key inputs used to estimate these long-term liabilities.</p>	<p>Our audit procedures included the following:</p> <p>Obtained an understanding from the management, of the actuarial assumption and methodologies used for estimating the policyholder's liabilities as at December 31, 2021.</p> <p>Tested the relevance and reasonableness of those assumptions and methods.</p> <p>Tested the relevance, completeness, and accuracy of that source data used for the valuation.</p> <p>Tested the valuation for accuracy and determining whether the assumptions were consistently applied in the valuation. Recomputed on a test basis, the effect of unearned premium.</p> <p>Assessed the relevant disclosures made in the financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.</p>

2	<p><b>Revenue Recognition</b></p> <p>Refer to note 28 to financial statements for Insurance Premiums / Contributions Revenue and 29 for investment income.</p> <p>The Company receives its revenue primarily from two main sources namely; premiums/ contributions and investments income.</p> <p>We identified revenue recognition as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be recognized in the appropriate period. Further there is significant increase in revenue from the last year.</p>	<p><b>Our audit procedures included the following:</b></p> <p>Obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of information related to premiums and investment income.</p> <p>For a risk-based sample of policies of non-unit linked business where premium is outstanding at the year end, compared receivable recorded with the terms of policy.</p> <p>Recalculated reinsurance premium based on the rates given in reinsurance treaty.</p> <p>Selected sample-based policies and traced them back to accounting records.</p> <p>For a sample of investment income transactions, tested that investment income is recorded based on the effective interest method or where right to receive the dividend is established.</p>
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#### Information Other Than the Financial Statements and Auditor's Report Thereon

The management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of Insurance Ordinance, 2000 and Companies Act 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the Board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act 2017 (XIX of 2017), and are in agreement with the books of account;
- c) the apportionment of assets, liabilities, revenue and expenses between two or more funds has been performed in accordance with the advice of the appointed actuary;
- d) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; and
- e) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

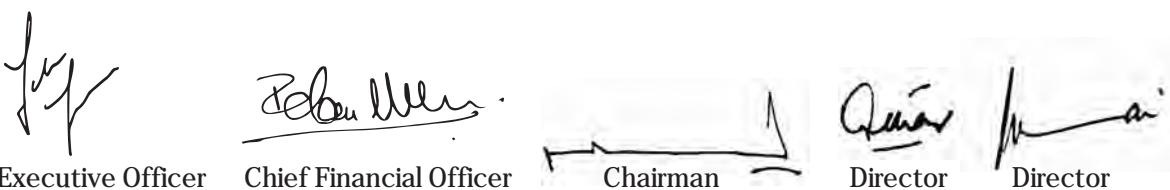
*RSM Mees Hyderliqaz*  
Chartered Accountants  
Karachi  
Date: 28 March, 2022

UDIN: AR2021102429LOCTm0dz

# STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	Note	2021 ----- (Rupees in '000)-----	2020
<b>ASSETS</b>			
Property and equipment	8	<b>19,367</b>	30,467
Right of use assets	9	<b>14,333</b>	31,568
Intangible assets	10	<b>340</b>	1,332
Investments			
Equity securities	11	<b>9,188</b>	10,640
Government securities	12	<b>736,706</b>	772,472
Mutual funds	14	<b>82,785</b>	39,838
Term deposits receipts	13	<b>48,800</b>	-
Loans secured against life insurance policies		<b>6,080</b>	6,612
Insurance / reinsurance receivables	15	<b>54,782</b>	38,412
Other loans and receivables	16	<b>17,005</b>	12,279
Deferred tax asset	17	-	-
Taxation - payments less provision		<b>20,636</b>	17,082
Prepayments	18	<b>1,593</b>	2,967
Cash and Bank	19	<b>143,773</b>	86,503
<b>TOTAL ASSETS</b>		<b><u>1,155,388</u></b>	<b><u>1,050,172</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO COMPANY'S EQUITY HOLDERS</b>			
Share capital	20	<b>1,501,720</b>	1,501,720
Money ceded to Waqf Fund		<b>500</b>	500
Ledger account D		<b>(1,222,977)</b>	(971,482)
Unrealised (loss) / gain on available-for-sale financial assets		<b>2,283</b>	2,373
Accumulated loss		<b>(72,857)</b>	(82,242)
<b>TOTAL EQUITY</b>		<b><u>208,669</u></b>	<b><u>450,869</u></b>
Advance against equity		<b>100,000</b>	-
<b>LIABILITIES</b>			
Insurance liabilities	21	<b>611,315</b>	428,241
Retirement benefit obligations	23	<b>23,470</b>	18,151
Premium received in advance		<b>44,540</b>	9,677
Insurance / reinsurance payables	24	<b>60,020</b>	63,478
Other creditors and accruals	25	<b>89,651</b>	43,291
Lease liability against right of use assets	26	<b>17,723</b>	36,465
<b>TOTAL LIABILITIES</b>		<b><u>846,719</u></b>	<b><u>599,303</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>1,155,388</u></b>	<b><u>1,050,172</u></b>
<b>CONTINGENCIES AND COMMITMENTS</b>	27		

The annexed notes from 1 to 52 form an integral part of these financial statements



Below the signatures, the names and titles are listed:

- Chief Executive Officer
- Chief Financial Officer
- Chairman
- Director
- Director

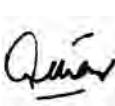
# STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	Note ----- (Rupees in '000) -----	
Premium revenue	834,920	449,264
Premium ceded to reinsurers	(234,499)	(167,893)
<b>Net premium revenue</b>	<b>28</b>	<b>600,421</b>
Investment income	59,652	56,671
Net realised fair value gains / (losses) on financial assets	7	3
Net fair value (losses) / gains on financial assets at fair value	(856)	2,148
Other income	5,567	9,947
	<b>64,370</b>	<b>68,769</b>
<b>Net income</b>		<b>664,791</b>
Insurance benefits	452,695	328,175
Recoveries from reinsurers	(297,751)	(201,473)
<b>Net insurance benefits</b>	<b>33</b>	<b>154,944</b>
Net change in insurance liabilities (other than outstanding claims)	163,513	60,390
Acquisition expenses	390,152	195,752
Marketing and administration expenses	185,530	180,462
Other expenses	12,703	25,188
<b>Total expenses</b>		<b>751,898</b>
<b>Results of operating activities</b>		<b>(242,051)</b>
<b>Loss before tax</b>		<b>(242,051)</b>
Income tax expense	(389)	(447)
<b>Loss for the year</b>		<b>(242,440)</b>
<b>Other comprehensive income:</b>		<b>(238,801)</b>
Change in unrealised loss on available-for-sale financial assets	(90)	1,573
Actuarial gain on defined benefit obligation	330	4,050
	240	5,623
Total comprehensive income for the year	<b>(242,200)</b>	<b>(233,178)</b>
Loss per share - Rupees	38	(1.61)
The annexed notes from 1 to 52 form an integral part of these financial statements		(2.09)

  
Chief Executive Officer

  
Chief Financial Officer

  
Chairman

  
Director

  
Director

# CASHFLOW STATEMENT AS AT DECEMBER 31, 2021

	Note	2021	2020
		-----(Rupees in '000)-----	
<b>Operating Cashflows</b>			
<b>(a) Underwriting activities</b>			
Insurance premium received		855,164	422,401
Claims paid		(375,093)	(237,290)
Commission paid		(204,617)	(74,145)
Marketing and administrative expenses paid		(324,255)	(293,113)
<b>Net cash used in underwriting activities</b>		<b>(48,801)</b>	<b>(182,147)</b>
<b>(b) Other operating activities</b>			
Income tax paid		(3,942)	(3,879)
Other operating payments		(5,966)	(879)
Gratuity paid		(3,194)	(2,791)
Other operating receipts		10,510	4,031
Loans secured against life insurance policies - repayments received		532	39
<b>Net cash flow / (used in) from other operating activities</b>		<b>(2,060)</b>	<b>(3,479)</b>
<b>Total cash used in operating activities</b>		<b>(50,861)</b>	<b>(185,626)</b>
<b>Investment activities</b>			
Profit received		61,118	67,155
Dividend received		3,912	1,406
Payment for investments		(3,657,383)	(2,987,184)
Proceeds from investments		3,601,915	2,678,569
Addition to property and equipment		(3,941)	(6,884)
Addition to intangible assets		-	(105)
Proceeds from sale of property and equipment		2,510	6,328
<b>Total cash flow (used in) / generated from investing activities</b>		<b>8,131</b>	<b>(240,715)</b>
<b>Financing activities</b>			
Proceeds from issuance of shares		-	400,000
Advance received against equity		100,000	-
<b>Total cash generated from financing activities</b>		<b>100,000</b>	<b>400,000</b>
<b>Net increase in cash and cash equivalents</b>		<b>57,270</b>	<b>(26,341)</b>
Cash and cash equivalents at beginning of year		<b>86,503</b>	<b>112,844</b>
<b>Cash and cash equivalents at end of year</b>	19	<b>143,773</b>	<b>86,503</b>
<b>Reconciliation to profit and loss account</b>			
Operating cash flows		(50,861)	(185,626)
Depreciation expense		(11,888)	(12,371)
Amortization expense on intangible assets		(992)	(989)
Depreciation expense on right of use asset		(13,214)	(16,906)
Profit on disposal of property and equipment		327	2,044
Profit on disposal of investments		7	3
Dividend and other investment income		64,892	64,574
Increase/(decrease) in assets other than cash		75,599	90,674
(Increase)/decrease in liabilities other than borrowings		(305,454)	(182,352)
Net fair value losses on financial assets at fair value through profit or loss		(856)	2,148
<b>Loss after taxation</b>		<b>(242,440)</b>	<b>(238,801)</b>

The annexed notes from 1 to 52 form an integral part of these financial statements

Chief Executive Officer

Chief Financial Officer

Chairman

Director

Director

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2021

	Revenue reserves					Total
	Share Capital	Unappropriated profit / (Accumulated loss)	Ledger Account D	Money Ceded to Waqf Fund	Unrealised loss on available-for-sale financial assets	
-----[Rupees in '000]-----						
<b>Balance as at January 1, 2020</b>	1,101,720	[86,415]	(732,558)	500	800	<b>284,047</b>
<b>Transactions with owners</b>						
Issue of right shares at Rs.10 each	<b>400,000</b>	-	-	-	-	<b>400,000</b>
Total comprehensive loss for the year	-	(238,801)	-	-	-	(238,801)
Other comprehensive income	-	4,050	-	-	-	4,050
Change in fair value of Available for sale investments	-	-	-	-	1,573	1,573
Deficit for the year in statutory funds	-	238,924	(238,924)	-	-	-
<b>Balance as at December 31, 2020</b>	<b>1,501,720</b>	<b>(82,242)</b>	<b>(971,482)</b>	<b>500</b>	<b>2,373</b>	<b>450,869</b>
<b>Balance as at January 1, 2021</b>	<b>1,501,720</b>	<b>(82,242)</b>	<b>(971,482)</b>	<b>500</b>	<b>2,373</b>	<b>450,869</b>
Total comprehensive loss for the year	-	(242,440)	-	-	-	(242,440)
Other comprehensive income	-	330	-	-	-	330
Change in fair value of Available for sale investments	-	-	-	-	(90)	(90)
Deficit for the year in statutory funds	-	251,495	(251,495)	-	-	-
<b>Balance as at December 31, 2021</b>	<b>1,501,720</b>	<b>(72,857)</b>	<b>(1,222,977)</b>	<b>500</b>	<b>2,283</b>	<b>208,669</b>

The annexed notes from 1 to 52 form an integral part of these financial statements

Chief Executive Officer

Chief Financial Officer

Chairman

Director

Director

# **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 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% (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

The Company commenced the Window Takaful Operations in 2019. 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.

## **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 Standards, interpretations of and amendments to existing accounting standards that have become effective during the year**

The new standards, interpretations and amendments to accounting and reporting standards which are mandatory for accounting periods which began on January 01, 2021. However, these do not have any

significant impact on the company's financial statements.

### **2.3 Standards, interpretations and amendments to accounting and reporting standards in Pakistan that are not yet effective during the year**

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting period beginning on or after January 01, 2022:

	Effective Date
IFRS 9 - Financial Instruments	1-Jan-23
IFRS 17 - Insurance Contracts	1-Jan-23

The management is in the process of assessing the impacts of above amendments on the financial statements of the company:

There are certain other new and amended standards, interpretations and amendments that are mandatory for accounting periods beginning on or after January 01, 2022 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

### **2.4 Standards, interpretations and amendments to accounting standards that are effective but not relevant**

There are certain other amendments in standard and interpretations that are mandatory for the Company's accounting periods beginning on or after January 01, 2022 but are considered not to be relevant or will not have any significant effects on the Company's operations and therefore not stated in these financial statements.

### **2.5 Temporary exemption from application of IFRS 9**

IFRS 9 'Financial Instruments' and amendment (effective for period ending on or after June 30, 2019) replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It has also carried forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Further, IFRS 4 provides two alternative options in relation to application of IFRS 9 for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from the effective date to remove from the profit and loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The Company has adopted the temporary exemption which allows the Company to defer the application of IFRS 9 until December 31, 2022.

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by the International Standards Board (IASB) for entities whose activities are predominantly connected with insurance.

## **3 BASIS OF MEASUREMENT**

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

## **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 financial statements are set out below. These policies have been applied consistently to all years presented except as stated otherwise.

### **5.1 Statutory funds**

The Company maintains statutory funds for Ordinary Life, Universal Life and Accident and Health. Assets, liabilities, revenues and expenses are recorded in the fund, if referable or, on the basis of actuarial advice if not referable. Other assets, liabilities, revenue and expenses are allocated to shareholders' funds. Policyholders' liabilities have been included in statutory funds on the basis of actuarial valuation carried out by the appointed actuary of the Company on the financial position date as required by Section 50 of the Insurance Ordinance, 2000. A capital transfer provided to statutory funds by the shareholders' funds is recorded as a reduction in the shareholders' equity.

### **5.2 Property and equipment**

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is calculated on the straight line method at rates mentioned in note 8.

Depreciation on all assets available for use during the year is charged from the month of acquisition / addition to and no depreciation will be charged in the month of disposal / deletion. When parts of an item of asset have different useful lives, they are accounted for as separate items in property and equipment.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to profit and loss account as and when incurred. However, major repairs and renewals are capitalized.

Depreciation rates and method are reviewed at financial position date and adjusted, if required.

Gains or losses on disposal of property and equipment are determined by comparing proceeds with the carrying amount. These are included in the profit and loss account.

### **5.3 Intangible asset**

Intangible assets are stated at cost less accumulated amortization and any impairment losses. Amortization is charged over the estimated useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 10 to the financial statements. The estimate of useful life and amortization method are reviewed at the end of each financial year with the effect of any changes in estimate being accounted for prospectively.

The amortization is charged from the month in which asset is available for use and no amortization is charged in which that asset is disposed off.

### **5.4 Right of use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle. The right of use asset is depreciated on straight line method over the lease term as this method most closely reflects the expected pattern of consumption of the future economic benefits, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

## 5.5 Lease Liability

The lease liability is initially measured at present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Kibor rate applied.

## 5.6 Types of Insurance contracts/Window Takaful Operations

### 5.6.1 Insurance contracts

Insurance contracts represent contracts with policy holders and reinsurers.

Those contracts where the Company (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Those insurance contracts that are issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant are reinsurance contracts.

The Company enters into insurance contracts with policyholders which are divided into following two major categories:

#### Group Insurance contracts

The Company offers group life and group health to its clients. The risk underwritten is mainly death, hospitalization and disability. The group insurance contracts are issued typically on yearly renewable term basis.

#### Individual Insurance Contracts

Individual life investment linked policies are regular life policies, where policy value is determined as per the underlying assets' value. Various types of riders (Accidental Death, Family Income Benefit, etc.) are also sold along with the basic policies.

### 5.6.2 Family Takaful Contracts

The Company offers Family Takaful Contracts. Family Takaful Contract is an arrangement which rests on key Shariah principles of mutual cooperation, solidarity and well being of a community, and is based on the principles of Wakala Waqf Model. Under a Takaful arrangement, individuals come together and contribute towards the common objective of protecting each other against financial losses by sharing the risk on the basis of mutual assistance. The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In case there is a deficit in the Waqf Fund, the Window Takaful Operator shall grant an interest free loan (Qard-e-Hasna) to make good the deficit. The loan shall be repayable from the future surpluses generated in the Waqf Fund, without any excess of the actual amount given to it. Repayment of Qard-e-Hasna shall receive priority over surplus distribution to Participants from the Waqf Fund. The detailed disclosures of window takaful operations are presented in note 40.

#### Group family takaful

The Group Family Takaful contracts are issued typically on yearly renewable term basis. The Company offers group term life and group credit plans to its participants.

#### Individuals family takaful contracts

The Company offers Individual Takaful Plans which provide Shariah Compliant financial protection and

investment vehicle to individual participants. These plans carry cash value to the participants to direct their investment related contributions based on their risk / return objectives. The investment risk is borne by the participants.

## 5.7 Policyholders' liabilities / Technical Reserves

Policyholders' liabilities including IBNR are stated at a value determined by the appointed actuary through an actuarial valuation / advice carried out at each financial position date, in accordance with section 50 of the Insurance Ordinance, 2000. In determining the value both acquired policy values as well as estimated values which will be payable against risks which the Company underwrites are considered. The basis used are applied consistently from year to year. Calculation for premium deficiency reserve and claims incurred but not reported (IBNR) is calculated by the appointed actuary on the basis of assumptions that the claim pattern will follow the historical trend experience.

### 5.7.1 Mortality, Morbidity and Interest Bases adopted

SECP vide its circular 17/2013 dated September 13, 2013 has stipulated that SLIC(2001-05) Individual Life Mortality Table published by Pakistan Society of Actuaries be used as the minimum valuation basis prescribed under SECP's notification S.R.O 16(l)/2012. A test was previously conducted to compare the existing valuation basis i.e. EFU (1961-66) mortality table with the minimum valuation basis SLIC (2001-05) for the relevant reserves. The test revealed that the existing valuation basis was more prudent than the minimum valuation basis and therefore it was considered to be more appropriate to continue with the existing valuation basis.

The rate of discount was taken as 3.75% in line with the requirements under SECP's notification S.R.O 16(l)/2012, for determining reserves of traditional products and supplementary coverage. Any differential between the assumed rate and the actual rate is intended to be available to the Company for meeting its administrative expenses.

The general principles adopted in the actuarial valuation to estimate policyholders' liabilities as at December 31, 2021 are as follows:

- a) Universal Policies: The liability for universal life business was calculated by summing up individual mathematical reserves of the policies. The mathematical reserves as at the valuation date were calculated individually in accordance with the basis outlined in the policy document. LIC (1994-96) Mortality table is used as the basis of deducting mortality charges. Suitable provision were made for the unexpired mortality charges, expense charges, unexpired link charges and investment income to be credited on each policy account in respect of the policy anniversary date of the said calendar year upto the valuation date.
- b) Group Policies: The liability in respect of group life insurance and riders of all types, was set using the unearned premium method. Unearned premium reserve is held for that portion of premium which has not yet accrued at the balance sheet date. Due provision was made for the claims incurred but not reported (IBNR).
- c) Individual Conventional Life Policies: The liability under individual conventional life assurances was calculated by deducting from the present value of the sums assured, ninety percent of the present value of the net premiums. Net premiums were calculated under the modified preliminary term method, to be the level net premiums on the valuation basis plus adjustments to allow for the first year expenses at 5% of net premiums for each year of the premium paying term (e.g. 50% for the term of 10 years), limited to 100% for a term of 20 years or more, SLIC (2001-05) Mortality Table and valuation interest rate of 3.75% were used for valuation of liabilities. As at the balance sheet date (valuation date), all conventional policies are either paid-up or are in benefit stage where the premiums have been ceased.

- d) For universal life policies unearned premium reserves has been calculated for mortality charges only.
- e) Technical Reserves- Takaful : Technical Reserves are valued at a value determined by the appointed actuary through an actuarial valuation carried out at the statement of Financial Position date, in accordance with section 50 of the Insurance Ordinance 2000.

#### 5.7.2 Claims provision & IBNR

- a) Provisions have been made in respect of all intimated claims. Most claims require lump sum payments, and reserves have been maintained in each Statutory Fund, where applicable.
- b) Adequate reserves have also been maintained for Incurred But Not Reported (IBNR) claims. The IBNR is determined based on chain ladder method that analyses the time lag between the claim occurrence date and claim reported date from the Company's own experience.

#### 5.7.3 Premium deficiency reserve

The Company is required as per Insurance Rules, 2017 and IFRS-4, to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after the financial position date in respect of policies in that class of business at the financial position date. The movement in the premium deficiency reserve is recorded as an expense and the same shall be recognized as a liability.

### 5.8 Liability adequacy test

At each financial position date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities. Any deficiency is immediately charged to profit and loss account initially by writing off the deferred policy acquisition costs, if any, and by subsequently establishing a provision for losses arising from liability adequacy tests.

### 5.9 Reinsurance/Retakaful contracts held

#### 5.9.1 Conventional

Reinsurance premiums are recognized at the same time when the premium income is recognized. It is measured in line with the terms and condition of the reinsurance treaties.

Reinsurance liabilities represent balances due to reinsurance companies. Reinsurance liabilities are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies which are stated on the basis of amounts receivable under the respective contract after considering any impairment in the value of such assets.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contract are not offset against expenses or income from related insurance assets as required by Insurance Ordinance, 2000.

#### 5.9.2 Retakaful

##### Retakaful contribution

These contracts are entered into by the Company with retakaful operator under which the "Waqf Fund" cedes the takaful risk assumed during normal course of its business and according to which Waqf is compensated for losses on contracts issued by it are classified as retakaful contracts held.

Retakaful contribution is recorded at the time the retakaful is ceded. Surplus from retakaful operator is recognised in the profit and loss account.

#### **Retakaful expenses**

Retakaful expenses are recognized as a liability in accordance with the pattern of recognition of related contribution.

#### **Retakaful assets and liabilities**

Retakaful assets represent balances due from retakaful operator. Recoverable amounts are estimated in a manner consistent with the associated retakaful treaties.

Retakaful liabilities represent balances due to retakaful operator. Amounts payable are calculated in a manner consistent with the associated retakaful treaties.

Retakaful assets are not offset against related Retakaful liabilities. Income or expenses from retakaful contract are not offset against expenses or income from related Retakaful contracts as required by the Insurance Ordinance, 2000. Retakaful assets and liabilities are derecognized when the contractual rights are extinguished or expired.

### **5.10 Receivables and payables related to insurance contract/Takaful contracts**

#### **Insurance**

Receivables and payables are recognised when due. These include amounts due to and from agents and policyholders.

#### **Takaful**

Receivables under Family takaful contracts are recognized when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognizes it as impairment loss.

### **5.11 Loan secured against life insurance policies**

#### **Cash loan**

The Company provides loans to their policyholders on the basis of payment of premium for three consecutive years. The maximum limit of disbursement is 90 percent of the surrender value and carries a mark-up rate determined by the Company from time to time.

#### **Auto paid-up loan**

These non-interest bearing loans are available to policyholders of the Company to the extent of cash value built in their policies.

### **5.12 Segment reporting**

#### **Insurance**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Company accounts for segment reporting using the classes or sub classes of business (statutory funds) as specified under the Insurance Ordinance, 2000 and Insurance Rules, 2017.

Based on its classification of Insurance contracts issued, the Company has three business segments for reporting purposes namely universal life business, ordinary life business and accident and health business.

The Company maintains Statutory Funds in respect of each class of its life insurance business. Assets, liabilities, revenues and expenses of the Company are referable to respective Statutory Funds, however, wherever, these are not referable to Statutory Funds, they are allocated to the Shareholders' Fund.

Apportionment of assets, liabilities, revenues and expenses, wherever required, between the funds are made on a fair and equitable basis and in accordance with the written advice of the Appointed Actuary.

#### **Family Takaful**

The individual family takaful business Segment provides family takaful coverage to individuals Participants.

The Group Family Takaful business segments provides Group family takaful coverage to members/ employees of business enterprises, corporate entities and common interest groups under group family takaful scheme operated by the Company.

Actuarial valuation of life insurance business is required to be carried out annually at the balance sheet date. Policyholders' liabilities included in the statutory funds are based on the actuarial valuation carried out by the Appointed Actuary as at December 31, 2021.

The Company reviews the basis of estimation used in respect of allocation of assets, liabilities, income and expenses not referable to specific fund with the consultation of Company's appointed actuary.

#### **5.13 Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents consists of cash in hand, stamps in hand and deposits with banks in current and other accounts.

#### **5.14 Revenue recognition**

##### **Premiums**

-First year individual life premiums are recognized once the related policy have been issued and premiums received.

-Renewal premiums are recognized upon receipt of premium provided the policy is still in force.

-Premiums for group life, group health business are recognized as and when due. Receivables under insurance contracts are recognized when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognizes it as impairment loss.

##### **Investment income**

-Mark-up / interest income on bank deposits and government securities is recognized on time proportion basis, using effective yield method.

-Interest on fixed income securities is recognized on time proportion basis using effective yield method.

-Gain or loss on sale of investments is included in profit and loss account for investments relating to shareholders fund and statutory funds.

-Revaluation gain/loss on investment held 'at fair value through profit and loss' is recognized as income/expense in the comprehensive income.

-Revaluation gain/loss on investment held 'at available for sale' is recognized as income/expense in the other comprehensive income.

### **Dividend income**

Dividend income is recognized when the Company's right to receive the payment is established.

### **Commission from re-insurer**

Commission from re-insurer is recognized where such commission has contractually fallen due. When the commission has not fallen due the amount accrued may still be recognized, being calculated as if the contractual period for its determination ended on the financial position date.

### **Contributions**

#### **Individual Life Family Takaful**

First year, renewal and single contributions are recognized once the related policies are issued/renewed against receipt of contribution. Subsequent contributions falling due under the certificate are recognised if received and processed. Single contributions and top-up contributions are recognised once the related Certificates are issued against the receipt of contribution.

#### **Group Life Family Takaful**

Group Family contributions are recognized as and when due.

### **5.15 Claims**

#### **Conventional Business**

Claim expenses are recognized on the date the insured event is intimated.

A liability for outstanding claims is recognized in respect of all claims incurred up to the financial position date, as soon as reliable estimates of the claim amount can be made. The provision for claims "Incurred But Not Reported"(IBNR) is included in policyholders' liabilities.

#### **Claim recoveries**

Claims recoveries receivable from reinsurers are recognized as assets at the same time when the corresponding claims are recorded in accordance with the terms of the re-insurance contracts.

#### **Family Takaful Business**

Claims expense include all claims occurring during the year, whether reported or not, internal and external claim handling costs that are directly related to the processing and settlement of claims and other recoveries, and any adjustments to claims outstanding from previous years.

The outstanding claims liability includes amounts relating to unpaid reported claims and expected claims settlement costs. Full provision is made for the estimated cost of claims incurred to the reporting date. The liability for claims expenses relating to "Incurred But Not Reported"(IBNR) is included in technical reserves.

## 5.16 Investments

All investments are initially recognized at cost, being the fair value of the consideration given and includes transaction costs except for investments designated at fair value through profit and loss.

### Held to maturity

Investments with fixed or determinable payments and fixed maturity, where the Company has positive intent and ability to hold to maturity, are classified as Held-to-Maturity. Subsequently, these are measured at amortized cost using the effective interest method and taking any discount or premium on acquisition.

### Available-for-sale

Investments which are intended to be held for an indefinite period but may be sold in response to the need for liquidity are classified as available-for-sale. Subsequently these investments are carried at fair value. Surplus / (deficit) on revaluation from one reporting date to another is taken to other comprehensive income in the statement of comprehensive income. On derecognition or impairment of available-for-sale investments, the cumulative gain or loss previously reported in other comprehensive income is transferred to profit and loss for period within statement of comprehensive income.

### Investments at fair value through profit and loss account

Investments which are acquired principally for the purposes of generating profit from short term fluctuation in price are classified as held-for-trading. Subsequent to initial recognition, these are remeasured at fair value. Gains or losses on investments on remeasurement of these investments are recognized in profit and loss account.

## 5.17 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and / or services received, whether or not billed to the Company.

Provisions are recognized when the Company has a legal or constructive obligation as a result \of past events, when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each financial position date and adjusted to reflect the current estimate.

## 5.18 Taxation

### Current

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account rebates and tax credits available, if any in accordance with the Income Tax Ordinance, 2001.

### Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the financial position date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

## 5.19 Staff retirement benefits

### Defined benefit plan

The Company operates an unfunded gratuity scheme for its permanent employees. Employees who have completed six month of service are eligible for the scheme. The amount of liability of each employee at year end is computed by Actuary. The person who have completed six month of service in a year is entitled to one month gross salary.

### Accumulated compensated absences

The Company makes provision in the financial statements for its liabilities towards vested compensated absences accumulated by its employees, estimated on the basis of actuarial valuation carried out by the Company's actuary, on the basis of following criteria :

- a) Earned leave encashment calculation purposes, entitlements, will be calculated on monthly prorate basis.
- b) The earned leave may be accumulated upto maximum upto maximum of 60 days.
- c) Any leave not availed will be carry forward to the next year and accrued earned leaves in excess of 30 days can be encashed on the option of the employee.
- d) Maximum 30 leaves can be encashed
- e) Maximum 15 days leaves can be carry forward in one calendar year.

## 5.20 Impairment of assets

### Financial assets

The Company assesses at each reporting date whether there is objective evidence that the financial asset is impaired. In case of equity securities, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the security is impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

### Non-financial assets

The Company assesses at each financial position date whether there is any indication that assets except deferred tax assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

## 5.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved.

## 5.22 Acquisition cost

These comprise commission and other costs incurred in acquiring insurance policies and include without limitation all forms of remuneration paid to insurance agents.

These are recognized as an expense in the earlier of the financial year in which they are paid and financial year in which they become due and payable, except those which are directly referable to the acquisition or renewal of specific contracts that are recognised not later than the period in which the premium to which they refer is recognized as revenue.

#### 5.23 Management expenses

Marketing, management and other expenses have been allocated to various statutory funds, expenses that are not attributable to statutory funds, charged to Shareholders funds.

#### 5.24 Takaful Operator's Fee

The shareholders of the Company manage the Window Takaful operations for the participants. Accordingly, the Company is entitled to Takaful Operator's Fee for the management of Window Takaful Operations under the Waqf Fund, to meet its general and administrative expenses. The Takaful Operator's fee, termed as Wakala Fee, is recognized up front.

#### 5.25 Related party transactions

Transaction with related parties are made at arm's length basis subject to approval of the Board of Directors.

#### 5.26 Financial instruments

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual right to future cash flows from the asset expire or is transferred along with the risks and rewards of the asset. Financial liabilities are de-recognised when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial assets and liabilities is recognised in the statement of comprehensive income of the current period. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

#### 5.27 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial position, if the Company has a legally enforceable right to set-off and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### 5.28 Foreign currencies

Transactions in foreign currencies are accounted for in Pak Rupees (functional currency) at the rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Rupees at the rates of exchange prevailing at the financial position date.

### 6 CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

#### 6.1 Use of critical accounting judgments and estimates

The preparation of financial statements in conformity with the requirements of approved accounting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and any future periods affected.

Significant areas where assumptions and estimates were exercised in application of accounting policies, otherwise that are disclosed in these financial statements, relate to:

	Note
Property and equipment	5.2
Policy holders' liabilities / Technical Reserves	5.7
Taxation	5.18
Staff retirement benefits	5.19
Impairment of financial and non financial assets	5.20

## 7 SUMMARY OF SIGNIFICANT EVENTS

- 7.1 The company raised advanced against equity of Rs. 100 million during the year which is considered to be significant event for the purpose of financial statements
- 7.2 The revenue of the company increased from Rs. 449.264 million to Rs. 834.920 million during the year (85%) which is considered to be significant event for the purpose of financial statements.

## 8 PROPERTY AND EQUIPMENT

2021	Cost				Accumulated Depreciation				Written down value As at December 31, 2021	Rate %		
	As at January 01, 2021	Additions	Disposals	As at December 31, 2021	As at January 01, 2021	Charge for the year	Disposals	As at December 31, 2021				
-----Rupees in '000-----												
<b>Description</b>												
Furniture and fixture	9,555	-	-	9,555	3,087	1,911	-	4,998	4,557	20		
Office and electrical equipme	5,889	40	(260)	5,669	1,982	1,133	(78)	3,037	2,632	20		
Computer equipment	15,061	1,606	(536)	16,131	8,789	4,680	(371)	13,098	3,033	33.33-50		
Motor vehicles	3,321	2,295	(2,295)	3,321	1,956	541	-	2,497	824	20		
Lease improvements	18,724	-	(728)	17,996	6,269	3,623	(217)	9,675	8,321	20		
	<b>52,550</b>	<b>3,941</b>	<b>(3,819)</b>	<b>52,672</b>	<b>22,083</b>	<b>11,888</b>	<b>(666)</b>	<b>33,305</b>	<b>19,367</b>			

2020	Cost				Accumulated Depreciation				Written down value As at December 31, 2020	Rate %		
	As at January 01, 2020	Additions	Disposals	As at December 31, 2020	As at January 01, 2020	Charge for the year	Disposals	As at December 31, 2020				
-----Rupees in '000-----												
<b>Description</b>												
Furniture and fixture	9,192	363	-	9,555	1,206	1,881	-	3,087	6,468	20		
Office and electrical equipme	6,355	258	(724)	5,889	1,447	1,156	(621)	1,982	3,907	20		
Computer equipment	14,134	1,713	(786)	15,061	4,328	5,048	(587)	8,789	6,272	33.33-50		
Motor vehicles	4,296	4,550	(5,525)	3,321	2,390	541	(975)	1,956	1,365	20		
Lease improvements	18,724	-	-	18,724	2,524	3,745	-	6,269	12,455	20		
	<b>52,701</b>	<b>6,884</b>	<b>(7,035)</b>	<b>52,550</b>	<b>11,895</b>	<b>12,371</b>	<b>(2,183)</b>	<b>22,083</b>	<b>30,467</b>			

8.1 Depreciation charge has been allocated as		Note	2021	2020
-----Rupees in '000-----				
Acquisition expenses		34	3,960	3,964
Marketing and administration expenses		35	7,928	8,407
			<b>11,888</b>	<b>12,371</b>

### 8.2 DETAIL OF DISPOSAL OF PROPERTY AND EQUIPMENT

#### 8.2.1 Property and equipment sold to a Director or an Executive.

2021						
Description of Asset	Cost	Book Value	Sale Proceed	Gain	Buyer	Mode of disposal
-----Rupees in '000-----						

Toyota Corolla XLI                  2,295                  2,295                  2,336                  41 Syed Jawaid Raza                  As per policy

#### **8.2.2 Disposal of Property and equipment exceeding net book value of Rs. 50,000 and above (excluding those disclosed in 8.2.1)**

2021						
Description of Asset	Cost	Book Value	Sale Proceed	Gain	Buyer	Mode of disposal
-----[Rupees in '000]-----						
Lease Improvements	189	132	-	[132]	-	Write-off
	396	277	-	(277)	-	Write-off
	83	58	-	[58]	-	Write-off
	<b>668</b>	<b>467</b>	-	<b>[467]</b>		
Office Equipment	260	182	-	(182)	-	Write-off

#### **8.2.3 Disposal of Property and equipment having net book value of less than Rs. 50,000**

2021						
Description of Asset	Cost	Book Value	Sale Proceed	Gain	Buyer	Mode of disposal
-----(Rupees in '000)-----						
Computer and Equipments	536	165	175	10	Various	Various
Lease Improvements	60	42	-	[42]	Various	Write-off
	<b>596</b>	<b>207</b>	<b>175</b>	<b>[32]</b>		

2020							
Description of Asset	Cost	Book Value	Sale Proceed	Gain		Buyer	Mode of disposal
-----(Rupees in '000)-----							
HP Elitebook G1	65	51	51	-	Wajih Nasim		Negotiations
HP Notebook 250G6	64	58	50	(8)	Insurance Claim		Insurance Claim
Samsung LED 55"	136	102	90	(12)	Insurance Claim		Insurance Claim
Honda Civic 1.8 Oriel	2,589	2,589	2,698	109	Kaleem Abbas (Ex Employee)		As per policy
Toyota Corolla XLI	1,961	1,961	2,200	239	Syed Tanzeef Ullah Shah		Negotiations
	4,815	4,761	5,089	328			

## **9 RIGHT OF USE ASSETS**

### **9.1 Disclosure relating to right of use assets**

Number of right of use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with termination option
2	1-2 years	2 years	2	2

## Office Building

2      1-2 years    2 years

#### **9.2 Depreciation charge has been allocated as follows:**

Note	2021	2020
	-----Rupees '000-----	
34	4,631	7,184
35	8,583	9,722
	<b>13,214</b>	<b>16,906</b>

## 10 INTANGIBLE ASSETS

2021	Cost			Accumulated Depreciation				Written down value As at December 31, 2021	Rate %
	As at January 01, 2021	Additions	Disposals	As at December 31, 2021	As at January 01, 2021	Charge for the year	Disposals		
----- Rupees in '000 -----									
Softwares	2,996	-	-	2,996	1,664	992	-	2,656	340
-----									
2020	Cost			Accumulated Depreciation				Written down value As at December 31, 2020	Rate %
	As at January 01, 2020	Additions	Disposals	As at December 31, 2020	As at January 01, 2020	Charge for the year	Disposals	As at December 31, 2020	
----- Rupees in '000 -----									
Softwares	2,891	105	-	2,996	675	989	-	1,664	1,332
-----									
<b>11 INVESTMENTS IN EQUITY SECURITIES</b>									
	2021				2020				
	Cost	Revaluation Surplus / (Deficit)	Impairment	Fair Value	Cost	Revaluation Surplus / (Deficit)	Impairment	Fair Value	
----- Rupees in '000 -----									
<b>AVAILABLE FOR SALE</b>									
<b>Related parties</b>									
<b>Listed Shares</b>									
East West Insurance Company Limited	281	302	-	583	281	284	-	565	
<b>Others</b>									
<b>Listed Shares</b>									
Kohat Cement Company Limited	340	150	-	490	340	230	-	570	
D. G. Khan Cement Company Limited	512	-	(263)	249	512	-	(168)	344	
Habib Bank Limited	1,351	-	(535)	816	1,351	-	(425)	926	
Ghondhara Industries Limited	1,633	-	(926)	707	1,633	-	(327)	1,306	
Millat Tractor Limited	744	-	(12)	732	744	-	(55)	689	
Bifo Industries Limited	350	-	(179)	171	350	-	(82)	268	
Descon Oxychem Limited	101	32	-	133	101	109	-	210	
Packages Limited	2,221	(232)	-	1,989	2,221	167	-	2,388	
Al-Shaheer Corporation	78	-	(44)	34	78	-	(39)	39	
Frieslandcampina Engro Pakistan Limited	323	-	(69)	254	323	-	(76)	247	
Ferosons Laboratories Limited	1,958	975	-	2,933	1,958	1,016	-	2,974	
AGP Limited	103	(6)	-	97	103	11	-	114	
	9,995	1,221	(2,028)	9,188	9,995	1,817	(1,172)	10,640	

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

2021 2020

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

Opening balance	(1,172)	(3,320)
Charge for the period / year	(856)	2,148
Closing balance	[2,028]	[172]

## 12 INVESTMENTS IN GOVERNMENT SECURITIES

	2021					2020	
Maturity Year	Effective Yield (%)	Amortized Cost	Principal Repayment	Carrying Value	Effective Yield (%)	Carrying Value	
<b>HELD TO MATURITY</b>						<b>Rupees in '000</b>	
10 year Pakistan Investment Bonds	18-Aug-21	-	-	on Maturity	-	12.37%	15,964
10 year Pakistan Investment Bonds	19-Jul-22	12.63%	10,465	on Maturity	10,465	12.63%	10,407
10 year Pakistan Investment Bonds	19-Jul-22	12.52%	8,178	on Maturity	8,178	12.52%	8,140
10 year Pakistan Investment Bonds	21-Apr-26	9.19%	9,844	on Maturity	9,844	9.19%	9,815
10 year Pakistan Investment Bonds	21-Apr-26	8.07%	23,054	on Maturity	23,054	8.07%	23,157
10 year Pakistan Investment Bonds	21-Feb-29	11.21%	39,371	on Maturity	39,371	11.21%	39,386
10 year Pakistan Investment Bonds	09-Dec-30	7.81%	40,356	on Maturity	40,356	7.81%	40,216
03 Months Treasury Bills	14-Jan-21	-	-	on Maturity	-	7.16%	36,590
03 Months Treasury Bills	11-Feb-21	-	-	on Maturity	-	7.14%	55,449
03 Months Treasury Bills	11-Feb-21	-	-	on Maturity	-	7.10%	40,767
03 Months Treasury Bills	25-Feb-21	-	-	on Maturity	-	7.13%	70,380
03 Months Treasury Bills	25-Mar-21	-	-	on Maturity	-	7.11%	320,492
03 Months Treasury Bills	24-Feb-22	10.39%	345,328	on Maturity	345,328	-	-
06 Months Treasury Bills	03-Jun-21	-	-	on Maturity	-	7.18%	70,115
06 Months Treasury Bills	10-Feb-22	7.48%	53,169	on Maturity	53,169	-	-
06 Months Treasury Bills	24-Feb-22	7.43%	75,727	on Maturity	75,727	-	-
06 Months Treasury Bills	16-Jun-22	11.25%	100,031	on Maturity	100,031	-	-
12 Months Treasury Bills	06-May-21	-	-	on Maturity	-	7.25%	5,385
12 Months Treasury Bills	15-Dec-22	11.44%	4,976	on Maturity	4,976	-	-
5 Years GOP Sukuk	09-Dec-25	7.07%	26,207	on Maturity	26,207	7.07%	26,209
			736,706		736,706		772,472

**13 INVESTMENT IN TERM DEPOSIT RECEIPTS**

**HELD TO MATURITY**

Deposits maturing within 12 months

**14 INVESTMENTS IN MUTUAL FUNDS**

2021	2020
-Rupees in '000-	-
<b>48,800</b>	-

	2021			2020		
	Cost	Revaluation Surplus	Carrying Value	Cost	Revaluation Surplus	Carrying Value
	----- Rupees in '000 -----					
<b>AVAILABLE FOR SALE</b>						
NBP Islamic Money Market Fund	120	4	124	114	3	117
NAFA Income Opportunity Fund	12,214	629	12,843	11,459	547	12,006
Alhamra Islamic Money Market Fund	11,304	-	11,304	5,543	-	5,543
ABL Islamic Cash Fund	11,249	-	11,249	5,541	-	5,541
Alfalal Islamic Rozana Amdani Fund	11,096	-	11,096	5,543	-	5,543
Faysal Halal Amdani Fund	9,821	385	10,206	5,540	6	5,546
NBP Islamic Daily Dividend Fund	11,199	1	11,200	5,542	-	5,542
AL-Ameen Islamic Cash Fund	5,737	43	5,780	-	-	-
Meezan Rozana Amdani Fund	4,576	-	4,576	-	-	-
Meezan Daily Income Fund	2,156	-	2,156	-	-	-
Faysal Islamic Cash Fund	2,251	-	2,251	-	-	-
	<b>81,723</b>	<b>1,062</b>	<b>82,785</b>	<b>39,282</b>	<b>556</b>	<b>39,838</b>

Note	2021	2020
	----- Rupees in '000 -----	

**15 INSURANCE / REINSURANCE RECEIVABLES**

Due from insurance contract holders	<b>54,782</b>	38,412
	<b>54,782</b>	38,412

**15.1 Due from related parties**

<b>Holding company</b>		
Army Welfare Trust	241	236
<b>Associate</b>		
Askari Guards Limited	4,992	1,626
MEDASK	-	2
Real Estate	390	-
AWT Housing Scheme Karachi	2	2
Askari Fuels	6	11
Askari Woolen Mills	39	-
Askari Development Holding Pvt Limited	4	-
Askari General Insurance Company Limited	55	-
AWT Investment	549	21
Askari Chartered Aviation Services	2	2
Fauji Security Services	1,155	-
Askari Shoes	-	14
AWT Units	-	6,470
Mobil Askari Pakistan Ltd	13	10
Blue Lagoon	609	-
Askari Lagoon	4	-
AWT Plaza Staff	142	-
	<b>8,203</b>	<b>8,394</b>

**15.2 Maximum amount outstanding at any time during the year**

Name of related party	2021	2020
Army Welfare Trust	241	516
Askari Guards Limited	4,992	2,071
Real Estate	390	-
AWT Housing Scheme Karachi	2	65
Askari Fuels	6	275
Askari Woolen Mills	39	239
Askari Development Holding Pvt Limited	4	154
Askari General Insurance Company Limited	55	1,282
AWT Investment	549	449
Askari Chartered Aviation Services	2	26
Fauji Security Services	1,155	742
AWT Units	-	6,470
Mobil Askari Pakistan Ltd	13	306
MEDASK	-	296
Askari Shoes	-	50
Blue lagoon	609	-
Askari lagoon	4	-
AWT Plaza Staff	142	-

**15.3 Age analysis of insurance receivables from related parties**

Name of related party	Amount past due		
	Past due 0-90 days	Past due 90 days	Total gross amount due
Army Welfare Trust	-	241	241
Askari Guards Limited Head Office Staff	4,992	-	4,992
Real Estate (Head Office)	-	390	390
AWT Housing Scheme Karachi (AWT HS Khi)	-	2	2
Askari Fuels	-	6	6
Askari Woolen Mills	2	37	39
Askari Development Holding Pvt Limited	-	4	4
Askari General Insurance Company Limited	54	1	55
AWT Investment	549	-	549
Askari Chartered Aviation Services (ACS)	-	2	2
Fauji Security Services	1,155	-	1,155
Mobil Askari Pakistan Ltd	3	10	13
Blue lagoon	364	245	609
Askari lagoon		4	4
AWT Plaza Staff	73	69	142
	<b>7,192</b>	<b>1,011</b>	<b>8,203</b>

Note      2021      2020  
----- Rupees in '000 -----

**16 OTHER LOANS AND RECEIVABLES**

Accrued investment income	4,107	4,244
Security deposit	7,438	6,552
Advance to vendors	4,357	937
Loans to employees	16.1      1,103	546
	<b>17,005</b>	<b>12,279</b>

**16.1** This represent interest free loans provided to employees repayable within 12 months.

**17 Deferred Taxation**

**Deferred tax debits arising in respect of:**

Property and Equipment & Intangibles	2,641	807
Lease Liability	5,140	10,575
Retirement Benefit Obligation	6,806	5,264
Tax Losses:	7,928	5,319
Minimum tax	349	-
	<b>22,864</b>	<b>21,965</b>

**Deferred tax credits arising in respect of:**

Right of Use Assets	(4,157)	(9,155)
	<b>18,707</b>	<b>12,810</b>

**17.1 Deffered Tax arising in respect of :**

Fixed Asset	807	1,834	-	2,641
Lease Liability (Right of Use)	10,575	(5,435)	-	5,140
Others	10,583	4,500	-	15,083

**Deffered Tax credit arsing in respect of :**

Right of use of Asset	(9,155)	4,998	-	(4,157)
	<b>12,810</b>	<b>5,897</b>	-	<b>18,707</b>

**17.2** During the period the amount of deferred tax asset estimated by the company is Rs. 18.707 million (2020: Rs. 12.810 million), the company has not recorded deferred tax asset in the current year on prudence basis.

**2021                    2020**  
----- Rupees in '000 -----

**18 PREPAYMENTS**

Prepaid expenses	1,593	2,967
	<b>1,593</b>	<b>2,967</b>

**19 CASH AND BANK**

- Stamps in hand	<b>585</b>	234
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**Cash and bank**

- Current account	72,773	11,788
- Saving account	19.2	70,415
	<b>143,773</b>	<b>86,503</b>

**19.1 Cash and cash equivalents**

Cash and bank	<b>143,773</b>	86,503
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**19.2** It carries mark-up / interest at the rate of 2.5% to 7.3% per annum (2020: 2.5% to 11.25% per annum).

**20 SHARE CAPITAL**

**20.1 AUTHORIZED SHARE CAPITAL**

2021	2020		2021	2020
Number of shares			----- Rupees in '000 -----	
200,000,000	125,000,000	Ordinary shares of Rs. 10 each	2,000,000	1,250,000
-	75,000,000	As at beginning of the year	-	750,000
<b>200,000,000</b>	<b>200,000,000</b>	Increased during the year	<b>2,000,000</b>	<b>2,000,000</b>
		As at end of the year		

## 20.2 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	2021	2020		
	Number of shares			
			Ordinary shares of Rs.10 each issued for	
	150,172,014	110,172,014	As at beginning of the year	1,501,720
	-	40,000,000	Issued during the year	- 400,000
	<u>150,172,014</u>	<u>150,172,014</u>	As at end of the year	<u>1,501,720</u>
				<u>1,501,720</u>

As at December 31, 2021, 100.083 million shares - 66.65% shares (December 31, 2020: 100.083 million shares - 66.65% shares) were held by Trustees of Army Welfare Trust.

		Note	2021 ----- Rupees in '000-----	2020
<b>21 INSURANCE LIABILITIES</b>				
Reported outstanding claims (including claims in payment)		21.1	<b>134,487</b>	114,927
Incurred but not reported claims (IBNR)		21.2	6,588	1,967
Investment component of account value policies / certificates		21.3	419,895	284,028
Liabilities under individual conventional insurance / takaful contracts		21.4	2,274	2,926
Liabilities under group insurance / group family takaful contracts (other than investment linked)		21.5	14,499	5,196
Other insurance / family takaful liabilities		21.6	33,572	19,197
			<b>476,828</b>	313,314
			<b>611,315</b>	428,241
<b>21.1 Reported outstanding claims</b>				
<b>Gross of Reinsurance / Re takaful</b>				
Payable within one year			275,957	203,812
Payable over a period of time exceeding one year			16,630	11,172
			<b>292,587</b>	214,984
<b>Recoverable from Reinsurance / Re takaful</b>				
Receivable within one year			(142,819)	(90,109)
Receivable over a period of time exceeding one year			(15,281)	(9,948)
			<b>(158,100)</b>	<b>(100,057)</b>
Net reported outstanding claims			<b>134,487</b>	<b>114,927</b>
<b>21.2 Incurred but not reported claims</b>				
Gross of reinsurance			23,563	9,582
Reinsurance recoveries			(16,975)	(7,615)
Net of reinsurance			<b>6,588</b>	<b>1,967</b>
<b>21.3 Investment component of universal life and account value policies / certificates</b>				
Investment component of account value policies			<b>419,895</b>	<b>284,028</b>
<b>21.4 Liabilities under individual conventional insurance / takaful contracts</b>				
Gross of reinsurance			2,287	2,941
Reinsurance credit			(13)	(15)
Net of reinsurance			<b>2,274</b>	<b>2,926</b>
<b>21.5 Liabilities under Group Insurance / Group Family Takaful Contracts (other than Investment linked)</b>				
Gross of reinsurance			94,022	55,296
Reinsurance credit			(79,523)	(50,100)
Net of reinsurance			<b>14,499</b>	<b>5,196</b>

## 21.6 Other insurance liabilities

Gross of reinsurance	43,736	20,492
Reinsurance recoveries	<u>(10,164)</u>	<u>(1,295)</u>
	<u><b>33,572</b></u>	<u><b>19,197</b></u>

## 22 UNCLAIMED INSURANCE BENEFITS

Dec-21	1 to 6 Months	7 to 12 Months	13 to 24 Months	25 to 36 Months	Beyond 36 Months	Total
Unclaimed maturity benefits	5,774	3,957	10,286	4,080	30,067	<b>54,164</b>
Unclaimed death benefits	1,033	230	341	157	11,882	<b>13,643</b>
Claims Not Encashed	2,471	-	345	447	753	<b>4,016</b>
Other unclaimed benefits	1,106	1,160	1,028	2,408	11,513	<b>17,215</b>
Total	<b>10,384</b>	<b>5,347</b>	<b>12,000</b>	<b>7,092</b>	<b>54,215</b>	<b>89,038</b>

Dec-20	1 to 6 Months	7 to 12 Months	13 to 24 Months	25 to 36 Months	Beyond 36 Months	Total
Unclaimed maturity benefits	13,241	5,960	5,825	2,715	28,375	<b>56,116</b>
Unclaimed death benefits	291	335	157	107	12,278	<b>13,168</b>
Claims Not Encashed	2,615	211	268	171	573	<b>3,838</b>
Other unclaimed benefits	3834	1053	2820	869	10984	<b>19,560</b>
Total	<b>19,981</b>	<b>7,559</b>	<b>9,070</b>	<b>3,862</b>	<b>52,210</b>	<b>92,682</b>

## 23 RETIREMENT BENEFIT OBLIGATIONS

The Company operates an unfunded gratuity scheme for its permanent employees. Employees who have completed six month of service are eligible for the scheme. The amount of liability of each employee at year end is computed by Actuary. The person who have completed six month of service in a year is entitled to one annual gross salary.

	2021	2020
Note	----- Rupees in '000 -----	
Gratuity- unfunded	23,470	18,151

### 23.1 Movement in liability recognised in Statement financial position

Present value of defined benefit obligation	23,470	18,151
Fair value of plan assets	-	-
Net Liability in Statement of Financial Position	<b>23,470</b>	<b>18,151</b>

Note	2021	2020
	----- Rupees in '000 -----	

### 23.2 Movement in liability recognised in Statement of financial position

At the beginning of year	18,151	12,177
Add: charge for the year	11,981	13,742
Less: payment to outgoing employees	(3,194)	(2,791)
Less: payable to outgoing employees	(3,135)	(927)
Less: total amount of reimeasurements recognised in OCI	(333)	(4,050)
At the end of the year	<b>23,470</b>	<b>18,151</b>

### 23.3 Charge has been allocated as follows:

Acquisition expenses	778	1,230
Marketing and administration expenses	10,873	8,462
Other comprehensive income	330	4,050
	<b>11,981</b>	<b>13,742</b>

	Note	2021 ----- Rupees in '000 -----	2020
<b>23.4 Analysis of present value of defined benefit obligation</b>			
<b>Split by vested/ non vested</b>			
Vested Benefits		23,470	18,151
<b>Split by benefits earned to date</b>			
Accumulated benefit obligation		7,149	6,203
Amounts attributable to future salary increases		16,321	11,948
		<u>23,470</u>	<u>18,151</u>

#### **Expected distribution of timing of benefit payments time in years**

Distribution of timing of benefit payments (time in the periods)			
Within first year from the end of financial year		1,450	1,279
Within second year from the end of financial year		2,012	1,729
Within third year from the end of financial year		2,587	2,254
Within fourth year from the end of financial year		3,212	2,801
Within fifth year from the end of financial year		3,840	3,346
Within sixth to ten years from the end of financial year		<u>52,858</u>	<u>33,690</u>

#### **Sensitivity analysis on significant actuarial assumptions on present value of defined benefit obligation**

Discount rate +0.50%		22,164	17,076
Discount rate -0.50%		24,889	19,327
Long term salary increases +0.50%		24,938	19,365
Long term salary increases -0.50%		<u>22,109</u>	<u>17,033</u>

#### **Maturity Profile of present value of defined benefit obligation**

Weighted average duration of the present value of defined benefit obligation (time in years)		11.58	12.37
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#### **23.5 Details of employees valued**

Total number of employees		88	85
Total monthly salary		<u>9,726</u>	<u>9,044</u>

#### **23.6 Principal actuarial assumptions**

The following significant assumptions were used in the valuation carried out at the statement of financial position date :

	2021	2020
Estimated rate of increase in salary of the employees	12.25%	10.25%
Discount rate	12.25%	10.25%
Rates of employee turnover	Moderate	Moderate

#### **Demographic Assumptions**

Mortality rates (for death in service)	SLIC (2001-05)-1	SLIC (2001-05)-1
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The mortality rates are provided by the State Life Insurance Corporation of Pakistan (SLIC).

**23.7 Profit and Loss for the year December 31, 2022**

	Rupees in 00C
<b>Service cost</b>	
Current service cost	10,654
Past service cost	-
	<b>10,654</b>
<b>Net interest cost</b>	
Interest cost on defined benefit obligation	3,423
Interest income on planned assets	-
	<b>3,423</b>
<b>Cost recognised in profit and loss for the year</b>	<b>14,077</b>

**24 INSURANCE / REINSURANCE PAYABLES**

	2021	2020
	Note	----- Rupees in '000 -----
Due to other insurers / reinsurers		57,645
Due to other insurance contract holders		2,375
		<b>60,020</b>
		<b>63,478</b>

**25 OTHER CREDITORS AND ACCRUALS**

Agent commission payable	54,641	17,046
Workers welfare fund	676	676
Accrued expenses	18,136	16,743
Tax liabilities	5,636	1,898
Other liabilities	4,911	3,585
Compensated absence payable	25.1 5,651	3,343
	<b>89,651</b>	<b>43,291</b>

**25.1** This includes provision made against accumulated compensation absences on the basis of actuarial assumptions taken by Company's actuary.

The main assumptions used for actuarial valuation are as under :

**Principal Actuarial Assumption**

Discount factor used per annum	12.25%	10.25%
Expected increase in eligible pay per annum	12.25%	10.25%

**Movement in Payable to Accumulated Compensation Absences**

Opening Balance	3,343	6,966
(Reversal) / addition during the year	2,308	(3,623)
Closing Balance	<b>5,651</b>	<b>3,343</b>

2021	2020
Note	----- Rupees in '000 -----

**26 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS**

Lease liability represented by:

Non current portion	6,621	18,468
Current portion	11,102	17,997
	<b>17,723</b>	<b>36,465</b>

**26.1** The lease liability is discounted using incremental rate of borrowing 10.25%

**26.2**

	2021			2020		
	Present Value of Minimum Lease Payment	Financial Charges for the future	Minimum Lease Payment	Present Value of Minimum Lease Payment	Financial Charges for the future	Minimum Lease Payment
	----- Rupees in '000-----					
Not Later than one year	11,102	1,143	12,245	17,997	2,922	20,919
Later than one year but not later than five years	6,621	113	6,734	18,468	1,646	20,114
Later than five years	-	-	-	-	-	-
	<b>17,723</b>	<b>1,256</b>	<b>18,979</b>	<b>36,465</b>	<b>4,568</b>	<b>41,033</b>

## 27 CONTINGENCIES AND COMMITMENTS

### 27.1 Contingencies

27.1.1 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 favor of the buyer an irrevocable and unconditional Insurance Guarantee from a AA- rated insurance company, East West Insurance Company Limited bearing number EWL/HO/PB-009/01/2017 to an amount of PKR 118.467 million. Further to this effect a duly executed and notarized undertaking dated 13-01-2017 has also been furnished by the Sellers to the Federal Insurance Ombudsman.

27.1.2 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.

27.1.3 During the year, 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. 79.1 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 ie. 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.

- 27.1.4 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.
- 27.1.5 "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.

The Appellate Bench of the Securities & Exchange Commission of Pakistan disposed of Appeal No. 37 of 2016 on November 16, 2021 through Order dated November 16, 2022. The said order set aside the impugned order to the extent of penalty imposed on Chairman, CEO, and Directors of the Company. whereas, Impugned Order was upheld and the appeal was dismissed to the fine imposed on the Company. The other appeal against is pending and the outcome is awaited."

- 27.1.6 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.
- 27.1.7 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.

## 27.2 Commitments

### *Ijara Commitment*

Not later than one year  
Later than one year and not later than five years

	2021	2020
	----- Rupees in '000 -----	
	4,768	5,394
	<b>6,863</b>	<b>18,623</b>
	<b>11,631</b>	<b>24,017</b>

## 28 NET INSURANCE PREMIUM REVENUE

### Gross Premiums / Contributions

Regular Premium / Contributions Individual Policies\*

First year	318,352	121,257
Second year renewal	76,922	52,560
Subsequent year renewal	45,472	7,351
Single premium / Contribution individual policies	47,121	37,745
Group policies without cash value	<b>347,053</b>	230,351
<b>Total Gross Premiums</b>	<b>834,920</b>	449,264

### **Less: Reinsurance Premiums Ceded**

On individual life First year business	5,343	2,488
On individual life second year business	529	2,337
On individual life renewal business	457	494
On group policies	228,188	162,594
less : Reinsurance commission on risk premium	(18)	(20)
	<b>234,499</b>	167,893

### **Net Premiums**

<b>600,421</b>	281,371
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\*Individual policies are those underwritten on an individual basis, and include joint life policies underwritten as such.

2021	2020
----- Rupees in '000 -----	

29	<b>INVESTMENT INCOME</b>	
	<b>Income from equity securities and mutual funds</b>	
	<i>Available for Sale</i>	
	- Dividend income	3,911
	<b>Income from debt securities</b>	
	<i>Held to Maturity</i>	
	- Return on government securities	55,741
		<b>59,652</b>
		<b>56,671</b>
30	<b>NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS</b>	
	<i>Available for sale</i>	
	<b>Realised gains on:</b>	
	- Equity securities	7
	- Mutual funds	3
	<b>Total</b>	<b>7</b>
31	<b>NET FAIR VALUE (LOSSES) / GAINS ON FINANCIAL ASSETS AT FAIR VALUE</b>	
	Impairment in value of available for sale securities	<b>(856)</b>
		<b>2,148</b>
32	<b>OTHER INCOME</b>	
	Return on bank balances	3,863
	Return on term deposits	1,123
	Gain on sale of property and equipment	327
	Miscellaneous	254
		<b>5,567</b>
		<b>9,947</b>
33	<b>NET INSURANCE BENEFITS</b>	
	<b>Gross Claims</b>	
	Claims under individual policies	
	by death	18,580
	by insured event other than death	200
	by maturity	16,559
	by surrender	54,777
	<b>Total gross individual policy claims</b>	<b>90,116</b>
		65,794
	Claims under group policies	
	by death	357,464
	by insured event other than death	5,115
	<b>Total gross group policy claims</b>	<b>362,579</b>
		262,381
	<b>Total gross claims</b>	<b>452,695</b>
		328,175
	<b>Less: Reinsurance recoveries</b>	
	On Individual life claims	(9,757)
	On Group life claims	(287,994)
	Net insurance benefit expense	154,944
		<b>126,702</b>

### 33.1 Claim Development

#### Claim Development

##### INDIVIDUAL

Accident Year	2017	2018	2019	2020	2021	Total
Estimate of ultimate claims costs:						
At end of accident year	1,263	1,561	295	1,434	7,377	11,930
One year later	150	200	405	-	-	755
Two years later	-	200	-	-	-	200
Three years later	49	-	-	-	-	49
Four years later	-	-	-	-	-	-
Current estimate of cumulative claims	1,462	1,961	700	1,434	7,377	12,934
Cumulative payments to date	(1,001)	(1,660)	(294)	-	(261)	(3,216)
Liability recognised in the statement of financial position	461	301	406	1,434	7,116	9,717

##### GROUP

Accident Year	2017	2018	2019	2020	2021	Total
Estimate of ultimate claims costs:						
At end of accident year	200	16,746	131,455	245,091	323,920	717,412
One year later	-	3,864	11,976	-	-	15,840
Two years later	-	-	-	-	-	-
Three years later	-	-	-	-	-	-
Four years later	-	-	-	-	-	-
Current estimate of cumulative claims	200	20,610	143,431	245,091	323,920	409,332
Cumulative payments to date	-	(18,671)	(129,032)	(139,441)	(187,295)	(287,144)
Liability recognised in the statement of financial position	200	1,939	14,399	105,650	136,625	258,813

### 34 ACQUISITION EXPENSES

#### Remuneration to insurance intermediaries on individual policies:

- Commission to agent on first year premiums
- Commission to agent on second year premiums
- Commission to agent on subsequent renewal premiums

195,069	57,413
6,088	4,718
1,216	25
<b>202,373</b>	<b>62,156</b>

#### Remuneration to insurance intermediaries on group policies:

- Commission **39,840** 18,122

#### Other acquisition costs

Stamp duty	3,511	1,575
Employee benefit cost	94,294	72,192
Depreciation on right of use assets	9.2	4,631
Depreciation	8.1	3,960
Travel and conveyance		3,932
Advertisements and sales promotion		14,215
Printing and stationery		1,639
Rent, rates and taxes		1,659
Electricity, gas and water		2,001
Entertainment		1,377
Vehicle running expenses		5,756
Repair and maintenance		5,612
Bank charges		122
Postage, telegrams and telephone		2,680
Insurance		150
Finance charges		282
Ijara rental		2,118
Miscellaneous		80
	<b>147,939</b>	<b>115,474</b>
	<b>390,152</b>	<b>195,752</b>

Note	2021	2020
	----- Rupees in '000 -----	

**34.1 Employee benefit cost**

Salaries, allowances and other benefits	93,516	70,962
Charges for post employment benefit	<u>778</u>	<u>1,230</u>
	<b><u>94,294</u></b>	<b><u>72,192</u></b>

**35 MARKETING AND ADMINISTRATION EXPENSES**

Employee benefit cost	35.1	112,966	109,811
Travel and conveyance		2,611	1,978
Advertisements and sales promotion		5,328	2,417
Printing and stationery		6,131	3,528
Depreciation on right of use assets	9.2	8,583	9,722
Depreciation	8.1	7,928	8,407
Amortisation		991	988
Rent, rates and taxes		211	87
Electricity, gas and water		2,086	1,892
Entertainment		1,724	1,999
Vehicle running expenses		6,297	5,459
Repair and maintenance		13,777	16,187
Annual Supervision fee SECP		482	100
Bank charges		300	217
Postage, telegrams and telephone		5,340	5,145
Ijara Rental		2,704	3,055
Finance Charges		2,242	3,993
Fees, subscription and periodicals		839	815
Insurance		3,801	4,056
Miscellaneous		1,189	606
		<b><u>185,530</u></b>	<b><u>180,462</u></b>

**35.1 Employee benefit cost**

Salaries, allowances and other benefits	101,763	101,349
Charges for post employment benefit	<u>11,203</u>	<u>8,462</u>
	<b><u>112,966</u></b>	<b><u>109,811</u></b>

**36 OTHER EXPENSES**

Legal and professional charges	4,426	16,580
Appointed actuary fees	4,068	4,068
Shariah Advisor Fee	2,100	1,950
Auditors' remuneration	36.1	1,464
Director fee	<u>645</u>	<u>1,010</u>
	<b><u>12,703</u></b>	<b><u>25,188</u></b>

**36.1 Auditors' remuneration**

Annual audit fee	531	505
Interim review	243	137
Taxation services	162	119
Review of code of corporate governance	68	63
Other Certifications	166	394
Out-of pocket expenses	162	232
Shariah audit fee	<u>132</u>	<u>130</u>
	<b><u>1,464</u></b>	<b><u>1,580</u></b>

	Note	2021	2020
		----- Rupees in '000 -----	
<b>37 TAXATION</b>			
Current		390	349
Prior		(1)	98
		<b>389</b>	<b>447</b>

**37.1** The Company computes provision for taxation in accordance with Income Tax Ordinance 2001 to ensure that the sufficient provision for the purpose of taxation is available which can be analyzed as follows:

	2020	2019	2018
	----- Rs in '000 -----		
Tax provision as per financial statements	349	518	205
Tax payable / paid as per tax return	348	616	197

### 38 LOSS PER SHARE

	2021	2020
	----- Rupees in '000 -----	
Loss (after tax) for the year	<b>(242,440)</b>	<b>(238,801)</b>
Weighted average number of ordinary shares	<b>150,172</b>	<b>114,336</b>
Loss per share	<b>(1.61)</b>	<b>(2.09)</b>

### 39 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives*	
	2021	2020	2021	2020	2021	2020
----- Rs in '000 -----						
Fees			<b>645</b>	<b>1,010</b>	-	-
Managerial remuneration	<b>8,677</b>	7,713	-	-	<b>14,173</b>	15,236
House rent allowance	<b>3,905</b>	3,471	-	-	<b>6,378</b>	6,856
Utilities	<b>4,772</b>	4,242	-	-	<b>7,795</b>	8,380
Medical	<b>180</b>	180	-	-	<b>471</b>	581
Car allowance	-	-	-	-	-	628
Others	<b>1,732</b>	1,828	-	-	<b>4,593</b>	4,650
Retirement benefits	-	-	-	-	<b>2,828</b>	1,596
	<b>19,266</b>	17,434	<b>645</b>	<b>1,010</b>	<b>36,238</b>	37,927
Number of persons	<b>1</b>	1	<b>7</b>	7	<b>6</b>	7

Some of the executives have been provided with Company maintained cars.

### 40 SEGMENTAL INFORMATION

#### 40.1 Revenue Account by Statutory Fund

For the year ended December 31, 2021

	Statutory funds					
	Ordinary Life	Universal Life	Accident & Health	Family Takaful	Family Takaful	Group 2021
----- Rs in '000 -----						
<b>Income</b>						
Premium / Contributions less reinsurances	<b>107,771</b>	<b>230,058</b>	-	<b>251,122</b>	<b>11,470</b>	<b>600,421</b>
Net investment income	<b>6,436</b>	<b>28,323</b>	<b>615</b>	<b>2,927</b>	<b>635</b>	<b>38,936</b>
<b>Total net income</b>	<b>114,207</b>	<b>258,381</b>	<b>615</b>	<b>254,049</b>	<b>12,105</b>	<b>639,357</b>
<b>Insurance benefits and expenditure</b>						
Insurance benefits including bonuses, net of reinsurance	<b>73,726</b>	<b>71,006</b>	-	<b>7,777</b>	<b>2,435</b>	<b>154,944</b>
Management expenses less recoveries	<b>115,797</b>	<b>200,979</b>	-	<b>245,535</b>	<b>10,084</b>	<b>572,395</b>
<b>Total insurance benefits and expenditure</b>	<b>189,523</b>	<b>271,985</b>	-	<b>253,312</b>	<b>12,519</b>	<b>727,339</b>
<b>Deficit of income over claims and expenditure</b>	<b>(75,316)</b>	<b>(13,604)</b>	<b>615</b>	<b>737</b>	<b>(414)</b>	<b>(87,982)</b>
Add: Policyholders' liabilities at beginning of the year	<b>9,310</b>	<b>287,432</b>	-	<b>15,842</b>	<b>730</b>	<b>313,314</b>
Less: Policyholders' liabilities at end of the year	<b>22,953</b>	<b>348,734</b>	-	<b>103,317</b>	<b>1,823</b>	<b>476,827</b>
<b>(Deficit) / Excess</b>	<b>(88,959)</b>	<b>(74,906)</b>	<b>615</b>	<b>(86,738)</b>	<b>(1,507)</b>	<b>(251,495)</b>
Movement in policyholders' liabilities	<b>13,643</b>	<b>61,302</b>	-	<b>87,475</b>	<b>1,093</b>	<b>163,513</b>

<b>Transfers from shareholders' fund</b>						
- Capital contributions from shareholders' fund	95,000	71,000	-	87,000	8,500	261,500
- Money ceded to Waqf	-	-	-	-	-	-
Balance of statutory fund at beginning of the year	19,331	291,662	6,227	16,363	1,508	335,091
<b>Balance of statutory fund at end of the year</b>	<b>39,015</b>	<b>349,058</b>	<b>6,842</b>	<b>104,100</b>	<b>9,594</b>	<b>508,609</b>

**Represented by:**

Capital contributed by shareholders' fund	529,183	609,208	17,868	87,000	11,000	1,254,259
Money ceded to Waqf	-	-	-	-	500	500
Policyholders' liabilities	22,953	348,734	-	103,317	1,823	476,827
Retained earnings on other than participating business	(513,121)	(608,884)	(11,026)	(86,217)	(3,729)	(1,222,977)
<b>Balance of statutory fund at end of the year</b>	<b>39,015</b>	<b>349,058</b>	<b>6,842</b>	<b>104,100</b>	<b>9,594</b>	<b>508,609</b>

For the year ended December 31, 2020	Statutory funds					
	Ordinary Life	Universal Life	Accident & health	Universal Family	Group Family	2020
	----- Rs in '000 -----					
<b>Income</b>						
Premium less reinsurances	65,480	183,662	-	29,535	2,694	281,371
Net investment income	8,112	32,306	634	82	177	41,311
<b>Total net income</b>	<b>73,592</b>	<b>215,968</b>	<b>634</b>	<b>29,617</b>	<b>2,871</b>	<b>322,682</b>
<b>Claims and expenditure</b>						
Claims, including bonuses, net of reinsurance recoveries	59,834	65,367	-	-	1,501	126,702
Management expenses less recoveries	130,301	227,779	-	13,254	3,180	374,514
<b>Total claims and expenditure</b>	<b>190,135</b>	<b>293,146</b>	<b>-</b>	<b>13,254</b>	<b>4,681</b>	<b>501,216</b>
<b>Deficit of income over claims and expenditure</b>	<b>(116,543)</b>	<b>(77,178)</b>	<b>634</b>	<b>16,363</b>	<b>(1,810)</b>	<b>(178,534)</b>
Add: Policyholders' liabilities at beginning of the year	12,994	239,584	-	-	346	252,924
Less: Policyholders' liabilities at end of the year	9,310	287,432	-	15,842	730	313,314
<b>Deficit</b>	<b>(112,859)</b>	<b>(125,026)</b>	<b>634</b>	<b>521</b>	<b>(2,194)</b>	<b>(238,924)</b>
Movement in policyholders' liabilities	(3,684)	47,848	-	15,842	384	60,390
<b>Transfers from shareholders' fund</b>						
- Capital contributions from shareholders' fund	118,500	128,500	-	-	2,500	249,500
- Money ceded to Waqf	-	-	-	-	-	-
Balance of statutory fund at beginning of the year	17,374	240,340	5,593	-	818	264,125
<b>Balance of statutory fund at end of the year</b>	<b>19,331</b>	<b>291,662</b>	<b>6,227</b>	<b>16,363</b>	<b>1,508</b>	<b>335,091</b>

**Represented by:**

Capital contributed by shareholders' fund	434,183	538,208	17,868	-	2,500	992,759
Money ceded to Waqf	-	-	-	-	500	500
Policyholders' liabilities	9,310	287,432	-	15,842	730	313,314
Retained earnings on other than participating business	(424,162)	(533,978)	(11,641)	521	(2,222)	(971,482)
<b>Balance of statutory fund at end of the year</b>	<b>19,331</b>	<b>291,662</b>	<b>6,227</b>	<b>16,363</b>	<b>1,508</b>	<b>335,091</b>

**40.2 Segment results by line of business**

For the year ended December 31, 2021

**Income**

**Gross premiums / contributions**

	Ordinary Life	Universal Life	Accident & health business	Universal Family Takaful	Group Family Takaful	2021
----- Rs in '000 -----						
First year	376	107,031	108	210,837	-	318,352
Second year renewal premium	-	68,160	-	8,762	-	76,922
Subsequent year renewal premium	-	45,472	-	-	-	45,472
Single premium / Contribution individual policies	-	12,045	-	35,076	-	47,121
<b>Group Premiums / Contributions</b>	<b>324,343</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,710</b>	<b>347,053</b>
<b>Total gross premiums</b>	<b>324,719</b>	<b>232,708</b>	<b>108</b>	<b>254,675</b>	<b>22,710</b>	<b>834,920</b>

**Reinsurance premiums**

- Individual premiums	-	2,668	108	3,553	-	6,329
- Group premiums	216,948	-	-	-	11,240	228,188
- Reinsurance commission on risk premium	-	(18)	-	-	-	(18)

**Total reinsurance premiums**

<b>Net premium revenues</b>	<b>216,948</b>	<b>2,650</b>	<b>108</b>	<b>3,553</b>	<b>11,240</b>	<b>234,499</b>
	<b>107,771</b>	<b>230,058</b>	<b>-</b>	<b>251,122</b>	<b>11,470</b>	<b>600,421</b>

**Net investment income**

<b>Net income</b>	<b>6,436</b>	<b>28,323</b>	<b>615</b>	<b>2,927</b>	<b>635</b>	<b>38,936</b>
	<b>114,207</b>	<b>258,381</b>	<b>615</b>	<b>254,049</b>	<b>12,105</b>	<b>639,357</b>

**Insurance benefits and expenditures**

Insurance benefits, including bonuses, net of reinsurance	73,726	71,006	-	7,777	2,435	154,944
Management expenses less recoveries	115,797	200,979	-	245,535	10,084	572,395
<b>Total insurance benefits and expenditures</b>	<b>189,523</b>	<b>271,985</b>	<b>-</b>	<b>253,312</b>	<b>12,519</b>	<b>727,339</b>

**(Deficit) / Excess of income over insurance benefits**

<b>(75,316)</b>	<b>(13,604)</b>	<b>615</b>	<b>737</b>	<b>(414)</b>	<b>(87,982)</b>
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Add: Policyholders' liabilities at beginning of the year	9,310	287,432	-	15,842	730	313,314
Less: Policyholders' liabilities at end of the year	22,953	348,734	-	103,317	1,823	476,827

**Surplus / (deficit) before tax**

<b>[88,959]</b>	<b>(74,906)</b>	<b>615</b>	<b>(86,738)</b>	<b>(1,507)</b>	<b>(251,495)</b>
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For the year ended December 31, 2020

Income

**Gross premiums / contributions**

	Ordinary Life	Universal Life	Accident & health business	Universal Family Takaful	Group Family Takaful	2020
----- Rs in '000 -----						
First year	438	102,702	53	18,064	-	121,257
Second year renewal premium	-	52,560	-	-	-	52,560
Subsequent year renewal premium	-	7,351	-	-	-	7,351
Single premium / Contribution individual policies	-	25,790	-	11,955	-	37,745
Group Premiums / Contributions	220,121	-	-	-	10,230	230,351
<b>Total gross premiums</b>	<b>220,559</b>	<b>188,403</b>	<b>53</b>	<b>30,019</b>	<b>10,230</b>	<b>449,264</b>

**Reinsurance premiums**

- Individual premiums	21	4,761	53	484	-	5,319
- Group premiums	155,058	-	-	-	7,536	162,594
- Reinsurance commission on risk premium	-	(20)	-	-	-	(20)
<b>Total reinsurance premiums</b>	<b>155,079</b>	<b>4,741</b>	<b>53</b>	<b>484</b>	<b>7,536</b>	<b>167,893</b>
Net premium revenues	65,480	183,662	-	29,535	2,694	281,371

Other income

Net investment income	8,112	32,306	634	82	177	41,311
<b>Net income</b>	<b>73,592</b>	<b>215,968</b>	<b>634</b>	<b>29,617</b>	<b>2,871</b>	<b>322,682</b>

**Insurance benefits and expenditures**

Insurance benefits, including bonuses, net of reinsurance	59,834	65,367	-	-	1,501	126,702
Management expenses less recoveries	130,301	227,779	-	13,254	3,180	374,514
<b>Total insurance benefits and expenditures</b>	<b>190,135</b>	<b>293,146</b>	<b>-</b>	<b>13,254</b>	<b>4,681</b>	<b>501,216</b>
Excess of income over insurance benefits	(116,543)	(77,178)	634	16,363	(1,810)	(178,534)
Add: Policyholders' liabilities at beginning of the year	12,994	239,584	-	-	346	252,924
Less: Policyholders' liabilities at end of the year	9,310	287,432	-	15,842	730	313,314
<b>Deficit before tax</b>	<b>(112,859)</b>	<b>(125,026)</b>	<b>634</b>	<b>521</b>	<b>(2,194)</b>	<b>(238,924)</b>

#### 40.3 Segment Statement of financial position

	Shareholders' fund	Statutory funds					2021	2020
		Ordinary Life	Universal Life	Accident & health business	Universal Family Takaful	Group Family Takaful		
-----Rs in '000-----								
Property and equipment	19,367	-	-	-	-	-	19,367	30,467
Right of use assets	14,333	-	-	-	-	-	14,333	31,568
Intangible assets	340	-	-	-	-	-	340	1,332
Investments								
Equity securities	9,188	-	-	-	-	-	9,188	10,640
Government securities	248,003	62,032	412,149	7,676	6,846	-	736,706	772,472
Mutual funds	17,923	-	12,843	-	43,412	8,607	82,785	39,838
Term deposits receipts	-	-	-	-	36,300	12,500	48,800	-
Loans secured against life insurance policies	-	1,487	4,593	-	-	-	6,080	6,612
Insurance / reinsurance receivables	-	54,380	-	376	-	26	54,782	38,412
Other loans and receivables	13,582	1,739	300	1,195	152	37	17,005	12,279
Taxation - payments less provision	20,636	-	-	-	-	-	20,636	17,082
Prepayments	1,593	-	-	-	-	-	1,593	2,967
Cash and Bank	1,285	6,812	39,562	1,355	89,298	5,461	143,773	86,503
Interfund Balances	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>346,250</b>	<b>126,450</b>	<b>469,447</b>	<b>10,602</b>	<b>176,008</b>	<b>26,631</b>	<b>1,155,388</b>	<b>1,050,172</b>
Insurance liabilities	-	62,371	436,900	3,599	105,267	3,178	611,315	428,241
Retirement benefit obligations	23,470	-	-	-	-	-	23,470	18,151
Premium received in advance	-	6,015	14,022	-	23,810	693	44,540	9,677
Insurance / reinsurance payables	-	31,360	10,011	161	4,037	14,451	60,020	63,478
Other creditors and accruals	28,170	10,642	8,190	-	42,111	538	89,651	43,291
Lease liability against right of use assets	17,723	-	-	-	-	-	17,723	36,465
<b>Total Liabilities</b>	<b>69,363</b>	<b>110,388</b>	<b>469,123</b>	<b>3,760</b>	<b>175,225</b>	<b>18,860</b>	<b>846,719</b>	<b>599,303</b>

#### 41 MOVEMENT IN INVESTMENTS

	Held to Maturity	Available for Sale	Total
-----Rs in '000-----			
At beginning of previous year	772,472	50,478	822,950
Additions	3,614,949	42,434	3,657,383
Disposals (sale and redemptions)	(3,601,915)	-	(3,601,915)
Realised fair value gain	-	7	7
Unrealised fair value loss	-	(90)	(90)
Impairment	-	(856)	(856)
	785,506	91,973	877,479

#### 42 WINDOW TAKAFUL OPERATIONS

The statement of financial position of Window Takaful Operations as at December 31, 2021 and its financial performance for the period ended December 31, 2021 is as follows

##### 42.1 Statement of Financial Position

As at December 31, 2021

	Operator's Sub Fund	Statutory funds		Aggregate	Aggregate
		Universal Life	Group Family Takaful		
-----Rupees in '000-----					
<b>Share capital and reserves</b>					
Funds received from Shareholders' Fund	-	-	-	-	-
Capital returned to Shareholders' Fund	-	-	-	-	-
Accumulated Surplus / (Deficit)	12,150	-	-	12,150	2,712
Qard-e-Hasna contributed by the Window Takaful Operator	-	-	-	-	-
<b>Net shareholders' equity</b>	<b>12,150</b>	-	-	<b>12,150</b>	<b>2,712</b>
<b>Balance of statutory fund (including Technical reserves Rs. 105,140 million (December 31, 2020: Rs.16.572 million)</b>	-	95,999	5,544	101,543	15,160
<b>Deferred liabilities</b>					
Staff retirement benefits	-	-	-	-	-
<b>Creditors and accruals</b>					
Outstanding claims	-	1,950	1,355	3,305	690
Contributions received in advance	-	23,810	693	24,503	204
Amount due to takaful / re-takaful operators	-	4,037	14,451	18,488	6,975
Amounts due to agents	39,591	-	-	39,591	2,628
Accrued expenses	-	-	-	-	-
Other creditors and accruals	3,058	-	-	3,058	247
	42,649	29,797	16,499	88,945	10,744
<b>Total liabilities</b>	<b>42,649</b>	<b>125,796</b>	<b>22,043</b>	<b>190,488</b>	<b>25,904</b>
<b>Commitments</b>	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>54,799</b>	<b>125,796</b>	<b>22,043</b>	<b>202,638</b>	<b>28,616</b>

Operator's Sub Fund	Statutory funds		Aggregate	Aggregate
	Universal Life Family Takaful	Group Family Takaful	December 31, 2021	December 31, 2020
-----Rupees in '000-----				
<b>Cash and bank deposits</b>				
Cash and others	546	-	546	-
Current and other accounts	19,799	70,002	4,411	94,212
Deposits maturing within 12 months		36,300	12,500	48,800
	20,345	106,302	16,911	143,558
				17,598
<b>Unsecured loans to employees</b>				
<b>Investments</b>				
GOP Sukuks	583	6,263	-	6,846
Listed securities	-	-	-	-
Open end mutual funds	-	43,412	8,607	52,019
Provision for diminution in value	-	-	-	-
	583	49,675	8,607	58,865
				10,924
<b>Current assets - others</b>				
Contributions due but unpaid	-	-	26	26
Amount due from takaful / re-takaful operators	-	-	-	-
Sundry receivables	-	-	-	-
Investment income accrued	-	152	37	189
Advances and deposits	-	-	-	-
Prepayments	-	-	-	-
Taxation - payments less provision	-	-	-	-
Inter fund balance	33,871	(30,333)	(3,538)	-
	33,871	(30,181)	(3,475)	215
				94
<b>Fixed assets</b>				
<b>Tangible assets</b>				
Furniture & fixture, office equipments	-	-	-	-
Motor vehicles	-	-	-	-
Right of use	-	-	-	-
Computer equipments	-	-	-	-
<b>Intangible assets</b>				
Softwares	-	-	-	-
	-	-	-	-
	-	-	-	-
<b>Total assets</b>	<b>54,799</b>	<b>125,796</b>	<b>22,043</b>	<b>202,638</b>
				<b>28,616</b>

**42.2 Revenue Account**  
For the year ended December 31, 2021

Universal Life Family Takaful	Group Family Takaful	Statutory Funds	Aggregate
		December 31, 2021	December 31, 2020
-----Rupees in '000-----			

**42.2.1 Participants' Investment Fund (PIF)**

<b>Income</b>				
Allocated contribution	92,440	-	92,440	15,512
Investment income	2,562	-	2,562	43
Total net income	95,002	-	95,002	15,555
<hr/>				
<b>Less: Claims and Expenditure</b>				
Claims	5,827	-	5,827	-
Takaful operator fee	6,313	-	6,313	448
	12,140	-	12,140	448
Excess of Income over Claims and expenditure	82,862	-	82,862	15,107
Add : Technical reserves at the beginning of the period	15,105	-	15,105	-
Less : Technical reserves at the end of the period	97,930	-	97,930	15,105
Income retained in PIF	37	-	37	2
<b>Movement in technical reserves</b>	<b>(82,862)</b>	-	<b>(82,862)</b>	<b>(15,107)</b>

Statutory Funds		----Aggregate----	
Universal Life Family Takaful	Group Family Takaful	December 31, 2021	December 31, 2020

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

**Surplus before distribution**

Movement in technical reserves	82,862	-	82,862	15,107
<b>Transfers from</b>				
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	-
<b>Balance of PIF at the end of the period</b>	<b>97,969</b>	-	<b>97,969</b>	<b>15,107</b>

**42.3 Revenue Account**

For the year ended December 31, 2021

Statutory Funds		----Aggregate----	
Universal Life Family Takaful	Group Family Takaful	December 31, 2021	December 31, 2020

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

**42.3.1 Participants' Takaful Fund (PTF)**

**Income**

Contribution net of retakaful	158,682	11,470	170,152	16,718
Net investment income	33	612	645	165
Other income	-	-	-	-
	<b>158,715</b>	<b>12,082</b>	<b>170,797</b>	<b>16,883</b>

**Less: Claims and Expenditure**

Claims	1,950	2,435	4,385	1,501
Takaful operator fee	158,589	4,302	162,891	16,135
	<b>160,539</b>	<b>6,737</b>	<b>167,276</b>	<b>17,636</b>

Excess / (Deficit) of Income over Claims and expenditure	(1,824)	5,345	3,521	(753)
--	---------	-------	-------	-------

Add : Technical reserves at the beginning of the period

737	730	1,467	346
5,387	1,823	7,210	1,467
(6,474)	4,252	(2,222)	(1,874)

Less : Technical reserves at the end of the period

Surplus / (deficit) retained in PTF

<b>1,824</b>	<b>(5,345)</b>	<b>(3,521)</b>	<b>753</b>
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**Surplus before distribution**

Movement in technical reserves	(1,824)	5,345	3,521	(753)
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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
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**Balance of PTF at the end of the period**

<b>(1,970)</b>	<b>5,544</b>	<b>3,574</b>	<b>53</b>
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#### 42.3.2 Operators' Sub Fund (OSF)

	Statutory Funds	Aggregate		
	Universal Life Family Takaful	Group Family Takaful	December 31, 2021	December 31, 2020
-----Rupees in '000-----				
<b>Income</b>				
Allocation fee	4,892	-	4,892	818
Investment income	332	23	355	51
Takaful operator fee	158,513	4,302	162,815	15,697
Certificate admin fee	851	-	851	38
Wakalat-ul-Istismar	646	-	646	30
	165,234	4,325	169,559	16,634
<b>Less: Expenses</b>				
Acquisition cost	186,434	4,738	191,172	14,929
Administration expenses	59,103	5,346	64,449	1,505
<b>Total management cost</b>	<b>245,537</b>	<b>10,084</b>	<b>255,621</b>	<b>16,434</b>
Excess of (expenditure)/over income				
Add : Technical reserves at the beginning of the period				
Less : Technical reserves at the end of the period				
<b>Surplus / (Deficit)</b>	<b>(80,303)</b>	<b>(5,759)</b>	<b>(86,062)</b>	<b>200</b>
Movement in technical reserves				
Capital Contribution during the period				
Qard-e-Hasna contributed to the Participants Takaful Fund	87,000	8,500	95,500	2,500
Balance of OSF at the beginning of the period	-	-	-	-
	1,402	1,310	2,712	12
Balance of OSF at the end of the period	<b>8,099</b>	<b>4,051</b>	<b>12,150</b>	<b>2,712</b>

#### 42.4 Statement of Contribution

For the year ended December 31, 2021

	Statutory Funds	Aggregate		
	Universal Life Family Takaful	Group Family Takaful	December 31, 2021	December 31, 2020
-----'Rupees in '000-----				
<b>Gross Contributions</b>				
Regular contributions individual family takaful*				
- First year	210,837	-	210,837	18,064
- Second year	8,762	-	8,762	-
- Subsequent year renewal	-	-	-	-
Single Contribution individual family takaful	35,076	-	35,076	11,955
Group family takaful contribution without cash value	-	22,710	22,710	10,231
<b>Total Gross Contributions</b>	<b>254,675</b>	<b>22,710</b>	<b>277,385</b>	<b>40,250</b>
<b>Participants' Investment Fund</b>				
Allocated regular contribution	59,118	-	59,118	4,155
Allocated single contribution	33,322	-	33,322	11,357
	<b>92,440</b>	<b>-</b>	<b>92,440</b>	<b>15,512</b>
<b>Participant's Takaful Fund (PTF)</b>				
Gross contribution	162,235	22,710	184,945	24,738
<b>Less: Retakaful Contribution Ceded</b>				
On individual first year business	3,058	-	3,058	484
On individual second year business	495	-	495	-
On individual renewal business	-	-	-	-
On group family takaful	-	11,240	11,240	7,536
<b>Net Contributions</b>	<b>158,682</b>	<b>11,470</b>	<b>170,152</b>	<b>16,718</b>

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

**42.5 Statement of Claims**  
For the year ended December 31, 2021

Statutory Funds		Aggregate	
Universal Life Family Takaful	Group Family Takaful	December 31, 2021	December 31, 2020

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

10,788	-	10,788	-
-	-	-	-
-	-	-	-
5,827	-	5,827	-
<b>16,615</b>	<b>-</b>	<b>16,615</b>	<b>-</b>

Claims under group family takaful

- by death
- by covered event other than death

Total group family takaful claims

-	10,969	10,969	5,350
-	921	921	831
-	11,890	11,890	6,181
<b>16,615</b>	<b>11,890</b>	<b>28,505</b>	<b>6,181</b>

**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

-	-	-	-
-	-	-	-
-	-	-	-
5,827	-	5,827	-
<b>5,827</b>	<b>-</b>	<b>5,827</b>	<b>-</b>

**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

10,788	-	10,788	-
-	-	-	-
-	-	-	-
10,788	-	10,788	-

Claims under group family takaful

- by death
- by covered event other than death

Total group family takaful claims

-	10,969	10,969	5,350
-	921	921	831
-	11,890	11,890	6,181

**Less: Retakaful recoveries**

On individual family takaful first year claims

**8,838** - **8,838** -

On individual family takaful second year claims

- - -

On individual family takaful renewal claims

- - -

On group takaful claims

- **9,455** **9,455** **4,680**

**Net Claims**

**7,777** **2,435** **10,212** **1,501**

**42.6 Statement of Expenses**  
For the year ended December 31, 2021

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

Statutory Funds		Aggregate	
Universal Life Family Takaful	Group Family Takaful	December 31, 2021	December 31, 2020

'Rupees in '000-----

143,877	-	143,877	9,182
1,050	-	1,050	-
-	-	-	-
-	-	-	-
<b>144,927</b>	<b>-</b>	<b>144,927</b>	<b>9,182</b>

**Remuneration to takaful intermediaries on group family takaful:**

- Commission

-	3,800	3,800	1,661
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**Other acquisition costs:**

Employee benefit cost  
Depreciation  
Travel and conveyance  
Advertisements and sales promotion  
Printing and stationery  
Electricity, gas and water  
Rent, rates and taxes  
Vehicle running expenses  
Repair and maintenance  
Postage, telegrams and telephone  
Finance charges  
Ijara rental  
Miscellaneous  
Stamp duty  
Depreciation on right of use assets  
Fees, subscription and periodicals  
Entertainment  
Bank charges  
Legal and professional charges  
Insurance  
Internet

25,260	654	25,914	2,187
1,188	108	1,296	558
1,018	12	1,030	208
4,266	-	4,266	107
489	-	489	44
601	-	601	84
498	-	498	4
1,491	21	1,512	212
1,684	-	1,684	122
756	4	760	118
85	-	85	59
636	-	636	148
-	-	-	4
1,679	9	1,688	231
1,390	126	1,516	-
-	-	-	-
413	-	413	-
8	4	12	-
-	-	-	-
45	-	45	-
-	-	-	-
<b>41,507</b>	<b>938</b>	<b>42,445</b>	<b>4,086</b>
<b>186,434</b>	<b>4,738</b>	<b>191,172</b>	<b>14,929</b>

**Total acquisition cost**

**Administration expenses**

Shariah Advisor Fee  
Employee benefit cost  
Vehicle running expenses  
Miscellaneous  
Printing and stationery  
Fees, subscription and periodicals  
Rent, rates and taxes  
Depreciation  
Bank charges  
Postage, telegrams and telephone  
Entertainment  
Advertisements and sales promotion  
Auditors' remuneration  
Travel and conveyance  
Depreciation on right of use assets  
Amortisation  
Electricity, gas and water  
Repair and maintenance  
Annual Supervision fee SECP  
Ijara Rental  
Finance Charges  
Insurance  
Legal and professional charges  
Appointed actuary fees

1,699	154	1,853	390
33,225	3,018	36,243	908
1,893	172	2,065	67
339	23	362	5
2,618	237	2,855	78
230	21	251	4
117	11	128	3
2,141	194	2,335	2
100	11	111	7
1,587	144	1,731	14
468	41	509	2
1,719	155	1,874	5
502	45	547	20
797	62	859	-
2,185	198	2,383	-
268	24	292	-
563	51	614	-
3,719	337	4,056	-
131	12	143	-
730	66	796	-
583	53	636	-
1,026	93	1,119	-
1,242	113	1,355	-
1,221	111	1,332	-
<b>59,103</b>	<b>5,346</b>	<b>64,449</b>	<b>1,505</b>
<b>245,537</b>	<b>10,084</b>	<b>255,621</b>	<b>16,434</b>

**Gross management expenses**

**42.7 Statement of Investment Income**  
For the year ended December 31, 2021

Statutory Funds		Aggregate	
Universal Life Family Takaful	Group Family Takaful	December 31, 2021	December 31, 2020

-----'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

470	-	470	10
900	-	900	31
1,192	-	1,192	2
-	-	-	-
-	-	-	-
-	-	-	-
<b>2,562</b>	<b>-</b>	<b>2,562</b>	<b>43</b>

**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

-	69	69	-
33	415	448	164
-	128	128	1
-	-	-	-
-	-	-	-
-	-	-	-
<b>33</b>	<b>612</b>	<b>645</b>	<b>165</b>

**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

-	-	-	-
332	23	355	51
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<b>332</b>	<b>23</b>	<b>355</b>	<b>51</b>

**Net investment income**

(a+b+c)

<b>2,927</b>	<b>635</b>	<b>3,562</b>	<b>259</b>
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**43 Management of insurance and financial risk**

The Company's overall risk management seeks to minimize potential adverse effects on the Company's financial performance of such risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. There are Board Committees and Management Committees for developing risk management policies and its monitoring.

The risks involved with financial instruments and the Company's approach to managing such risks are discussed below.

**43.1 Insurance risk**

The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The principal risk that the Company faces under such contracts is that the occurrence of the insured events and the severity of reported claims. The Company's risk profile is improved by diversification of these risks of losses to a large portfolio of contracts as a diversified portfolio is less likely to be affected by an unexpected event in single subset.

### **43.1.1 Universal Life**

The risk underwritten is mainly death and sometimes disability and/or critical illness. The risk of death and disability will vary from region to region. The Company may get exposed to poor risks due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The Company may also face the risk of poor investment return, inflation of business expenses and liquidity issues on monies invested in the fund. The Company faces the risk of under-pricing particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency may result in the Company being unable to recover expenses incurred at policy acquisition.

The Company manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Company has a well defined medical under-writing policy and avoids selling policies to high risk individuals. This puts a check on anti-selection. Profit testing is conducted on an annual basis to ensure reasonableness of premiums charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure on any one policyholder. To avoid poor persistency the Company applies quality controls on the standard of service provided to policyholders and has placed checks to curb mis-selling and improvement in standard of service provided to the policyholders. For this, a regular monitoring of lapsation rates is conducted. On the claims handling side, the Company has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The Company maintains adequate liquidity in each unit fund to cater for potentially sudden and high cash requirement. The Company reserves the right to review the charges deductible under the contracts, thus limiting the risk of under-pricing.

**a) Frequency and severity of claims**

The Company charges for mortality risk on a monthly basis for all insurance contracts. It has the right to alter these charges based on its mortality experience and hence minimizes its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may reduce its mitigating effect. The Company manages these risks through its underwriting strategy and reinsurance arrangements.

**b) Sources of uncertainty in the estimation of future benefit payments and premium receipts**

Uncertainty in the estimation of future benefit payments and premium receipts for long – universal life insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in policyholder's behavior.

**c) Process used to decide on assumptions**

For long-term universal life insurance contracts, assumptions are made in two stages. At inception of the contract, the Company determines assumptions on future mortality, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies.

**d) Changes in assumptions**

There has been no change in assumptions during the year.

e) Sensitivity analysis

Profit and loss account		Equity	
	100 bp increase	100 bp decrease	
Cash flow sensitivity	8,559	(8,559)	
31 December 2020			
Cash flow sensitivity	8,470	(8,470)	
	-----(Rupees in '000)-----		
	8,559	(8,559)	
	-----(Rupees in '000)-----		
	8,470	(8,470)	

43.1.2 Ordinary Life

The main risk written by the Company is mortality. The Company may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, difficulty of verification of claims, fraudulent claims or a catastrophe. The Company also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of premium in due time. There also exists a potential risk of asset liability term mismatch due to liabilities being very short term in nature.

The Company manages these risks through underwriting, reinsurance, effective claims handling and other related controls. The Company has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done in line with the actual experience of the Company. The premium charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The rates are certified by the appointed actuary for large groups. The Company also maintains an MIS to track the adequacy of the premium charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure to any life. At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor claim experience. Writing business of known hazardous groups is also avoided. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. For this, a claims committee reviews all large claims for verification. Strict monitoring is in place in order to keep the outstanding balances of premium at a minimum, especially the ones that are overdue. The bulk of the assets held against liabilities of this line of business have a short duration, thus mitigating the risk of asset value deterioration.

a) Frequency and severity of claims

The risk is affected by several factors e.g. age, occupation, benefit structure and life style. The Company attempts to manage this risk through its underwriting, claims handling and reinsurance policy. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country.

b) Sources of uncertainty in the estimation of future benefits payments and premium receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate mortality for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

Statistical methods are used to adjust the rates to a best estimate of mortality. Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

**d) Changes in assumptions**

There has been no change in assumptions during the year.

**e) Sensitivity Analysis**

Profit and loss account		Equity	
100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
-----(Rupees in '000)-----			
Cash flow sensitivity	<u>8,559</u>	<u>(8,559)</u>	<u>8,559</u>
-----(Rupees in '000)-----			
31 December 2020			
Cash flow sensitivity	<u>8,470</u>	<u>(8,470)</u>	<u>8,470</u>

**43.2 Financial risk**

**43.2.1 Market risk**

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market.

**Maturity profile of financial assets and liabilities**

On balance sheet financial instruments	31 December, 2021						31 December 2020					
	Mark up bearing			Non Mark up bearing			Mark up bearing			Non Mark up bearing		
	Maturity upto one year	Maturity after one year	Sub-Total	Maturity upto one year	Maturity after one year	Sub-Total	Total	Maturity upto one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year
-----(Rupees in '000)-----												
<b>Financial assets</b>												
Investments	646,674	138,832	785,506	91,973	-	91,973	877,479	599,178	173,294	772,472	50,478	-
Loans secured against life insurance	-	-	-	6,080	-	6,080	6,080	6,080	-	-	6,612	-
Insurance / reinsurance receivables	-	-	-	54,782	-	54,782	54,782	54,782	-	-	38,412	-
Other loans and receivables	-	-	-	17,005	-	17,005	17,005	17,005	-	-	12,279	-
Prepayments	-	-	-	1,593	-	1,593	1,593	1,593	-	-	2,967	-
Cash & Bank	70,415	-	70,415	73,358	-	73,358	143,773	74,481	-	74,481	12,022	-
	<b>717,089</b>	<b>138,832</b>	<b>855,921</b>	<b>244,791</b>	-	<b>244,791</b>	<b>1,100,712</b>	<b>673,659</b>	<b>173,294</b>	<b>846,953</b>	<b>122,770</b>	-
											<b>122,770</b>	<b>969,723</b>
<b>Financial liabilities</b>												
Insurance Liabilities	-	-	-	611,315	-	611,315	611,315	611,315	-	-	428,241	-
Retirement benefit obligations	-	-	-	23,470	-	23,470	23,470	23,470	-	-	18,151	-
Premium received in advance	-	-	-	44,540	-	44,540	44,540	44,540	-	-	9,677	-
Insurance / reinsurance payables	-	-	-	60,020	-	60,020	60,020	60,020	-	-	63,478	-
Other creditors and accruals	-	-	-	89,651	-	89,651	89,651	89,651	-	-	43,291	-
	-	-	-	<b>828,996</b>	-	<b>828,996</b>	<b>828,996</b>	<b>828,996</b>	-	-	<b>562,838</b>	<b>562,838</b>
On balance sheet gap	<b>717,089</b>	<b>138,832</b>	<b>855,921</b>	<b>(584,205)</b>	-	<b>(584,205)</b>	<b>271,716</b>	<b>673,659</b>	<b>173,294</b>	<b>846,953</b>	<b>(440,068)</b>	-
											<b>(440,068)</b>	<b>406,885</b>

**(a) Interest rate risk exposure**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from investment in government securities and balances held in profit and loss sharing accounts with reputable banks. At the reporting date the detailed interest rate profile of the Company's interest-bearing financial instruments is disclosed in note 43.1.2

**(b) Equity Price Risk**

The Company's investment in listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Company manages equity price risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity market. The Company is exposed to equity price risk with respect to its investments in quoted securities. Change of 10% in equity prices (NAV in case of mutual fund) will result in change in prices of respective equity instruments by Rs. 9.197 million (2020: Rs. 5.048 million).

### 43.2.2 Credit risk

Credit risk is the risk that the counter party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulator requirements.

The maximum exposure to credit risk before any credit enhancements as at December 31, 2021 is the carrying amount of the financial assets as set out below:

	2021	2020
	-----(Rupees in '000)-----	
<b>Financial Assets</b>		
Insurance / reinsurance receivables	54,782	38,412
Other loans and receivables	17,005	12,279
Cash and Bank	<u>143,773</u>	<u>86,503</u>
	<u><b>215,560</b></u>	<u><b>137,194</b></u>

### Bank balances

The Company maintained its funds with banks having strong credit rating. Currently the funds are kept with banks having rating ranging from AAA+ to AA-.

Bank Balances	AAA	AA+	AA	AA-	A	A-	Suspended	Total
	-----Rupees in '000-----							
December 31, 2021								
Bank Balances	<u>1,733</u>	<u>60,841</u>	<u>29</u>	<u>11,295</u>	<u>65,840</u>	<u>3,449</u>	<u>1</u>	<u>143,188</u>
December 31, 2020								
Bank Balances	<u>2,087</u>	<u>74,852</u>	<u>56</u>	<u>4,831</u>	<u>3</u>	<u>4,439</u>	<u>1</u>	<u>86,269</u>

### Concentration of credit risk

Concentration is the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

Concentration of risks arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company manages such risk by diversifying its portfolio and entering into transactions with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

### 43.2.3 Capital risk managements

The Company's objective when managing capital is to safe guard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development its businesses. The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

Currently the Company has a paid up capital of Rs. 1,501 million against the minimum required paid-up capital of Rs. 700 million set by the SECP for the life insurance companies for the year ended December 31, 2021.

## 44 MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

The Company is responsible for managing contracts that result in the transfer of Takaful and Financial Risk from the Participant to the PTF. This section summarizes the risks and the way the Company manages them, as part of the Company's Window Takaful Operations.

### Takaful Risk

The PTF issues Takaful contracts that are classified in the following segments:

- "- Individual Family Takaful
- Group Family Takaful"

#### Individual Family Takaful

These risks are managed along similar lines as explained for universal life business.

##### a) Frequency and severity of claims

Concentration of risk is not a factor of concern due to spread of risks across various parts of the country. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis. However, a risk of concentration of risk on any one Participant of the PTF still exists. The Company caters to this risk by entering into suitable Retakaful arrangements. For the basic life The Company charges for mortality risk/Waqf Donation (credited to the PTF) on a monthly basis for all Takaful contracts without fixed term.

Moreover, the Company manages these risks through its underwriting strategy and the results are revised quarterly by the Underwriting and Reinsurance Committee.

##### b) Source of uncertainty in the estimate of future benefits payments and contributions receipts

Uncertainty in the estimation of future benefit payments and contribution receipts for long term takaful contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in participants' behaviour (this primarily impacts persistency).

##### c) Process used to decide on assumptions

- Mortality: The expected mortality is assumed as mentioned in note 5.7.1.
- Persistency: A periodic analysis of the Company's recent and historic experience is performed and persistency is calculated every month. Persistency rates vary by products and more importantly the sales distribution channel.
- Expense levels and inflation: A periodic study is conducted on the Company's current business expenses and future projections to calculate per membership expenses. Expense inflation is assumed in line with assumed investment return.
- Investment returns: The investment returns assumptions are based on the assets backing the portfolio.

##### d) Change in assumptions

There has been no change in assumptions.

#### Group Family Takaful

The main risk written by the Company is mortality. The Company may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than

expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, and difficulty of verification of claims, fraudulent claims or a catastrophe. The Company also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of model contribution in due time.

The Company manages these risks through its:

**a) Pricing and Underwriting:**

All products of this nature are prepared by the Group Underwriting Department along with input from relevant sales team members which is then reviewed by the Appointed Actuary.

Pricing is done in line with the actual experience of the Company. The contribution charged takes into account the actual experience of the Group Participant and the nature of mortality exposure the group faces.

At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure.

Furthermore, the Company also maintains various MIS that are shared with relevant management to track the adequacy of the contribution charged.

Also, Underwriting & Reinsurance Committee reviews the underwriting performance of the Company on a quarterly basis.

**b) Retakaful:**

Retakaful agreements are in place to limit the mortality exposure. Underwriting & Reinsurance Committee reviews every quarter the performance of the treaties to ensure that adequate retakaful coverage is in place.

**c) Claims handling policy:**

The Company has procedures in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and apparently doubtful claims is conducted. Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims department's performance and to make sure that adequate claims controls are in place.

**d) Sources of uncertainty in the estimation of future benefits payments and contribution receipts:**

Other than conducting a liability adequacy for unearned contribution reserve, there is no need to estimate mortality for future years because of the short duration of the contracts.

**e) Process used to decide on assumptions**

Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

**f) Change in assumptions**

There has been no material change in assumptions.

#### 44.1 Concentration of Takaful Risk

A concentration of risk may arise from a single Family Takaful Contract issued to a particular type of Participant, within a geographical location or to types of commercial business. The Company minimizes its exposure to significant losses by obtaining re-takaful from foreign Re-Takaful Operator.

To optimize benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance.

There are a number of parameters which are significant in assessing the accumulation of risks e.g. financial underwriting ensuring a reasonable relationship between the income and Family Takaful coverage amount of person covered, determination of Family Takaful Coverage amount through mechanism which precludes individual choices and anti-selection.

#### 45 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
- 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:

31 December 2021			
Fair value measurement using			
Level 1	Level 2	Level 3	
-----(Rupees in '000)-----			
Government securities	-	736,706	-
Listed securities	9,188	-	-
Open end mutual funds	82,785	-	-
Term deposits receipts	48,800	-	-
	<b>140,773</b>	<b>736,706</b>	-

31 December 2020			
Fair value measurement using			
Level 1	Level 2	Level 3	
-----(Rupees in '000)-----			
Government securities	-	772,472	-
Listed securities	10,640	-	-
Open end mutual funds	39,838	-	-
	<b>50,478</b>	<b>772,472</b>	-

**46 STATEMENT OF SOLVENCY**

	Shareholders Fund	Ordinary Life	Universal Life	Accident and Health	Universal Family	Group Family Takaful	December 31, 2021	December 31, 2020
-----Rupees in '000-----								
<b>Assets</b>								
Property and equipment	19,367	-	-	-	-	-	19,367	30,467
Right of use assets	14,333	-	-	-	-	-	14,333	-
Intangible assets	340	-	-	-	-	-	340	1,332
Investments								
Equity securities	9,188	-	-	-	-	-	9,188	10,640
Government securities	248,003	62,032	412,149	7,676	6,846	-	736,706	772,472
Mutual funds	17,923	-	12,843	-	43,412	8,607	82,785	39,838
Term deposits receipts	-	-	-	-	36,300	12,500	48,800	-
Loans secured against life insurance policies	-	1,487	4,593	-	-	-	6,080	6,612
Insurance / reinsurance receivables	-	54,380	-	376	-	26	54,782	38,412
Other loans and receivables	13,582	1,739	300	1,195	152	37	17,005	12,279
Taxation - payments less provision	20,636	-	-	-	-	-	20,636	17,082
Prepayments	1,593	-	-	-	-	-	1,593	5,028
Cash and Bank	1,285	6,812	39,562	1,355	89,298	5,461	143,773	86,503
<b>Total Assets (A)</b>	<b>346,250</b>	<b>126,450</b>	<b>469,447</b>	<b>10,602</b>	<b>176,008</b>	<b>26,631</b>	<b>1,155,388</b>	<b>1,020,665</b>
<b>Inadmissible Assets</b>								
Property and equipment	19,367	-	-	-	-	-	19,367	30,467
Intangible assets	340	-	-	-	-	-	340	1,332
Investments								
Equity securities	583	-	-	-	-	-	583	565
Insurance / reinsurance receivables	-	14,476	-	376	-	-	14,852	13,587
Other loans and receivables	1,103	869	-	-	-	-	1,972	1,415
<b>Total of In-admissible assets (B)</b>	<b>21,393</b>	<b>15,345</b>	<b>-</b>	<b>376</b>	<b>-</b>	<b>-</b>	<b>37,114</b>	<b>47,366</b>
<b>Total Admissible Assets (C=A-B)</b>	<b>324,857</b>	<b>111,105</b>	<b>469,447</b>	<b>10,226</b>	<b>176,008</b>	<b>26,631</b>	<b>1,118,274</b>	<b>973,299</b>
<b>Total Liabilities</b>								
Insurance liabilities	-	62,371	436,900	3,599	105,267	3,178	611,315	428,241
Retirement benefit obligations	23,470	-	-	-	-	-	23,470	18,151
Premium received in advance	-	6,015	14,022	-	23,810	693	44,540	9,677
Insurance / reinsurance payables	-	31,360	10,011	161	4,037	14,451	60,020	63,478
Other creditors and accruals	28,170	10,642	8,190	-	42,111	538	89,651	20,706
Lease liability against right of use assets	17,723	-	-	-	-	-	17,723	-
<b>Total Liabilities (D)</b>	<b>69,363</b>	<b>110,388</b>	<b>469,123</b>	<b>3,760</b>	<b>175,225</b>	<b>18,860</b>	<b>846,719</b>	<b>540,253</b>
<b>Total Net Admissible Assets (E=C-D)</b>	<b>255,494</b>	<b>717</b>	<b>324</b>	<b>6,466</b>	<b>783</b>	<b>7,771</b>	<b>271,555</b>	<b>433,046</b>
<b>Minimum Solvency Requirement</b>								
Shareholders fund							165,000	165,000
Ordinary Life							61,907	37,995
Universal Life							8,003	6,709
Accident and Health							720	720
Universal Family Takaful							2,871	425
Group Family Takaful							8,153	2,445
<b>Total solvency margin required</b>							<b>246,654</b>	<b>213,294</b>
<b>Excess in Net Admissible Assets over Minimum Requirements</b>							<b>24,901</b>	<b>219,752</b>

## 47 RELATED PARTY RELATIONSHIPS

Name of related parties	Relationship
Askari Development & Holdings Private Limited	Associated undertaking
AWT Investments Limited (Primus Investment)	Associated undertaking
Askari Life Assurance Company Limited	Associated undertaking
Askari General Insurance company Limited	Associated undertaking
Askari Siddiqsons Development Company Limited	Associated undertaking
Askari Chartered Services	Associated undertaking
Askari Airport Services	Associated undertaking
Askari Travels Agencies	Associated undertaking
Askari Travels and Tours	Associated undertaking
Services Travels	Associated undertaking
Blue Lagoon	Associated undertaking
Askari Lagoon Faisalabad	Associated undertaking
Askari Fuels	Associated undertaking
Army Welfare Sugar Mills	Associated undertaking
Askari Woolen Mills	Associated undertaking
Askari Shoe Project	Associated undertaking
AWT Plaza Rawalpindi	Associated undertaking
AWT Plaza Karachi	Associated undertaking
RE-Rawalpindi	Associated undertaking
RE-Lahore	Associated undertaking
RE-Peshawar	Associated undertaking
Army Farms Khoski	Associated undertaking
Farms Boyel Gung	Associated undertaking
Farms Probynabad	Associated undertaking
Farms - RB	Associated undertaking
Askari Seeds	Associated undertaking
MAL Pakistan Limited	Associated undertaking
Askari Securities Limited	Associated undertaking
Askari Aviation (Private) Limited	Associated undertaking
Askari Guards (Private) Limited	Associated undertaking
Askari Enterprises (Private) Limited	Associated undertaking
Fauji Securities Services (Private) Limited	Associated undertaking
MedASK (Private) Limited	Associated undertaking
Askari Air Pakistan (Private) Limited	Associated undertaking
Jolidays	Associated undertaking
East West Insurance Company Limited	Associated undertaking
Army Welfare Trust	Holding company

## 48 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:

<b>Relationship</b>	<b>Transactions</b>		
Holding company	Premium revenue	<b>599</b>	564
Holding company	Insurance benefits	<b>1,200</b>	600
Holding company	Advance against equity	<b>100,000</b>	-
Associated undertaking	Premium revenue	<b>23,875</b>	30,362
Associated undertaking	Insurance benefits	<b>21,709</b>	31,410
Associated undertaking	Expenses and acquisition cost	<b>3,561</b>	8,692
Chief Executive Officer	Premium revenue	<b>50</b>	50
Key Management Personnel	Remuneration	<b>50,150</b>	55,361
Directors	Fee	<b>645</b>	1,010
<b>Related Party</b>			
<b>Holding Company</b>			
Army Welfare Trust	Due from insurance contract holders	<b>241</b>	236
Army Welfare Trust	Advance against equity	<b>100,000</b>	-
<b>Associated undertakings</b>			
Askari Guards Limited	Due from insurance contract holders	<b>4,992</b>	1,626
Mobil Askari Pakistan Limited	Due from insurance contract holders	<b>13</b>	10
Askari Fuels	Due from insurance contract holders	<b>6</b>	11
Askari Woolen Mills	Due from insurance contract holders	<b>39</b>	-
Askari Development Holding Pvt Limited	Due from insurance contract holders	<b>4</b>	-
Askari General Insurance Company Limited	Due from insurance contract holders	<b>55</b>	-
AWT Investment	Due from insurance contract holders	<b>549</b>	21
Askari Chartered Aviation Services (ACS)	Due from insurance contract holders	<b>2</b>	2
Fauji Security Services MEDASK	Due from insurance contract holders	<b>1,155</b>	-
Real Estate (Head Office)	Due from insurance contract holders	<b>-</b>	2
Blue lagoon	Due from insurance contract holders	<b>390</b>	-
Askari lagoon	Due from insurance contract holders	<b>609</b>	-
AWT Housing Scheme Karachi	Due from insurance contract holders	<b>4</b>	-
AWT Units	Due from insurance contract holders	<b>2</b>	2
Askari Shoes	Due from insurance contract holders	<b>-</b>	6,470
AWT Plaza Staff	Due from insurance contract holders	<b>-</b>	14
Askari General Insurance Company Limited	Due to insurance contract holders	<b>142</b>	-
		<b>-</b>	19

202 1 2020  
----- (Rupees in '000) -----

AWT Housing Scheme - Lahore	Due to insurance contract holders	1	1
Army Welfare Shugar Mills	Due to insurance contract holders	<u>17</u>	19
Blue Lagoon	Due to insurance contract holders	-	2
Askari Farms & Seeds Products	Due to insurance contract holders	-	24
Askari Flying Academy	Due to insurance contract holders	-	2
Askari Shoes	Due to insurance contract holders	<u>627</u>	-
MEDASK	Due to insurance contract holders	<u>7</u>	-
Askari Farms & Seeds Products	Due to insurance contract holders	<u>25</u>	
Jolidays	Other loans and receivables	<u>3,555</u>	-
Askari Guards Limited	Outstanding claims	<u>9,394</u>	3,604
Fauji Security Services	Outstanding claims	<u>2,400</u>	900
Army Welfare Sugar Mills	Outstanding claims	<u>650</u>	500
AWT Investment	Outstanding claims	-	8,000
Askari Fuel	Outstanding claims	<u>1,200</u>	-
Askari General Insurance Comp	Outstanding claims	<u>17</u>	-
Askari Travel & Tours	Accrued expenses	<u>180</u>	180
Askari General Insurance Company Limited	Accrued expenses	<u>604</u>	2,418
Gratuity payable to staff	Staff retirement benefits	-	18,151
East West Insurance Company Limited	Equity investments	<u>583</u>	565

#### 49 GENERAL

Figures have been rounded off to the nearest thousands.

#### 50 CORRESPONDING FIGURE

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

#### 51 NUMBER OF EMPLOYEES

2021 2020

The details of number of employees are as follows:

Number of employees as at year end	<u>88</u>	85
Average Number of employees during the year	<u>87</u>	90

#### 52 DATE OF AUTHORISATION FOR ISSUE

These financial statements authorised for issue by the Board of Directors of the Company on March 28, 2022.

Chief Executive Officer

Chief Financial Officer

Chairman

Director

Director

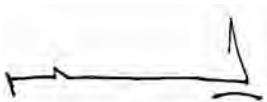
## STATEMENT OF DIRECTORS UNDER INSURANCE ORDINANCE 2000

(As per the requirement of section 46(6) and section 52(2) of the Insurance Ordinance 2000)  
Section 46(6)

- a) In our opinion the annual statutory accounts of the Company set out in the forms attached to the statement have been drawn up in accordance with the Ordinance and any rule made there under;
- b) The Company has at all times in the year complied with the provision with the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements; and
- c) As at December 31, 2021 the Company continues to be in compliance with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements.

Section 52(2)

- d) In our opinion the statutory fund of the Company complies with the solvency requirements of the Insurance Ordinance, 2000.



Chairman

  
Chief Executive Officer  
Director  
Director

**Statement by the Appointed Actuary**  
**Required under Section 52(2) (a) and (b) of the Insurance Ordinance, 2000**

I, Shujat Siddiqui of Akhtar & Hasan (Private) Limited, being an Actuary duly qualified under the terms of the Insurance Ordinance 2000, and being the Appointed Actuary of Askari Life Assurance Company Limited, do hereby state that in my opinion:

- (a) The policyholders' liabilities included in the balance sheet of Askari Life Assurance Company Limited as at 31st December 2021 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
- (b) The Shareholders' Fund and the Statutory Funds of the Company meet the solvency requirements of the Insurance Ordinance, 2000 as at 31st December 2021 in aggregate.



Shujat Siddiqui, MA, FIA, FPSA  
Appointed Actuary

## Pattern of Shareholding as at December 31, 2021

No of Shareholders	From	To	Total Shares hold	Percentage
63	1	100	1,569	0%
123	101	500	54,001	0%
72	501	1000	65,025	0%
135	1001	5000	382,265	0%
43	5001	10000	329,878	0%
19	10001	15000	247,538	0%
12	15001	20000	223,692	0%
5	20001	25000	121,000	0%
12	25001	30000	337,534	0%
2	30001	35000	65,530	0%
1	35001	40000	40,000	0%
4	45001	50000	194,000	0%
4	50001	55000	214,428	0%
3	55001	60000	173,809	0%
3	60001	65000	187,500	0%
1	70001	75000	73,499	0%
2	85001	90000	176,500	0%
3	95001	100000	299,000	0%
1	100001	105000	100,005	0%
2	105001	110000	219,500	0%
1	115001	120000	120,000	0%
1	120001	125000	123,299	0%
2	125001	130000	258,544	0%
1	130001	135000	132,605	0%
2	135001	140000	274,562	0%
1	165001	170000	167,500	0%
1	175001	180000	177,119	0%
1	195001	200000	198,000	0%
1	205001	210000	208,000	0%
1	225001	230000	226,466	0%
1	240001	245000	244,500	0%
1	245001	250000	250,000	0%
5	295001	300000	1,500,000	1%
1	315001	320000	318,841	0%
1	405001	410000	405,162	0%
1	410001	415000	411,120	0%
1	590001	595000	596,217	0%
1	650001	655000	651,961	0%
1	735001	740000	736,465	0%
1	750001	755000	754,500	1%
1	755001	760000	759,345	1%
1	990001	995000	990,500	1%
1	1215001	1220000	1,218,096	1%
1	1300001	1350000	1,349,000	1%
1	1555001	1605001	1,556,768	1%
1	1658001	1663000	1,662,091	1%
1	2800001	2805000	2,801,253	2%
1	28490001	28495000	28,490,824	19%
1	100080001	100085000	100,083,003	67%
<hr/>			545	<hr/>
<hr/>			150,172,014	<hr/>
<hr/>			100%	<hr/>

**No of Shareholders**

S.No.	Name of the Director	No of Shareholders	Shares held	Percentage
1	CEO, Directors and their spouses and minor children	5	14,828	0.0099%
2	Executive	-	-	0.0000%
3	Associated Companies, Undertakings & related parties	2	128,494,827	85.5651%
4	NIT and ICP	-	-	0.0000%
5	Public Sector Companies & Corporations	-	-	0.0000%
6	Others	11	3,533,009	2.3526%
7	Banks, Development Finance Institutions, Non-Banking Finance Institution, Insurers, Modaraba & Mutual funds	1	1,000	0.0007%
8	Individuals	526	18,128,350	12.0717%
Total		<b>545</b>	<b>150,172,014</b>	<b>100%</b>

**Categories of Shareholders**

<b>CEO, Directors and their spouses and minor childrens</b>	<b>5</b>	<b>14,828</b>	<b>0.0099%</b>
1 Jehanzeb Zafar - CEO		3,407	0.0023%
2 Ayesha Rafique - Director		3,407	0.0023%
3 Miss. Uroj Javed Yunus		1,200	0.0008%
4 Tariq Hameed		3,407	0.0023%
5 Javed Yunus		3,407	0.0023%
<b>Executive</b>		<b>0</b>	<b>0.0000%</b>
<b>Associated Companies, Undertakings &amp; related parties and Shareholders holding five percent or more</b>	<b>2</b>	<b>128,494,827</b>	<b>85.5651%</b>
1 East West Insurance Co.Ltd		28,411,824	18.9195%
2 Army Welfare Trust		100,083,003	66.6456%
<b>Banks, Development Finance Institutions, Non-Banking Finance Institution, Insurers, Modaraba &amp; Mutual funds</b>	<b>1</b>	<b>1,000</b>	<b>0.0007%</b>
<b>Others</b>	<b>11</b>	<b>3,533,009</b>	<b>2.3526%</b>
<b>Individuals</b>	<b>526</b>	<b>18,128,350</b>	<b>12.0717%</b>
Total		<b>545</b>	<b>150,172,014</b>
			<b>100%</b>

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 29th Annual General Meeting of the shareholders of Askari Life Assurance Company Limited will be held at 8th Floor, Army Welfare Trust, AWT Plaza, The Mall, RawalpindionMonday, April 25, 2022 at 11:00 a.m.

Due to continuing of Covid-19, it is difficult to manage large group of people, therefore, keeping in view the SECP Circular No.6 of 2021 dated March 03, 2021 and to adopt a cautious approach for all the respected participants, it has been decided that physical attendance will be limited hence members are encourage to attend the meeting via "Zoom Cloud Meetings" which can be downloaded from Google PlayStore or Apple App Store. The interested shareholders are requested to download the app before the meeting to avoid any inconvenience. On the day of the AGM the shareholders will be able to login and participate in the meeting through smartphones or computers devices from any convenient location.

The entitled shareholders whose name appear in the Books of the Company by Close of Business on April 18, 2022 will be treated 'in time' for the purpose of attending the meeting and who are interested to attend AGM through online platform are requested to get themselves registered at the Company Secretary's office through provision of the following information at the earliest but not later than 24 hours before the meeting (i.e. before 10:30am on April 24, 2022) at company.secretary@askarilife.com:

Name of Shareholder	CNIC No.	Folio Number/CDC Number	Mobile Number	Email Address

Upon receipt of the aforementioned information from the interested shareholders, the company will send the login details at their email address. The login facility will be opened 30 minutes before the meeting time at 10:30 am on Monday April 25, 2021 to facilitate the participants' identification and verification process before joining the meeting at 11:00 a.m sharp.

The entitled shareholders, whose name appear in the books of the Company (by Close of Business on April 18, 2022), may send their comments/suggestions for the proposed agenda items, on the aforementioned email address at least 24 hours before the meeting, the same shall be discussed in the meeting and be made part of the minutes of the meeting.

The meeting will be convened to transact the following business:

### Ordinary Business:

1. To confirm the minutes of the 28th annual general meeting held on April 26, 2021
2. To receive, consider and adopt the Company's Financial Statements for the year ended December 31, 2021, together with the Reports of the Auditors and Directors thereon.
3. To reappoint M/S RSM Avais Hyder Liaquat Nauman- Chartered Accountants Statutory Auditors and Shariah Auditors of the Company and to fix their remuneration for the financial year ending December 31, 2022.
4. To transact any other business that may be placed before meeting with the permission of the Chairman

By Order of the Board

Date: April 04, 2022

Muhammad Nadeem Rajput  
Company Secretary

**NOTES:**

- (a) The Share Transfer Books of the Company will remain closed from April 19, 2022 to April 25, 2022 (both days inclusive) for Annual General Meeting. Transfers received in order by our registrar, M/s THK Associates (Pvt) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi, at the close of business on April 18, 2022 will be treated in time for the purpose of attending the meeting.
- (b) A member eligible to attend and vote at the meeting may appoint another person as his/her proxy to attend, Speak and vote instead of him/her. Proxies in order to be effective must be received in the office of the Company's Head Office at Emerald Tower, Office No 1104, 11th Floor, Plot G-19, Block 5, KDA Improvement Scheme No. 5, Clifton, Karachi, not less than 48 hours before the time for holding the meeting (i.e. by 11:00am on April 23, 2022) and must be duly stamped, signed and witnessed. A member shall not be entitled to appoint more than one proxy.
- (c) CDC account/sub account holders should provide their original Computerized National Identity Cards (CNIC), Accounts/Sub-Account Number and Participant's ID Number in the Central Depository Company (CDC) for identification purpose when attending the meeting. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
- (d) Shareholders (Non-CDC) are requested to promptly notify the Company's Share Registrar of any change in their addresses and also provide the email address, if possible.

**FOR APPOINTING PROXIES:**

- In case of individuals, the submission of the proxy form as per the requirement notified in Note (b) mentioned above.
- The proxy form shall be witnessed by two persons whose name, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
- The proxy shall produce his/her original CNIC or original Passport at the time of meeting.
- In case of corporate entity, the Board of Directors' resolution /power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

**Annual Accounts of the Company:**

Annual accounts of the company for the financial year ended December 31, 2021, can be downloaded from the Company's website- [www.askarilife.com](http://www.askarilife.com)

Members are hereby informed that for electronic transmission of Annual Report, Electronic transmission consent form has been uploaded on the Company's website-[www.askarilife.com](http://www.askarilife.com). Members who wish to avail this facility are requested to submit their form duly filled and signed to Company Secretary at Company's Head Office at Emerald Tower, Office No 1104, 11th Floor, Plot G-19 , Block 5, KDA Improvement Scheme No. 5, Clifton, Karachi along with CNIC copy of the member.

For any query/information, members may contact the Share Registrar at the following address:

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

**Askari life Assurance Company Limited**  
Emerald Tower, Office No. 1104, 11th Floor, Plot G-19,  
Block 5, KDA Improvement Scheme No. 5, Clifton, Karachi  
Telephone No: 021-111-222-275  
Contact Person: Company Secretary  
Email: [company.secretary@askarilife.com](mailto:company.secretary@askarilife.com)

# نوٹس برائے انتیسوال سالانہ اجلاسِ عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ عسکری لائف اشورنس کمپنی لمبیڈ کے حصص کنندگان کا انتیسوال سالانہ اجلاسِ عام بروز پیر، ۲۵

اپریل ۲۰۲۲ء کو صحیح گیارہ بجے، 8th Floor, Army Welfare Trust, AWT Plaza, The Mall

Rawalpindi میں منعقد ہوگا:

کو ۱۹ ۱۹ کے جاری رہنے کے باعث، لوگوں کے بڑے گروپ کا انتظام کرنا مشکل ہے، چنانچہ سیکیورٹیز اینڈ آپریٹھیکشن کمپنی آف پاکستان کے سرکلرنبر ۶۰۰۰۲۰۲۷ء مورخہ ۳۰ مارچ ۲۰۲۲ء کو منظر رکھتے ہوئے اور تمام معزز شرکاء کے لئے ایک ممتاز رسائی وضع کرنے کیلئے، یہ فیصلہ کیا گیا ہے کہ سالانہ اجلاسِ عام "زُوم کلاؤڈ میٹنگز" (Zoom Cloud Meetings) پر بھی منعقد کیا جائے گا جو گول پلے اسٹور (Google PlayStore) یا اپل اپ اسٹور (Apple App Store) سے ڈاؤن لوڈ کیا جاسکتا ہے۔ کسی بھی پریشانی سے بچنے کیلئے خواہشمند حصص کنندگان سے درخواست کی جاتی ہے کہ وہ اجلاس سے قبل ایپ ڈاؤن لوڈ کر لیں۔ سالانہ اجلاس والے روز حصص کنندگان کسی بھی قابل رسائی مقام سے اسارت فونز یا کمپیوٹر ڈیوایسز کے ذریعے لाग ان ہو سکیں گے اور اجلاس میں شرکت کر سکیں گے۔

تمام حصص کنندگان کو جن کے نام مورخہ ۱۸ اپریل ۲۰۲۲ء کو کاروبار کے اختتام پر کمپنی کی کتابوں میں موجود ہوں گے، اجتماع میں شرکت کے مقصد کیلئے "بروقت" "تصویر کیا جائے گا اور جو ان لائن پلیٹ فارم کے ذریعے سالانہ اجلاسِ عام میں شرکت کے خواہشمند ہیں ان سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل معلومات کی فراہمی کے ذریعے جلد از جلد لیکن اجلاس سے ۲۲ گھنٹے سے زیادہ نہیں (یعنی ۲۲ اپریل ۲۰۲۲ء صبح ساڑھے دس بجے سے قبل) companysecretary@askarilife.com پر کمپنی سیکریٹری کے دفتر میں خود کو رجسٹر کروالیں:

حصص کنندہ کا نام	شناختی کارڈ نمبر	فولیونبر اسی ڈی سی نمبر	موبائل نمبر	ای میل

خواہشمند حصص کنندگان سے مذکور بالا معلومات وصول ہو جانے کے بعد، کمپنی ان کو ان کے دئے گئے ای میل پتے پر لाग ان تفصیلات بھیجے گی۔ لाग ان کی سہولت، شرکت کنندگان کی شاخت اور تقدیق کے عمل میں آسانی کے لئے اجلاس میں صحیح گیارہ بجے شریک ہونے سے قبل، اجلاس کے شروع ہونے سے آدھے گھنٹے قبل پیر ۲۵ اپریل ۲۰۲۲ء ٹھیک صحیح ساڑھے دس بجے کھولی جائے گی۔

تمام حصص کنندگان جن کے نام مورخہ ۱۸ اپریل ۲۰۲۲ء کو کاروبار کے اختتام پر کمپنی کی کتابوں میں موجود ہوں گے، جو یز کردہ اینڈ انکات کیلئے اپنے تبصرے / تجویز، درج بالا ای میل پتے پر اجلاس سے کم از کم ۲۳ گھنٹے قبل بھیج سکتے ہیں جن پر اجلاس میں گفتگو ہوگی اور انہیں اجلاس کے منٹس کا حصہ بنایا جائے گا۔

اجلاس نذکر ذیل کاروبار کی انجام دہی لئے منعقد ہوگا:

عمومی کاروبار:

- ۱ اپریل ۲۰۲۲ء کو منعقدہ اٹھائیسویں سالانہ اجلاس عام کے منٹس کی تصدیق؛
- ۲ ۳۱ دسمبر ۲۰۲۲ء کو ختم ہونے والے سال اور اس میں آڈیٹریز اور ڈائریکٹرز کی رپورٹس کے ساتھ کمپنی کے مالیاتی گوشواروں کی وصولی، ان پر غور اور انکو اختیار کرنا؛
- ۳ میسرز آرائیں ایم او بیس حیدر لیاقت نہمان - چارٹرڈ اکاؤنٹس کی بہ حیثیت کمپنی کے قانونی آڈیٹریز اور شریعت آڈیٹریز دوبارہ تقری اور مالیاتی سال ۳۱ دسمبر ۲۰۲۲ء کے لئے ان کے معاوضے کا تعین؛
- ۴ چیرین کی اجازت سے اجلاس میں پیش کئے گئے کمپنی کے مکنہ دیگر کاروباری امور کی انجام دہی

بجکم بورڈ

تاریخ: ۰۳ اپریل ۲۰۲۲ء

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محمد ندیم راجپوت  
کمپنی سیکریٹری

(الف) سالانہ اجلاس عام کے لئے کمپنی کی حصص منتقلی کی کتابیں، ۱۹ اپریل ۲۰۲۲ء تا ۱۲۵ اپریل ۲۰۲۲ء (بشمول دونوں ایام) بند رہیں گی۔ مورخہ ۱۸ اپریل ۲۰۲۲ء کو کاروبار کے اختتام پر ہمارے جسٹر ار میسرزٹی ایچ کے ایسوی ایمس (پرائیویٹ) لمیڈیڈ، پلات نمبر سی 32، جامی کمرشل اسٹریٹ 2، ڈیپنس ہاؤسنگ اتھارٹی، فیز ۷۷، کراچی کے دفتر میں، درست طور پر حصص کی موصولہ منتقلیاں، اجلاس میں شرکت کی غرض سے بروقت تصور کی جائیں گی۔

(ب) اجلاس میں شرکت کا اہل رکن اجلاس میں شرکت کے لئے گفت و شنید کرنے کے لئے اور ووٹ دینے کیلئے اپنی جگہ اپنے نائب (پرائی) کے طور پر کسی فرد کا تقرر کر سکتا ہے۔ ایسے نائبین کی تقریری کی اطلاع فعال ہونے کی غرض سے، مہرشدہ، دستخط شدہ، اور گواہی شدہ، اجلاس سے کم از کم اڑتا لیں گھنٹے قبل (یعنی ۱۲۳ اپریل ۲۰۲۲ء کو صبح گیارہ بجے) کمپنی کے ہیڈ آفس، ایئر لڈ ٹاور، ففتر نمبر 1104، گیارہواں فلور، پلات جی 19، بلاک 5، کے ڈی اے اپر فمنٹ اسکیم 5، کلفٹن، کراچی میں دینا ضروری ہے۔ ایک رکن کو ایک سے زیادہ نائب مقرر کرنے کا استحقاق حاصل نہیں ہے۔

(ج) سی ڈی سی اکاؤنٹ/ذیلی اکاؤنٹ کے حامل افراد اجلاس میں شرکت کے وقت شناخت کے لئے اپنا اصل قومی شناختی کارڈ، اکاؤنٹ نمبر/ذیلی اکاؤنٹ نمبر اور سی ڈی سی میں درج شرکت کنندہ آئی ڈی نمبر فراہم کریں۔ کسی کارپوریٹ ادارے کے صورت میں، اجلاس کے وقت نامزد کردہ کے دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ پیش کیا جائے گا (الا یہ کہ یہ پہلے پیش کر دیا گیا ہو)۔

(د) حص کنندگان (غیر سی ڈی سی) سے درخواست کی جاتی ہے کہ اپنے ٹپوں میں کسی تبدیلی کی صورت میں فوری طور پر کمپنی کے شیئر رجسٹر اکو اطلاع دیں اور اگر ممکن ہو تو ای میل پہنچ بھی فراہم کریں۔

#### برائے تقری نائبین (پرائیز)

- افرادی ہونے کی صورت میں، درج بالا نوٹ (ب) میں مطلع کردہ ضرورت کے مطابق پرائی فارم جمع کرنا
- پرائی فارم پر دو گواہان کی تصدیق ہو گی جن کے نام، پتے اور قومی شناختی کارڈ نمبر فارم پر درج کئے جائیں گے۔
- مالک انتفاعی اور نائب کے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پرائی فارم کے ساتھ فراہم کی جائیں گی۔
- نائب اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا پاسپورٹ پیش کرے گا۔
- کارپوریٹ ادارے کی صورت میں، پرائی فارم نامزد کردہ کے دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ پیش کیا جائے گا (الا یہ کہ یہ پہلے پیش کر دیا گیا ہو)۔

کمپنی کے سالانہ کا و نٹس

کمپنی کے سالانہ کا و نٹس برائے سال ۲۰۲۱ جو ۳ دسمبر ۲۰۲۱ء کو اختتام پذیر ہوا، کمپنی کی ویب سائٹ [www.askarilife.com](http://www.askarilife.com) سے ڈاؤن لوڈ کئے جاسکتے ہیں۔

ارکان کو مطلع کیا جاتا ہے کہ سالانہ رپورٹ کی ایکٹرونک منتقلی کے لئے، الیکٹرونک منتقلی کارضامندی فارم کمپنی کی ویب سائٹ www.askarilife.com پر اپ لوڈ کر دیا گیا ہے۔ وہ ارکان جو اس سہولت سے فائدہ اٹھانا چاہتے ہیں ان سے درخواست ہے کہ وہ اپنا مکمل کیا ہوا اور مستخط شدہ فارم کمپنی کے سیکریٹری کو کمپنی کے ہیڈ آفس، ایمیل لڈ ٹاور، دفتر نمبر ۱۱۰۴، گیارہواں فلور، بلاک جی ۱۹، بلاک ۵، کے ڈی اے امپروفمنٹ اسکیم ۵، کلفٹن، کراچی میں رکن کے قومی شناختی کارڈ کی نقل کے ہمراہ جمع کر دیں۔

کسی بھی استفسار/معلومات کے لئے ارکان شیئر جسٹر اسٹر سے درج ذیل پتے پر رابطہ کر سکتے ہیں:

لی انج کے ایسوی ایمس (پرائیویٹ) لمیٹڈ عسکری لائف انڈرنس کمپنی لمیٹڈ

پلاٹ نمبر ۳۲

جامی کرشل اسٹریٹ ۲

ڈیفسن ہاؤسنگ اتھارٹی، فیر II،

کراچی

ایمیل نمبر، دفتر نمبر ۱۱۰۴،

گیارہواں فلور، بلاک جی ۱۹،

بلاک ۵، کے ڈی اے امپروفمنٹ اسکیم ۵، کلفٹن، کراچی

فون: 021 111 222 275

رابطہ فرد: کمپنی سیکریٹری

ایمیل: company.secretary@askarilife.com

## **Branch Network**

### **Head Office - Karachi**

Office No.1104, 11th Floor, Emerald Tower, Plot  
No. G-19, Block 5, KDA Improvement Scheme  
No.5, Clifton, Karachi, Pakistan.  
Telephone: (021) 111-225-275  
Fax: (92-21) 35147540  
Email: company.secretary@askarilife.com

### **Registered Office:**

8th Floor, Army Welfare Trust, AWT Plaza,  
The Mall, Rawalpindi, Pakistan.  
Email: info@askarilife.com

### **Lahore Regional Development Center**

Plot # 524, Block-15, Sector B-1,  
Quaid-e-Azam Town Scheme,  
College Road, Lahore, Pakistan.  
Email: rdc.lahore@askarilife.com

### **Karachi Regional Development Center**

Showroom number 05 & 06 Ground Floor,  
Zubaida's Garden, Plot # 1 Survey no. 34,  
Survey Sheet no. 35-P/1, Block 7 & 8  
Kathiawar Cooperative Housing Society,  
Karachi, Pakistan.  
Email: rdc.karachi@askarilife.com

### **Rawalpindi Office**

Building # D-110, 6th Road,  
Near Total Petrol Pump, Satellite Town,  
Rawalpindi.  
Email: rdc.islamabad@askarilife.com

### **Contact No:**

UAN : 021-111 -225- 275

# PROXY FORM

## Askari Life Assurance Company Limited

"I \_\_\_\_\_ s/o \_\_\_\_\_ resident of \_\_\_\_\_  
\_\_\_\_\_  
(full address) being member of Askari Life  
Assurance Company Limited hereby appoint \_\_\_\_\_ s/o  
\_\_\_\_\_ resident of \_\_\_\_\_  
(full address) as my proxy to vote on my behalf at the 29<sup>th</sup> Annual General Meeting of the Company  
to be held on Monday April 25, 2022 at 11:00 am at 8<sup>th</sup> floor, the Mall, AWT Plaza, Rawalpindi  
and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

Please affix Revenue Stamp

**Revenue  
Stamp**

\_\_\_\_\_  
Signature of the Member

Signed in the presence of:

### **Witnesses**

\_\_\_\_\_  
Signature of Witness No. 1

Name:

CNIC No:

\_\_\_\_\_  
Signature of Witness No. 2

Name:

CNIC No:

### **Note:**

1. A person appointed as proxy shall be entitled to attend, speak and vote on behalf of appointer.
2. Attested copies of CNIC/Passport shall be provided with the proxy form.
3. A person may be appointed proxy even though he/she is not member of the company.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or if such appointer is a corporation under its common seal or the hand of its attorney.
5. The instrument appointing a proxy and the power-of-attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited with the Company's Head Office at Emerald Tower, Office No 1104, 11th Floor, Plot G-19, Block 5, KDA Improvement Scheme No. 5, Clifton, Karachi, not less than forty-eight (48) hours before the time for holding the meeting.
6. The proxy shall produce his original CNIC/Passport at the time of the meeting.

پرائسی فارم  
عسکری لائف ایشورنس کمپنی لمبیڈ

من کہ مسمی  
ولد \_\_\_\_\_  
ساکن \_\_\_\_\_

(مکمل پتہ)، \_\_\_\_\_

عسکری لائف ایشورنس کمپنی لمبیڈ کا رکن ہونے کی حیثیت سے،  
مسمی \_\_\_\_\_  
ولد \_\_\_\_\_  
ساکن \_\_\_\_\_

(مکمل پتہ)، \_\_\_\_\_

کو، کمپنی کی انتسویں سالانہ جزل میلنگ جو روز پیرو، ۲۵ اپریل ۲۰۲۲ء کو صبح گیارہ بجے

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

میں منعقد ہو گی اور بعد ازاں کسی بھی التوا پر، میری جانب سے ووٹ دینے کے لئے، اپنے نائب کے طور پر مقرر رکرتا ہوں۔

مورخہ \_\_\_\_\_  
۲۰۲۲ء کو دستخط کیا گیا

براحہ مہربانی روپی یو اسٹامپ چسپاں کریں

رکن کے دستخط

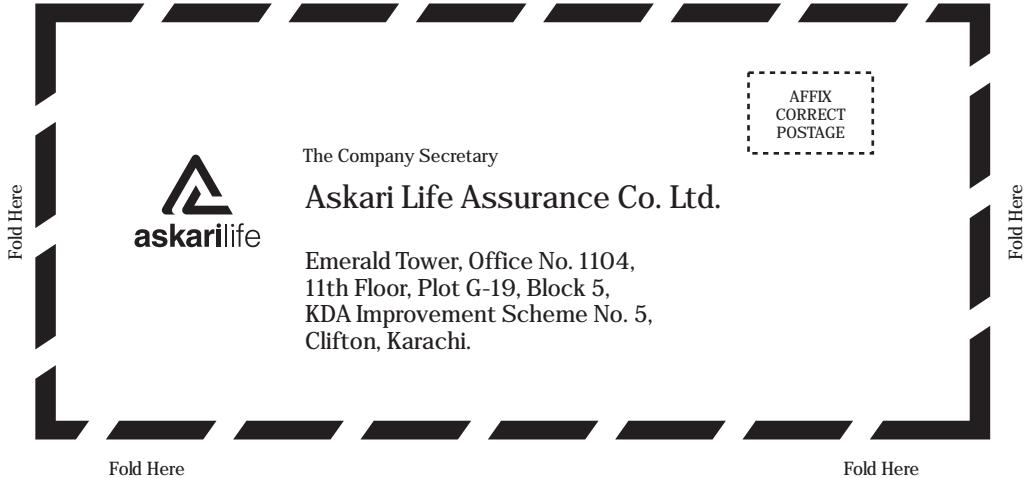
گواہان کی موجودگی میں دستخط کئے گئے

گواہ نمبر دو کے دستخط

نام: \_\_\_\_\_  
شناختی کارڈ نمبر: \_\_\_\_\_

گواہ نمبر ایک کے دستخط

نام: \_\_\_\_\_  
شناختی کارڈ نمبر: \_\_\_\_\_





## Askari Life Assurance Co. Ltd.

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

Tel: 021 36269941-44 | Fax: 021 3514 7540  
UAN: 021-111-225-275 | Email: [info@askarilife.com](mailto:info@askarilife.com)



021-111-225-275



[www.askarilife.com](http://www.askarilife.com)