

# ANNUAL REPORT

2018



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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 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.



## 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



# CEO MESSAGE

Looking back at 2018, it was a year of strategy formulation, meticulous planning and transformation to reorganize and rebrand Askari Life in order to capitalize on increasing awareness and take up of Life Insurance products. I, along with new leadership teams are confident of competitive business results in coming years by extraordinary focus on innovative product line, expansive quality distribution and prompt customer servicing. Management believes that development of insurance advisors coupled with effective utilization of technology will give edge to new entrants in delivering due value to customers and shareholders.

In 2019, management plans to increase productivity of distribution lines in order to yield optimum value. Focus on operational efficiency is also expected to result in lower costs and improved customer satisfaction.

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. And I want to thank our employees for their 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. Najib Ullah Khan, (Retd)  
Maj Gen. Imtiaz Hussain Sherazi, (Retd)  
Maj Gen. Akhtar Iqbal, (Retd)  
Malik Riffat Mahmood  
Javed Yunus  
Ayesha Rafique  
Tariq Hameed  
Jehanzeb Zafar

## Board Committees

### Audit Committee

Ayesha Rafique	Chairperson
Maj Gen. Imtiaz Hussain Serazi, (Retd)	Member
Malik Riffat Mahmood	Member
Head of Internal Audit	Secretary

### Investment Committee

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

### Ethics, Human Resource Remuneration & Nomination Committee

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

## Management



**Noman Noor Muhammad**  
Chief Operating Officer



**Rehan Mobin**  
Chief Financial Officer



**Kaleem Abbas**  
Head of Distribution



**Nusrat Ullah Khan**  
Head of HR & Admin



**Syed Jawaid Raza**  
Head of IT



**Yusuf Ansari**  
Head of Corporate Sales



**Hasan Askari**  
Head of Training &  
Policy Holder's Services

## Management Committees

### Risk Management & Compliance Committee

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

### Underwriting & Reinsurance Committee

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

### Claim Settlement Committee

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

### Appointed Actuary

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

### Legal Advisor

Saiduddin & Co.

### External Auditor

Grant Thornton Anjum Rahman  
(Chartered Accountants)

### Registered Office

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

### Head Office/ Other Offices

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

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

**Email:** info@askarilife.com  
**UAN:** 021- 111 -225- 275  
**Phone:** +92 (021) 35630421  
35630422 - 35630429

### Website

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

### Share Registrar

THK (Pvt) Limited  
1st Floor, 40-C Block-6  
P.E.C.H.S, Karachi-75400  
**UAN:** +92 (021) 111-000-322  
**Dir:** +92 (021) 34168266-68-70  
**Fax:** +92 (021) 34168271  
**E-mail:** secretariat@thk.com.pk  
**Web:** [www.thk.com.pk](http://www.thk.com.pk)

### Bankers

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

## CHAIRMAN'S REVIEW

It gives me personal pleasure to present the 26th Annual Report for the year ended December 31st, 2018 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 2018 remained an unpredictable year for the country's economy. The Pakistan's economic landscape continues to face pressures from deficit in current account, devaluation in Pak rupee, higher inflation and political stability.

The 2019 is expected to be better for the economy of Pakistan because of entering into the second phase of China Pakistan Economic Corridor. Government is likely to shift focus on trade policies and industry development, from infrastructure. Large multinational companies are already showing interest in setting up industries in Automobile, Telecommunication, Energy and Electronics industry.

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 policies would be decisive factors for Pakistan's economy this year.

Increasing awareness for Insurance products, low Insurance penetration and increased interest rates indicates 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 2018 was as follows:

- The Gross premium written by your Company stood at Rs.43.85 million, increased of 128% from previous year (2017: Rs.19.21 million).
- Marketing & Administration expenses stood at Rs.84.20 million, an increase of 132% from previous year (2017: Rs.36.35 million) and other expenses attributable to shareholders stood at Rs. 30.07 million, an increase of Rs. 23.94 million from the previous year (2017:6.13 million),
- The Net Claim expenses stood at Rs.50.08 million, an increase of 34% from previous year (2017: Rs.37.33 million),
- The Company's Investment portfolio currently stood at 714.01 million, an increase of 69% from previous year (2017: 423.77million).

In 2018, the new sponsors have successfully laid the foundation for relaunching through capital injection, experienced leadership and management team to develop and deliver a competitive business plan. 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 business. The market has reciprocated the above steps and Company successfully completed the right issue of Rs. 500 Million in December 2018.

### FUTURE PROSPECTS OF THE COMPANY

In 2019 and beyond, the company strives to continue its focus on increasing its business with regards to individual life as well as group life through launching of competitive products into the market. The management is likely to continue to face challenge from competition in the fast changing business environment. In connection with this realization, the company will continue its efforts for sustainability of business by providing better services to its customer and building value for its shareholders.

The company plans to deploy latest business technology to enable management to compete and operate effectively and efficiently.

## 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 2019.

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).



**Lt Gen. Najib Ullah Khan, (Retd)**

**Chairman**

March 14th, 2019

## 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 31st, 2018.

### PRINCIPAL ACTIVITY

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

#### Operational Review

As you are aware that majority of shareholding of the Company was acquired by Army Welfare Trust (AWT) in the year 2017. After the acquisition, the Board has focused its attention towards rebuilding of the 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.

New management leadership has been appointed giving special consideration towards their educational background, industry experience and overall attitude towards market and business of life insurance. Accordingly, new members have been hired to fill CEO, CFO, COO and Distribution Head positions. The new 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 stake holders of the Company.

During the year the Company has closed down all the non-productive branches to control the cost of business and also introduced new distribution network based on new strategy. New products have been introduced to generate better and consistent return to our policy holders. Management has further plans to introduce bancassurance channel and takaful products in future.

Further, during the year, the name of the Company was also changed from East West Life Assurance Company Limited to Askari Life Assurance Company Limited board of directors of your Company feel that new name represents the strong relationship and strength of the majority shareholder of the Company i.e. Army Welfare Trust (AWT). All the legal and regulatory requirements have been fulfilled. Board and management are committed to maintain highest ethical standards which are associated with the brand of Askari in Pakistan.

In the year under review, the board of directors announced further increase of paid-up capital by RS. 500 million, for the purpose of compliance with minimum paid up capital requirements and to execute renewed business plan for expansion. The board takes pleasure to report that the announced right issue was fully subscribed by the respected shareholders which shows trust put by shareholders. All the legal & regulatory requirements were fulfilled amicably, accordingly the authorized capital was also increased to Rs. 1,250 million.

#### Financial Analysis of the Company

In the year 2018, the new accounting and reporting rules issued by SECP Insurance division have been implemented effective from January 1st, 2018, accordingly the presentation of the annexed financial statements have been done based on the requirements of Insurance Accounting Regulation, 2017. The specific changes are more appropriately explained in the financial statements.

In the year under review, the management has also changed the method for depreciation from declining balance method to straight line method, which is more adequately recognize the cost of capital expenditure for the nature of Company's business and class of assets and also in line with the normal market practice. The effect of change of the accounting estimate is fully disclosed in the annexed financial statements.

## Gross Premium:

The new strategy put into plan in the last quarter of 2018 has started showing results. During the year 2018, the gross premium written by your Company stood at Rs.43.85 million, increased of 128% from previous year (2017: Rs.19.21 million). The new individual life business increased to Rs.2.24 million (2017:1.24 million) representing the growth of 79% and Group life business increased to Rs. 30.96 million (2017: 2.4 million) representing the growth of 1203%. Sales team of individual life and group life has actively pursued business and is supported by improved pricing strategy as a result of negotiating competitive reinsurance treaties.

## Expenses

During the year 2018, marketing & administration expenses stood at Rs.84.20 million, an increase of 132% from previous year (2017: Rs.36.35million) and other expenses attributable to shareholder's fund stood at Rs. 30.07 million, an increase of Rs. 23.94 million from the previous year (2017: 6.13 million), the increased is mainly due to the hiring of new management & sales teams, deployment of operational infrastructure, branding & launching of Askari life and impairment of certain assets.

## Claims:

During the year 2018, net Claim expenses stood at Rs.50.08 million, an increase of 34% from previous year (2017: Rs.37.33 million), the Company has revamped and modernized the Claims processing which make it convenient for the policyholders to process their claims and make Company service available to its customers.

## Investment

The Company's Investment portfolio currently stood at 714.01 million, an increase of 69% from previous year (2017: 423.77 million)

## Company's Financial performance

Moreover, your Company's net loss (before tax) for the year 2018 stood at Rs.112.74 million, an increase of Rs.77.67 million, (2017: Rs.35.07 million). The loss per share is PKR. 1.82 (2017 PKR 0.59)

The reason for increased in losses is that the Company has gone through the transition phase which involves restructuring of departments, hiring of new management, acquisition of productive Sales teams, rebranding of Askari life, revamping of the company's process and development of new offices /branches.

During the second half of the year, your Company has managed to acquire competitive group life sales team in Karachi, Lahore and Islamabad and started underwriting business of group life which stood at Rs. 30.96 million (2017: 2.4 million) representing the growth of 1203%.

During the month of December 2018, the Company has successfully launched the new product namely "**Askari Nayab Plan**" though Agency distribution Channel with the new productive sales team. The Company has also arranged in -house training for its sales staff in Karachi, Lahore & Islamabad to keep the team updated on the new business scenario, market dynamics, sales techniques and new product.

## Paid up Requirement of the Company:

During the year, your Company Paid up capital has been increased from 601.72 million to 1101.72 million through Right issue of Rs. 500 million at par value of Rs.10 per share. Now the Company has met the minimum capital requirement of Rs.700 million as prescribed by SECP in section 11 of Insurance Rules, 2017.

## 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 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 approved the appointment of the M/s Grant Thornton Anjum Rahman, (Chartered Accountants) as recommended by the Audit Committee and recommended for shareholders' approval.
- 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 31st, 2018 is included with the Report.
- It has been decided to discontinue the provident fund scheme for the employees effective from December 31, 2018 and instead gratuity scheme is being introduced in the Company, which in the opinion of management is as per market prevailing practice. The outstanding balance of the PF fund will be distributed among the member employees according to their entitlements.
- There has been no trading during the year in the shares of the Company carried out by the directors, CEO, COO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children except for the following:
  - Ayesha Rafique purchased 2,500 shares for the purpose of qualification shares required in the Articles of Association of the Company
  - Jehanzeb Zafar purchased 2,500 shares for the purpose of qualification shares required in the Articles of Association of the Company.
  - Noman Noor Muhammad sold 5,000 shares

## Composition of Board of Directors and their meetings

- Total number of Directors are eight (8) which consists of
  - (a) Male: 7
  - (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. Najib Ullah Khan, (Retd) Maj Gen. Imtiaz Hussain Sherazi, (Retd) Maj Gen. Akhtar Iqbal, (Retd) Malik Riffat Mahmood Javed Yunus

One (1) casual vacancy was occurred which is filled during the year.

- During the year 2018, six(6) 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. Najib Ullah Khan, (Retd)	06 out of 06
02	Maj Gen. Imtiaz Hussain Sherazi, (Retd)	05 out of 06
03	Maj Gen. Akhtar Iqbal, (Retd)	06 out of 06
04	Malik Riffat Mahmood	06 out of 06
05	Javed Yunus	04 out of 05
06	Ayesha Rafique	04 out of 05
07	Jehanzeb Zafar - CEO	06 out of 06

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

## Composition of Board Committees:

- 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 Imtiaz Hussain Sherazi, (Retd)	Member
Maj. Gen Akhtar Iqbal, (Retd)	Member
Jehanzeb Zafar	Member
Nusrat Ullah Khan	Member

**2) Investment Committee:**

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

**3) Audit Committee:**

Name of the Member	Category
Ayesha Rafique	Chairperson
Maj. Gen Imtiaz Hussain Sherazi, (Retd)	Member
Malik Riffat Mahmood	Member
Head of Internal Audit	Secretary

- The Board has formed the following Management Committees:

**1) Underwriting & Reinsurance Committee:**

Name of the Member	Category
Maj Gen. Akhtar Iqbal, (Retd)	Chairman
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Sumair Sarwar	Member

**2) Claim Settlement Committee:**

Name of the Member	Category
Maj Gen. Imtiaz Hussain Sherazi, (Retd)	Chairman
Jehanzeb Zafar	Member
Rehan Mobin	Member
Bushra Aftab	Member

**3) Risk Management & Compliance Committee**

Name of the Member	Category
Maj Gen. Akhtar Iqbal, (Retd)	Chairman
Jehanzeb Zafar	Member
Rehan Mobin	Member
Noman Noor Muhammad	Member
Sandeep Kumar Rajpal	Member

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

The Board values 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/hotelng 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.

## 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

In 2019 and beyond, management of the company will continue focus on development and expansion of branch network to promote new marketing strategy. The company will continue its focus on increasing business by launching competitive products in the market in line with principles of bancassurance and Takaful. 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. In view of such goals, the company's management is taking important steps in order to keep the organization ahead. In connection with this realization, 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 compensation programs. Further improvement in the company's internal workflow will be performed to achieve efficiency in business processing by implementation of controls through modern IT solutions in each area/level of transactions.

Your management is certain that focus on the above targets 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.

## DIVIDEND

The board of directors suggest that no dividend shall be declared for the year ended December 31, 2018, 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 Grant Thornton Anjum Rahman, (Chartered Accountants) retire after the completion of current year term and are eligible for re-appointment for the financial year 2019, the board of directors hereby proposed the appointment M/S Grant Thornton Anjum Rahman,(Chartered Accountants) on 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: 14th March, 2019

پالیسی ہولڈرز کے لئے اور ادارے کے حصص کنندگان کیلئے مشترک 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 کار و بار اور ریگولیشنز سے متعلق اخلاق کے ان قوانین پر عمل پیرا ہونے کی ضرورت ہے۔

### ڈویڈنڈ

بورڈ آف ڈائریکٹرز نے تجویز دی ہے کہ ۳۱ دسمبر ۲۰۱۸ء 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 کار و بار کو وسعت دینے پر توجہ مرکوز رکھنا چاہتی ہے۔

### شیئر ہولڈنگ کا نمونہ

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

### قانونی آڈیٹر

موجودہ آڈیٹر، میسرز گرانٹ ٹھورنٹن انجمن رحمان (چارٹرڈ اکاؤنٹنٹس) کو موجودہ سال کی مدت کی تکمیل پر یا ٹریڈ ہورے ہیں اور مالیاتی سال ۲۰۱۹ء کیلئے دوبارہ تقری کے اہل ہیں، بورڈ آف ڈائریکٹرز نے آٹ کمیٹی کی سفارش پر میسرز گرانٹ ٹھورنٹن انجمن رحمان (چارٹرڈ اکاؤنٹنٹس) کی تقری کی تجویز دی ہے۔

### اظہار شکر

ڈائریکٹرز، کمپنی کی انتظامیہ کی حمایت اور مسلسل رہنمائی کیلئے سیکریٹری ایڈیٹ پیچھے کمیشن آف پاکستان کو اپنا شکریہ پیش کرنا چاہیے گے۔ بورڈ وزارت تجارت اور حکومت پاکستان کا ملک میں یہ صنعت کو فروغ دینے کے لئے انکی کوششوں کا بھی شکریہ ادا کرنا چاہتے ہیں۔

بورڈ کمپنی کے خیر خواہ پالیسی ہولڈرز اور کار پوریٹ صارفین کا بھی خلوص دل سے شکریہ ادا کرنا چاہتا ہے جنہوں نے ہمارے ادارے میں اپنا اعتماد اور اعتبار قائم رکھا۔ ڈائریکٹرز کمپنی کے انتظامی عملے اور فیلڈ فورس کی معمول سے ہٹ کر کوششوں کو جو انہوں نے کمپنی کی ترقی اور نشوونما میں پیش کیں، خراج تخمین 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 نے آپ کی کمپنی کو بھی شعبے میں بیہمہ زندگی کا کار و بار کرنے والوں میں ایک اہم رکن بنادیا ہے۔

مزید برآں، بورڈ، انشورس ایسوی ایشن آف پاکستان کا بھی، انکی رہنمائی، تعاون اور ہماری صنعت کے قابل قدر نمائندگی کیلئے شکریہ ادا کرنا چاہیے گا۔ بورڈ، ری انشورس اور کمپنی کے بینکری کا بھی، ہماری کار و باری طریقہ جات کے بہتری کے لئے انکے تعاون اور کوششوں کا بھی شکریہ ادا کرنا چاہیے گا۔ آخر میں، ہمارے حصص کنندگان کا بھی شکریہ جتنی مسلسل وابستگی اور خیر خواہی عسکری لائف کو ایک مضبوط اور قابل بھروسہ مالیاتی ادارہ اور مارکیٹ کیلئے بھروسے کا نشان بنانے کیلئے ہمارے لئے حوصلہ افزائی کا ایک ذریعہ ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

ڈیمکٹر  
ڈیمکٹر

چیف ایگزیکیوٹو آفیسر

تاریخ: ۱۴ اکتوبر ۲۰۱۹ء

## مستقبل پر نظر

2019 میں اور بعد ازاں، کمپنی کی انتظامیہ مارکینگ کی نئی حکمت عملی کو فروغ دینے کے لئے براخچ نیٹ ورک کی وسعت اور اسکی ترقی پر توجہ جاری رکھے گی۔ کمپنی مارکیٹ میں مقابل پروڈکٹس کے آغاز کے ذریعے کار و بار بڑھانے پر توجہ جاری رکھے گی۔ عمیم کی نشوونما کے 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۔ ان مقاصد کی روشنی میں، کمپنی کی انتظامیہ ادارے کو آگے رکھنے کے لئے اہم اقدامات اٹھا رہی ہے۔ انتظامیہ تیزی کے مراحل طے کرتے ہوئے کار و باری ماحول میں مقابلے کے لئے اور پچھلے پانچ سالوں نئی کمپنیوں کے آنے سے مارکیٹ میں صارف کے رہجان کو دیکھتے ہوئے، چیجنجوں کا سامنا کرنے کے لئے، پوری طرح لیس ہے۔ اس حصول کے سلسلے میں، کمپنی اپنے صارفین کو بہتر خدمات فراہم کر کے اور حصص کندگان کیلئے قدر بنا کر، کار و بار کے استحکام کیلئے اپنی کوششیں جاری رکھے گی۔

- کمپنی انفرادی اور کار پوریٹ سیلز انفراسٹرکچر کو وسعت دینے اور اسکو جدید بنانے کا عمل جاری رکھے گی۔ یہ عمل مقابلے کے ذریعے پیداواری ٹیموں کے حصول کے ذریعے، سیلز کے عملے کے ایک اچھے امتحان کو قائم کر کے کیا جائے گا اور اس کے ساتھ ساتھ نئے سیلز عملے کو داخلی طور پر اپنے فرائض انجام دینے اور آگے بڑھنے کے لئے حوصلہ افزائی کرے گی۔
- کمپنی کے منافع کو بہتر بنانے کے لئے کار و بار کے حصول میں اٹھنے والی لاگت کا تقیدی تجزیہ اور اسکی گہری نگرانی جبکہ اسکے ساتھ ساتھ، سیلز ٹیم کو انکے کیریئر میں ترقی کے پروگرام کے ساتھ ساتھ پرکشش معاوضے اسٹرکچر کے ذریعے، انکو کمپنی میں رہنے اور حوصلہ افزائی اور ترغیب پر خصوصی توجہ دے گی۔
- کمپنی اپنے صارف تک رسائی بڑھانے کے لئے اور باکافیت اور تقسیم کاری کے بڑھتے ہوئے موقع کا فائدہ اٹھانے کے لئے مشہور بینک شرکاء سے معابدوں کے ذریعے بینک ایشورنس چینل کا آغاز کرنے کیلئے کوشش قائم رکھے گی۔ تقسیم کاری کو پھیلانے کے لئے ہماری کوششیں صرف بینک ایشورنس تک محدود نہیں رہیں گی، بلکہ کمپنی اور ذرائع بھی ملاش کرے گی اور ان کو اپنائے گی جیسے کہ متبادل تقسیم کاری اور براہ راست سیلز بہتر ہیمن ریسورس اور کیریئر ڈیلپیٹ پالیسیوں کی وجہ سے، کمپنی کا رکرداری کے متاثر کو زیادہ سے زیادہ کرنے کے لئے ہیمن کیپیٹ کی ترقی اور کمپنی میں برقرار رہنے پر توجہ قائم رکھے گی۔

- آپ کی کمپنی کی انتظامیہ پورٹنگ اور شفافیت کے معیار کی پابند ہے چنانچہ کمپنی نے جدید تقاضوں کے مطابق آئی ٹی سٹم کو عمل میں لانے کا منصوبہ بنانچکی ہے جو مالی/آپریشنل معلومات کے موثر اور بہترین طریقہ کار اور اپنے تمام اسٹیک ہولڈرز کو درست اور بروقت رپورٹنگ کو یقینی بنائے گا۔
- کمپنی کے داخلی ورک فلو میں، باصلاحیت بیمه کاروں اور تکنیکی عملے کی مدد سے کار و بار کے عمل میں ابیت کے حصول کے لئے مزید بہتری لائی جائے گی۔ کمپنی کے تمام تر کام کو بہتر بنانے کیلئے ہر علاقے / لین دین کے درجے میں جدید آئی ٹی حلوب کے ذریعے کنٹرولز کا اطلاق سروں شرکاء / اتحادیوں کے استعمال سے اپنے انفرادی اور کار پوریٹ صارفین کے قابل قدر خدمات میں مزید اضافے کے ساتھ ساتھ بینک ایشورنس اور ہنکافل کے اصولوں کے مطابق، نئی پروڈکٹس کی ترقی پر توجہ ملک بھر میں کمپنی کی
- شاخوں کے دفاتر کے نیٹ ورک کی کاسٹ میجنت کو بہتر بنانا

عالمی طور پر اور اندر وطن ملک بہتری ہوتی ہوئی معاشی صورت حال کی روشنی میں، آپ کی انتظامیہ کو یقین ہے کہ درج بالا اہداف پر توجہ مالیاتی نتائج کی بہتری کا نتیجہ ثابت ہو گی جسکے یہ ادارے کے اندر ایک بہتر کار پوریٹ پلچر کو فروغ بھی دے گا۔ کمپنی بورڈ کے ویژن اور حکمت عملی پر اپنی توجہ مرکوز رکھے ہوئے ہے جو، ہمیں بھروسہ ہے کہ

## 2. کلیم تصفیہ کمیٹی

رکن کا نام	عہدہ
میہجر جزل امتیاز حسین شیرازی (ریٹائرڈ)	چیئرمین
جہاں زیب ظفر	رکن
ریحان بیگن	رکن
بشری آفتاب	رکن

## 3. رسک میجنٹ اینڈ کمپلائنس کمیٹی

رکن کا نام	عہدہ
میہجر جزل اختر اقبال (ریٹائرڈ)	چیئرمین
جہاں زیب ظفر	رکن
ریحان بیگن	رکن
نعمان نور محمد	رکن
سنديپ کمار	رکن

## نان ایگز کیکو ڈاٹ ائر کٹرز کے معاوضہ کی پالیسی

بورڈ اپنے کار و بار میں آزاد ڈاٹ ائر کٹرز اور ان کے تجربے کی نمائندگی کی قدر کرتا ہے۔ کمپنی کے فروع اور استحکام کے لئے رکن ڈاٹ ائر کٹرز 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 ڈاٹ ائر کٹرز کو سفر/ قیام و طعام اور دیگر اخراجات کیلئے بازا را یگی کی جاتی ہے۔ بورڈ نے اس بات کو یقینی بنایا ہے کہ آزاد ڈاٹ ائر کٹرز کا معاوضہ ان کے تجربے کی درجے مطابق اور مناسب ہو گا۔

## ضابطہ اخلاق

بورڈ آف ڈاٹ ائر کٹرز نے بیسہ زندگی کا کار و بار چلانے کے لئے، ایمان داری اور دیانت داری کے ساتھ، پیشہ و رانہ اسٹینڈرڈز اور کار و پوری ٹ اقدار کو اپنایا ہے۔ اسٹیک ہولڈرز کے لئے کمپنی اور اس کے ملازمین کے کردار اور ذمہ داریاں کامل طور پر ضابطہ اخلاق میں 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۔

رکن	میجر جزل اختر اقبال (ریٹائرڈ)
رکن	جہاں زیب ظفر
رکن	نصرت اللہ خان

### سرماہہ کمیٹی

2.

عہدہ	رکن کا نام
چیئرمین	ملک رفعت محمود
رکن	میجر جزل اختر اقبال (ریٹائرڈ)
رکن	جہاں زیب ظفر
رکن	ریحان بنیان
رکن	نعمان نور محمد

### آڈٹ کمیٹی

3.

عہدہ	رکن کا نام
چیئرمین	عائشہ رفیق
رکن	ملک رفعت محمود
سیکریٹری	انظڑ آڈٹ ہیڈ اور کمپنی سیکریٹری

بورڈ نے درج زیل انتظامی کمیٹیاں بھی تشكیل دی ہوئی ہیں:

### انڈر رائینگ اوری انشورنس کمیٹی

عہدہ	رکن کا نام
چیئرمین	میجر جزل اختر اقبال (ریٹائرڈ)
رکن	جہاں زیب ظفر
رکن	نعمان نور محمد
رکن	سیمسون سرور

کمپنی کے بورڈ آف ڈائریکٹرز کی ترتیب موجودہ طور پر درج ذیل پر مشتمل ہے:

عائشہ رفیق طارق حمید	آزاد ڈائریکٹر
جہاں زیب ظفر چیف ایگزیکیوٹو آفیسر	ایگزیکیوٹو ڈائریکٹر
لیفٹنٹ جزل نجیب اللہ خان (ریٹائرڈ) میجر جزل امتیاز حسین شیرازی (ریٹائرڈ) میجر جزل اختر اقبال (ریٹائرڈ)	نان ایگزیکیوٹو ڈائریکٹر
ملک رفت محمود	
جاوید یونس	

اس سال کے دوران ایک وقتی آسامی پیدا ہوئی جس کو پُر کر لیا گیا ہے  
1. سال ۲۰۱۸ء کے دوران، بورڈ آف ڈائریکٹرز کی چھ میٹنگس ہوئیں اور ان میں شرکت کی صورت حال درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	شرکت کی گئی میٹنگس کی تعداد
1	لیفٹنٹ جزل نجیب اللہ خان (ریٹائرڈ)	چھ میں سے چھ
2	میجر جزل امتیاز حسین شیرازی (ریٹائرڈ)	چھ میں سے پانچ
3	میجر جزل اختر اقبال (ریٹائرڈ)	چھ میں سے چھ
4	ملک رفت محمود	چھ میں سے چھ
5	جاوید یونس	پانچ میں سے چار
6	عائشہ رفیق	پانچ میں سے چار
7	جہاں زیب ظفر چیف ایگزیکیوٹو آفیسر	چھ میں سے چھ

ان ڈائریکٹرز کے لئے جو بورڈ کی میٹنگس میں شرکت نہ کر سکے ان کی غیر حاضری کے لئے رخصت دی گئی  
بورڈ کمیٹیوں کی ترتیب

بورڈ نے درج ذیل بورڈ کمیٹیاں تشکیل دی ہیں:

1. آئی ٹکس، ہیومن ریسورس، ریمیوزریشن اور نو میئنیشن کمیٹی

عہدہ	رکن کا نام
چیئرمیٹر پرسن	عائشہ رفیق
رکن	میجر جزل امتیاز حسین شیرازی (ریٹائرڈ)

- بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر میسرز گرائٹ ٹھوڑنشن انجمن رہمان (چارٹرڈ کاؤنٹلنس) کی تقریبی کی منظوری دے دی اور حصص لندگان کی منظوری کے لئے اس کی سفارش کر دی
- بورڈ قطعی طور پر، کمپنی کے داخلی کشور اور اس کی افادیت پر نظر ثانی کرنے کا ذمہ دار ہے۔ البتہ، ایسا سمیت مقاصد حاصل کرنے میں ناکامی کے خطرے کو ختم کرنے کی نسبت اس کا انتظام چلانے کے لئے تشكیل دیا گیا ہے، اور اپنی ہویت کے اعتبار سے مادی غلط بیانی یا نقصان کے خلاف صرف مناسب نہ کر مکمل یقین فراہم کرتا ہے۔ ڈویژنل لیول پر متفقہ کاروبار کی حکمت عملیاں بورڈ کی طرف سے منظور کی جاتی ہیں۔ اسکے علاوہ، ایک سالانہ بجٹنگ اور حکمت عملی کی منصوبہ بنندی کا طریقہ کار بھی موجود ہے۔ مالیاتی تاریخ سے ماہی بنیاد پر تیار کئے جاتے ہیں اور ان حکمت عملیوں پر، کاروبار کے ماحول میں نمایاں تبدیلیوں پر غور کرنے کیلئے پورے سال کے دوران نظر ثانی کی جاتی ہے
- کنشروں فریم ورک کے اہم فچر زمین شامل ہیں:
- سرمائے کے بڑے اخراجات اور دیگر لین دین کے لئے تجربی اور منظوری کا طریقہ کار
- آپریٹنگ ارتقاء اور سہ ماہی مالیاتی بیانات کے استعمال سے، میں جملہ کمپنی کے مالیاتی کارکردگی کی مسلسل روپرٹنگ اور نگرانی، جو کارکردگی کے کلیدی ائٹمیز اور بجٹ سے فرق اور سہ ماہی پیشین گوئیوں کی نشاندہی کرتی ہے
- گروپ کی صحت، حفاظت، ماحول کے غیر یقینی ہونے کی صورت میں انتظام کے طریقہ ہائے اور دیگر نمایاں پالیسیاں
- کمپنی کو یہ کاروباری رکھنے کے لئے اسکی قابلیت کے متعلق کو و واضح شکوہ و شہادت نہیں ہیں
- کار پوریٹ گورننس کے بہترین طریقہ ہائے کار سے کہیں بھی کوئی ماڈل اختلاف نہیں کیا گیا ہے
- پچھلے چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی مواد مسلک ہے
- ۳۱ دسمبر ۲۰۱۸ء کو کمپنی میں شیئر ہولدنگ کا بیان رپورٹ میں شامل ہے
- مورخہ ۳ دسمبر ۲۰۱۸ء سے ملاز مین کے لئے پروڈینٹ فنڈ اسکیم روکنے کا فیصلہ کیا گیا ہے اور اس کے بجائے کمپنی میں گریجوٹی اسکیم متعارف کرائی جائی ہے جو انتظامیہ کی رائے میں مارکٹ کی موجودہ پریس کے مطابق ہے۔ پروڈینٹ کا بقا یا ٹیلنس رکن ملاز مین کے درمیان ان کے حق کے مطابق تقسیم کر دیا جائے گا
- سال کے دوران، چیف ایگزیکیوٹو آفیسر، چیف فانٹل آفیسر، چیف آپریٹنگ آفیسر، کمپنی سکریٹری، ہیڈ آف ائٹنل آڈٹ اور انکی شریک حیات اور نابالغ بچوں کی طرف سے، کمپنی کے حصص میں کوئی تجارت نہیں ہوئی ہے مساواۓ درج ذیل کے:
- عائشہ رفیق نے کمپنی کے آرٹیکلز آف ایسوی ایشن کی ضرورت کے مطابق اہلیت کے حصص کے مقدار کیلئے 2500 حصہ خریدے
- جہاں زیب ظفر نے کمپنی کے آرٹیکلز آف ایسوی ایشن کی ضرورت کے مطابق اہلیت کے حصص کے مقدار کیلئے 2500 حصہ خریدے
- نعمان محمد نے 5000 حصہ بیچے

## بورڈ آف ڈائریکٹرز کی ترتیب اور ان کی میئنگز

ڈائریکٹرز کی کل تعداد 8 ہے جن میں 7 مرد حضرات ہیں اور ایک خاتون شامل ہیں

## کمپنی کی مالی کارکردگی

مزید برآں، ۲۰۱۸ء کے لئے آپ کی کمپنی کا اصل نقصان (قبل از ٹکس) 112.74 ملین روپے رہا، جس میں ۲۰۱۷ء کے مقابلے میں 77.67 ملین روپے اضافہ ہوا (۲۰۱۷ء: 35.07 ملین روپے)۔ فی حصہ نقصان 1.82 روپے رہا (۲۰۱۷ء: 0.59 روپے)۔

نقصانات میں اضافہ کی وجہ یہ ہے کہ کمپنی تبدیلی کے دور سے گزری ہے جس میں شعبہ جات کی دوبارہ ترتیب سازی، نئی انتظامیہ کی تقری، پیداواری سیلزٹیم کا حصول، عسکری لائف کی ریبراینگ، کمپنی کے طریقہ کار میں تبدیلی اور نئے دفاتر/شاخوں کا قیام۔

سال ۲۰۱۸ء کی دوسری ششماہی میں، آپ کی کمپنی نے کراچی، لاہور اور راولپنڈی میں تقابی گروپ لائف سیلزٹیم کے حصول کا انتظام کر لیا اور گروپ لائف کے کاروبار کی بہمنی کا شروع کی جو 30.96 ملین روپے رہا (۲۰۱۷ء: 2.4 ملین روپے) یعنی اس میں 1203 فیصد نشوونما دیکھنے میں آئی۔

دسمبر ۲۰۱۸ء کے دوران، کمپنی نے نئی پیداواری سیلزٹیم کے ساتھ، ایجنسی تقسیم کا رچینل کے ذریعے اپنی نئی پروڈکٹ عسکری نایاب پلان کا کامیابی سے اجراء کر دیا۔ کمپنی نے کراچی، لاہور اور اسلام آباد میں سیلز کے عملے کو، کاروبار کے نئے منظرنا میں سے، مارکیٹ کے ڈائینکس، سیلز کی ٹکنیکوں اور نئی پروڈکٹ کے متعلق آگاہ رکھنے کے لئے، داخلی ٹریننگ کا بھی انتظام کیا ہے۔

## کمپنی کی پیداپ ضرورت

اس سال کے دوران، آپ کے کمپنی کا پیداپ سرمایہ 601.72 ملین روپے سے بڑھ کر، وس روپے فی حصہ کی مساوی قدر پر 500 ملین روپے کے راست ایشو کے ذریعے، 1,101.72 ملین روپے ہو گیا۔ اب کمپنی نے 700 ملین روپے کی کم از کم سرمایہ کی ضرورت کو پورا کر دیا ہے جو کہ سیکیورٹیز ایڈ ایچنج کمیشن آف پاکستان کے انشورنس قوانین 2017 کی شق 11 میں مقرر کی گئی ہے۔

## کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

بورڈ، سیکیورٹیز ایڈ ایچنج کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کی طے کردہ ذمہ داریوں سے آگاہ ہے۔ چنانچہ، درج ذیل بیانات پیش کئے جاتے ہیں:

- کمپنی کی انتظامیہ کے تیار کردہ مالیاتی بیانات اس کے امور کو، اسکے آپریشنز کے نتائج، نقد رقوم کے، بہاؤ اور ایکوئی میں تبدیلیاں واضح طور پر پیش کرتے ہیں
- کمپنی نے تمام تر کھاتے صحیح طور پر مرتب کئے ہیں
- مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کی گیا ہے اور تبدیلیاں اگر کوئی ہیں تو ان کو مالیاتی بیانات میں ظاہر کیا گیا ہے اور اکاؤنٹنگ تخفینے مناسب اور مقاطفہ فیصلے پرمنی ہیں
- بین الاقوامی اکاؤنٹنگ استنڈرڈز 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
- داخلی کنٹرول کا سٹم اپنے ڈھانچے کے اعتبار سے کافی متوازن ہے اور موثر طور پر اطلاق شدہ اور زیرگرانی ہے

## کمپنی کا مالی تجزیہ

سال ۲۰۱۸ء میں، پہلی جنوری ۲۰۱۸ء سے سیکیورٹیز اینڈ ایچجنگ کمیشن آف پاکستان کی جاری کردہ نئے اکاؤنٹنگ اور پورنگ قوانین کا اطلاق کیا گیا، چنانچہ منسلکہ مالیاتی بیانات ان سورنس اکاؤنٹنگ ریگولیشن ۷۰۱ کی ضروریات کی بنیاد پر تیار کئے گئے ہیں۔ مالیاتی بیانات میں خاص تبدیلوں کی زیادہ مناسب طور پر وضاحت کی گئی ہے۔

زیر غور سال میں، کمپنی نے فرسودگی کا طریقہ کار، کم ہوتے ہوئے میزان کی بنیاد پر فرسودگی (declining balance) سے یکساں شرح سے فرسودگی (straight line method) میں تبدیل کر دیا ہے جو کمپنی کے کاروبار کی نوعیت کے لئے اور اثاثہ جات کے لئے، عام مارکیٹ پیکٹش کے بھی مطابق، مناسب طور پر سرمایہ کے اخراجات کی نشاندہی کرتا ہے۔ اکاؤنٹنگ کے تجربے کا اثر منسلکہ مالیاتی بیانات میں مکمل طور پر ظاہر کیا گیا ہے۔

## مجموعی پریمیم

سال ۲۰۱۸ کے دوران مجموعی پریمیم 43.85 ملین روپے رہا، جس میں پچھلے سال کے مقابلے میں 128 فیصد اضافہ ہوا (۷۰۱: ۱۹.۲۱ ملین روپے) نئے انفرادی بیمه زندگی کا کاروبار 2.24 ملین روپے تک بڑھ گیا (۷۰۱: 1.24 ملین روپے) یعنی 79 فیصد اضافہ، اور گروپ لائف کاروبار میں 30.96 ملین تک بڑھ گیا (۷۰۱: 2.4 ملین) یعنی اس میں 1203 فیصد اضافہ دیکھنے میں آیا۔ یہ اضافہ خاص طور پر کمپنی کی تمام انتظامیہ کی تبدیلی اور فروخت کی نئی حکمت عملی ہے۔ انفرادی بیمه زندگی اور گروپ لائف کی بیلزیم نے کاروبار کے لئے مستعدی سے جدوجہد کی ہے اور قابلی ری ان سورنس معاہدوں کے نتیجے میں پہلے سے بہتر قیمتوں کی حکمت عملی سے اس کو مد فراہم کی جاتی ہے۔

## اخراجات

سال ۲۰۱۸ء کے دوران، مارکیٹ اینڈ ایڈمنیسٹریشن اخراجات پچھلے سال کے مقابلے میں 132 فیصد اضافے سے 84.20 ملین روپے رہے (۷۰۱: 36.35 ملین روپے) اور حصہ کنندگان سے منسوب دیگر اخراجات 30.07 ملین روپے رہے، یعنی ان میں پچھلے سال کے مقابلے میں 23.94 ملین روپے اضافہ ہوا (۷۰۱: 6.13 ملین روپے)۔ یہ اضافہ خاص طور پر نئی انتظامیہ تبدیلی اور بیلزیم کی تقری، آپریشنل انفارسٹرکچر کی صفت بندی، عسکری کی برائی اور اسکا آغاز اور کمی اثاثہ جات میں کمی کے باعث ہے۔

## کلیمز

سال 2018 کے دوران، اصل کلیم کے اخراجات پچھلے سال کے مقابلے میں 34 فیصد کے اضافے سے 50.08 ملین روپے رہے (۷۰۱: 37.33 ملین روپے)۔ کمپنی نے کلیمز کا طریقہ کار تبدیل اور جدید کر دیا ہے جو پالیسی ہولڈرز کے لئے ان کے کلیمز کو سہل بناتا ہے اور کمپنی کو اپنے صارفین کو خدمت فراہم کرنے کے لئے دستیاب رکھتا ہے۔

## سرمایہ کاری

کمپنی کا سرمایہ کاری کا پورٹ فولیو حالیہ طور پر 714.01 ملین روپے رہا، جو پچھلے سال کے مقابلے میں 69 فیصد کا اضافہ پیش کرتا ہے (۷۰۱: 423.77 ملین روپے)۔

## ڈائریکٹر پورٹ برائے سال ۲۰۱۸ء

کمپنی ڈائریکٹر، ۳۱ دسمبر ۲۰۱۸ء کو ختم ہونے والے سال کیلئے، بورڈ کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی بیانات، شمول آڈیٹر پورٹ، پیش کرنے میں مسروت محسوس کرتے ہیں۔

### اہم سرگرمی

کمپنی تند ہی سے بیسہ زندگی کے کاروبار میں مشغول رہی ہے۔ ہم پاکستان بھر میں لوگوں اور کمپنیوں کو انفرادی بیسہ زندگی اور گروپ کارپوریٹ زندگی اور حادثاتی بیسہ فراہم کرتے ہیں۔

### آپریشنل جائزہ

جیسا کہ آپ کے علم میں ہے کمپنی کی شیئر ہولدنگ کی اکثریت ۲۰۱۸ء میں آری ویلفیر ٹرست نے حاصل کر لی تھی۔ اس حصول کے بعد بورڈ نے، مارکیٹ میں موثر طور پر مقابلہ کرنے اور کاروبار کے صحیح اہداف بنانے کے قابل ہونے کے لئے، کمپنی کے آپریشنل انفارسٹر کپر کو دوبارہ تشکیل دینے پر اپنی توجہ مرکوز رکھی ہے۔ اس ہدف کو حاصل کرنے کے لئے آپ کی کمپنی نے کاروبار کے لئے قبیل المدت اور طویل المدت حکمت عملی اختیار کی ہے۔

ان کے تعلیمی پس منظر، یہ مدائدشی میں تجربے اور تہام تمارکیٹ کے طرزِ عمل اور بیسہ زندگی کے کاروبار پر خاص توجہ دینے ہوئے، نئی انتظامی لیڈر شپ کا تقرر میں آیا ہے۔ چنانچہ، چیف ایگزیکیوٹو آفیسر، چیف فانشل آفیسر، چیف آپرینگ آفیسر اور ڈسٹریبوشن ہیڈ کی آسامیاں پُر کرنے کے لئے نئے ارکان کا تقرر کیا گیا ہے۔ کمپنی کی نئی انتظامیہ نے، کمپنی کے کاروبار کی نشوونما کیلئے، پالیسی ہولدرز، حصص کنندگان اور کمپنی کے دیگر اسٹیک ہولڈرز کو اعلیٰ ترین درجے کی خدمات فراہم کرنے بورڈ کے ویژن پر خود کو مکمل طور پر پابند کیا ہوا ہے۔

سال کے دوران کمپنی نے کاروبار کے اخراجات پر قابو پانے کیلئے اپنی تمام غیر پیداواری شاخیں بند کر دی ہیں اور نئی حکمت عملی پر مشتمل نیا سسیکی نیٹ ورک بھی متعارف کرایا ہے۔ ہمارے پالیسی ہولڈرز کو بہتر اور مسلسل منافع حاصل کرنے کے لئے نئی مصنوعات متعارف کرائی گئی ہیں۔ مستقبل میں انتظامیہ بینک ایشورنس چینل اور تنکافل مصنوعات متعارف کرنے کا مزید منصوبہ بھی رکھتی ہے۔

مزید یہ کہ، سال کے دوران، کمپنی کا نام ایسٹ ویسٹ لائف ایشورنس کمپنی لمیڈیا سیتیبل میل کر کے عسکری لائف ایشورنس کمپنی لمیڈیا رکھ دیا گیا ہے۔ آپ کی کمپنی کے بورڈ آف ڈائریکٹر زیمینوں کر تے ہیں کہ نیا نام کمپنی کے حصص کنندگان کی اکثریت کے مضبوط رشتہ اور ان کی طاقت کی نمائندگی کرتا ہے جیسے کہ آری ویلفیر ٹرست۔ تمام قانونی اور ریگولیٹری ضروریات پوری کر دی گئی ہیں۔ انتظامیہ تمام اخلاقی معیارات کو قائم رکھنے کی پابند ہے جو پاکستان میں عسکری کے برائی سے متعلق ہیں۔

زیر غور سال میں، بورڈ آف ڈائریکٹر نے، کم از کم پیڈ اپ سرمایہ ضروریات کی تعمیل میں اور کاروبار کی وسعت کے لئے تجدید شدہ کاروبار پر عمل درآمد کے مقصد کے لئے، پیڈ اپ سرمایہ 500 ملین روپے کے مزید اضافے کا اعلان کیا۔ بورڈ کو یہ اطلاع دیتے ہوئے خوش محسوس ہو رہی ہے کہ اعلان کردہ رائٹ ایشورنس معزز حصص کنندگان کی طرف سے کامل تصدیق حاصل ہوئی جو کمپنی کی انتظامیہ پر حصص کنندگان کے بھروسے کی عکاسی کرتا ہے۔ تمام قانونی اور ریگولیٹری ضروریات دوستانہ انداز میں مکمل ہوئیں، لہذا منظور شدہ سرمایہ بھی 1,250 ملین روپے تک بڑھ گیا۔

## KEY FINANCIAL DATA FOR THE LAST SIX YEARS

	2018	Re-stated 2017	Re-stated 2016	2015	2014	2013
	Rupees in '000	Rupees in '000	Rupees in '000	Rupees in '000	Rupees in '000	Rupees in '000
<b><u>REVENUE ACCOUNT</u></b>						
Premium - Net of Reinsurance	25,661	16,758	20,081	31,584	142,582	219,576
Investment and Other Income	32,811	25,622	40,209	32,379	39,673	31,035
	<b><u>58,472</u></b>	<b><u>42,380</u></b>	<b><u>60,290</u></b>	<b><u>63,963</u></b>	<b><u>182,255</u></b>	<b><u>250,611</u></b>
Claims Less Reinsurance	50,083	37,332	49,516	73,712	120,971	118,445
Net Commission & Acquisition Cost	11,222	3,399	4,010	7,675	10,842	14,098
Other Administrative Cost	114,271	42,473	48,674	47,355	53,810	59,110
Movement in Policyholders' Liabilities	(4,366)	(5,751)	(19,959)	(33,651)	(15,673)	26,032
Profit/(Loss) Before Tax	<b><u>(112,738)</u></b>	<b><u>(35,073)</u></b>	<b><u>(21,951)</u></b>	<b><u>(31,128)</u></b>	<b><u>12,305</u></b>	<b><u>32,926</u></b>
Taxation	(255)	(589)	(166)	(1,085)	661	771
Profit/(Loss) After Tax	<b><u>(112,993)</u></b>	<b><u>(35,662)</u></b>	<b><u>(22,117)</u></b>	<b><u>(32,213)</u></b>	<b><u>12,966</u></b>	<b><u>33,697</u></b>
<b><u>BALANCE SHEET</u></b>						
Investments	714,005	423,768	359,808	305,099	284,900	277,686
Other Assets	123,985	86,070	97,455	218,421	275,748	246,999
Fixed Assets	5,383	17,129	19,291	21,302	24,974	28,316
	<b><u>843,373</u></b>	<b><u>526,967</u></b>	<b><u>476,554</u></b>	<b><u>544,822</u></b>	<b><u>585,622</u></b>	<b><u>553,002</u></b>
Issued, Subscribed and Paid-Up Capital	1,101,720	601,720	601,720	594,292	594,292	594,292
Advance Against Equity	-	100,000	-	-	-	-
Accumulated Surplus/(Loss)	(563,359)	(448,752)	(411,596)	(391,462)	(357,505)	(382,822)
Balance of Statutory Fund	186,713	189,445	193,747	215,406	247,312	269,042
Other Liabilities	118,299	84,554	92,683	126,587	101,523	72,490
	<b><u>843,373</u></b>	<b><u>526,967</u></b>	<b><u>476,554</u></b>	<b><u>544,822</u></b>	<b><u>585,622</u></b>	<b><u>553,002</u></b>

## پچھے چھ سال کا کلیدی معلوماتی مواد

2013 روپے میں '000	2014 روپے میں '000	2015 روپے میں '000	2016 روپے میں '000 دوبارہ پیش کئے گئے	2017 روپے میں '000 دوبارہ پیش کئے گئے	2018 روپے میں '000	
						آمدی اکاؤنٹ
219,576	142,582	31,584	20,081	16,758	25,661	پریمیم - ری انشوئرنس کا ٹکنیکل مجموعہ
<u>31,035</u>	<u>39,673</u>	<u>32,379</u>	<u>40,209</u>	<u>25,622</u>	<u>32,811</u>	سودا اور دیگر آمدی
<u>250,611</u>	<u>182,255</u>	<u>63,963</u>	<u>60,290</u>	<u>42,380</u>	<u>58,472</u>	
118,445	120,971	73,712	49,516	37,332	50,083	کلیم منفی ری انشوئرنس
14,098	10,842	7,675	4,010	3,399	11,222	کمیشن اور حصول کی لاگت
59,110	53,810	47,355	48,674	42,473	114,271	دیگر انتظامی اخراجات
(26,032)	(15,673)	(33,651)	(19,959)	(5,751)	(4,366)	پائیس ہولڈرز کی ذمہ داریوں میں تحریک
32,926	12,305	(31,128)	(21,951)	(35,073)	(112,738)	نفع / (نقصان) قبل از نیکس
771	661	(1,085)	(166)	(589)	(255)	نیکس
<u>33,697</u>	<u>12,966</u>	<u>(32,213)</u>	<u>(22,117)</u>	<u>(35,662)</u>	<u>(112,993)</u>	نفع / (نقصان) بعد از نیکس

						بینلٹس شیٹ
277,686	284,900	305,099	359,808	423,768	714,055	سرمایکاری
246,999	275,748	218,421	97,455	86,070	123,985	دیگر انشاجات
<u>28,316</u>	<u>24,974</u>	<u>21,302</u>	<u>19,291</u>	<u>17,129</u>	<u>5,383</u>	مستقل انشاجات
<u>553,002</u>	<u>585,622</u>	<u>544,822</u>	<u>476,554</u>	<u>526,967</u>	<u>843,373</u>	
594,292	594,292	594,292	601,720	601,720	1,101,720	جاری کردہ، اقراری اور پیڈ اپ سرمایہ
-	-	-	-	100,000	-	اکیوٹی کے بد لے میں ایڈوالنس
(382,822)	(357,505)	(391,462)	(411,596)	(448,752)	(563,359)	مجموعی زائد اضطرورت (نقصان)
269,042	247,312	215,406	193,747	189,445	186,713	قانونی نہذ کا بقایا
<u>72,490</u>	<u>101,523</u>	<u>126,587</u>	<u>92,683</u>	<u>84,554</u>	<u>118,299</u>	دیگر واجب الادائیگیاں
<u>553,002</u>	<u>585,622</u>	<u>544,822</u>	<u>476,554</u>	<u>526,967</u>	<u>843,373</u>	

## REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance for Insurers, 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2017. The Statement of Compliance has been prepared, in accordance with the Regulation of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and clause Ixxvif of the Code of Corporate Governance for Insurers, 2016 (collectively referred as 'the Code') by the Board of Directors (the Board) of Askari Life Assurance Company Limited (the Company) for the year ended December 31, 2018.

The responsibility for compliance with the Code 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 Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

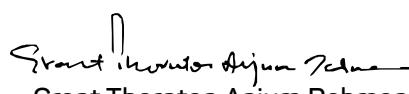
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control 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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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, 2018.

Further, we highlight below instances of non-compliance with the requirements of "the Code" as reflected in the below mentioned paragraph references as stated in the Statement of Compliance:

Paragraph Reference	Description
12, 20, 22	The position of Company Secretary and Head of Internal Audit is vacant at year end due to the resignation during the year and the Company is in the process of filling up the position.
21	Investment, Risk Management, Re-insurance and Claim settlement committee meetings were not held in every quarter. Only one meeting has been held in respect of these committees.
31	Mechanism of annual evaluation of the board's own performance, members of board and of its committees has not been developed. The Company is in the process of developing the mechanism.
32	The level of materiality has not been defined and the board is in process of defining the same.
33	The process of credit rating for the year has not been initiated.

  
**Grant Thornton Anjum Rahman**  
 Chartered Accountants  
**Muhammad Shaukat Naseeb**  
 Engagement Partner

Date: March 27th, 2019  
 Karachi

## Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 & Listed Companies (Code of Corporate Governance) Regulations, 2017 for the Year ended 31st December, 2018

### 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), 2017, 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 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. Najib Ullah Khan, (Retd) Maj Gen. Imtiaz Hussain Sherazi, (Retd) Maj Gen. Akhtar Iqbal, (Retd) Malik Riffat Mahmood Javed Yunus

All the independent Directors meet the criteria of independence as laid down under the Code of Corporate Governance for Insurer, 2016.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. 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.
4. A casual vacancy occurred on the Board 25th September, 2018 and was filled up by the directors within 90 days.
5. 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.
6. 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.
7. 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.

8. 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.
9. 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.
10. The Company has undertaken the process of orientation course for its Directors during the year.
11. The Board has arranged the Director's Training Program for the following:
  - Maj Gen. Imtiaz Hussain Sherazi (Retd) - Director
  - Maj Gen. Akhtar Iqbal (Retd) - Director
  - Jehanzeb Zafar - CEO
12. The Board has approved the appointment of Chief Financial Officer. During the year, the Company Secretary and Head of Internal Audit have resigned and Company is in process of fill up the positions.
13. The Directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance for Insurers, 2016 and fully describes the salient matters required to be disclosed.
14. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
15. The financial statements of the Company were duly endorsed by the Chief Executive Officer and Chief Financial Officer before approval of the Board.
16. 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.
17. The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016.
18. The Board has formed the following Management Committees:

**1) Underwriting & Reinsurance Committee:**

Name of the Member	Category
Maj Gen. Akhtar Iqbal, (Retd)	Chairman
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Sumair Sarwar	Member

**2) Claim Settlement Committee:**

Name of the Member	Category
Maj Gen. Imtiaz Hussain Sherazi, (Retd)	Chairman
Jehanzeb Zafar	Member
Rehan Mobin	Member
Bushra Aftab	Member

### 3) Risk Management & Compliance Committee

Name of the Member	Category
Maj Gen. Akhtar Iqbal, (Retd)	Chairman
Jehanzeb Zafar	Member
Rehan Mobin	Member
Noman Noor Muhammad	Member
Sandeep Kumar Rajpal	Member

19. 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. Akhtar Iqbal, (Retd)	Member
Maj Gen. Imtiaz Hussain Sherazi, (Retd)	Member
Jehanzeb Zafar	Member
Nusrat Ullah Khan	Member

#### 2) Investment Committee:

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

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

#### Audit Committee:

Name of the Member	Category
Ayesha Rafique	Chairperson
Maj Gen. Imtiaz Hussain Sherazi, (Retd)	Member
Malik Riffat Mahmood	Member
Head of Internal Audit & Company Secretary - (Vacant)	Secretary

21. The meetings of the Audit Committee were 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. During the year the Board has reconstituted other Management & Board Committees in the 2nd half of the year accordingly meetings were held as per the requirements. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

22. An effective internal Audit function is in place. During the year Head of Internal Audit resigned from his position. Company is in process to fill the position.

23. The Chief Executive Officer, Chief Financial Officer and Compliance Officer 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
Jehanzeb Zafar	Chief Executive Officer
Rehan Mobin	Chief Financial Officer
Noman Noor Muhammad	Chief Operating Officer/Actuary/Head of Risk Management
Bushra Aftab	Head of Claims
Sandeep Kumar Rajpal	Head of Compliance
Sumair Sarwar	Head of Underwriting
Azfar Khan	Head of Grievance Dept.
Mohib ul Haq	Head of Reinsurance

The Company has appointed following executives on resignation made by the following:

Position	Resigned/vacated	Appointed
Chief Executive Officer	Sohail Nazeer - (Acting CEO)	Jehanzeb Zafar
Chief Financial Officer	Sohail Nazeer	Rehan Mobin
Company Secretary	Sohail Nazeer	In process
Head of Internal Audit	Mohammad Zohaib	In process
Compliance Officer	Mohammad Zohaib	Sandeep Kumar Rajpal
Actuary	Vacant	Noman Noor Muhammad

24. 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.
25. 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.
26. The Appointed Actuary by the Company has confirmed that neither he nor his spouse and minor children hold shares of the Company.
27. The Board ensures that the Appointed Actuary complies with the requirements set out for him in the Code of Corporate Governance for Insurers, 2016.
28. 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.
29. 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.
30. 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.

31. The Board is in the process of developing the annual evaluation of the board's own performance, members of board and of its committees.
32. The Board is in the process of developing the materiality level as per the specific circumstances of the Company.
33. The Company will initiate the process of credit rating in the year 2019
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 and listed Companies (Code of Corporate Governance Regulations), 2017 have been complied except as mentioned above in which reasonable progress is being made by the Company to seek compliance by the end of next accounting year.

By order of the Board



Jehanzeb Zafar  
Chief Executive Officer

Date: 14th March, 2019

## 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, 2018, and the statement of comprehensive income , the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (here in after referred to as the financial statements) 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 the statement of cash flows 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 Insurance Rules, 2017, Insurance Accounting Regulations, 2017 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, 2018 and of the loss, total comprehensive loss, 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 (the Code) as adopted by the Institute of Chartered Accountants of Pakistan 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.

#### 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:

Key audit matters	How our audit addressed the key audit matters
<p><b>Application of Companies Act, 2017</b></p> <p>Refer note 7.2 to the financial statements.</p> <p>The Fourth Schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of annual financial statements.</p> <p>As part of transition to the requirements, management performed an analysis to identify differences between the previous and the current Fourth Schedule and as a result certain amendments relating to presentation and disclosures were made in the financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• considering the management's process to identify the additional disclosures required in the Company's financial statements;</li> <li>• obtaining relevant underlying supports for the additional disclosures and assessing their appropriateness for sufficient audit evidence; and</li> </ul>

In view of the various new disclosures prepared and presented in the financial statements, we considered this a key audit matter	<ul style="list-style-type: none"> <li>verifying on test basis supporting evidence for the additional disclosures and ensuring appropriateness of the disclosures made.</li> </ul>
<p><b>Valuation of insurance liabilities</b></p> <p>Refer <b>note 18</b> to the financial statements.</p> <p>The Company has significant Insurance liabilities representing sixty per cent 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> <ul style="list-style-type: none"> <li>Evaluating the competence, capabilities and independence of the management's expert;</li> <li>Obtaining a sufficient understanding of the field of expertise of the management's expert;</li> <li>Obtaining understanding of the assumptions and method used by the expert for the valuation of the Insurance liability;</li> <li>Testing the relevance and reasonableness of those assumptions and methods;</li> <li>Testing the relevance, completeness, and accuracy of that source data used for the valuation; and</li> <li>Testing the valuation for accuracy and determining whether the assumptions were consistently applied in the valuation;</li> <li>Ensuring that appropriate disclosures have been provided in respect of the assumptions and methodology used.</li> </ul>
<p><b>Impairment of available for sale investments</b></p> <p>Refer <b>note 9</b> to the financial statements.</p> <p>The Company has invested Rs. 9,995 million in equity securities which have been classified as Available for sale (AFS) as per IAS 39 (Financial instruments: Recognition and Measurement). The Corresponding change in fair value of the AFS securities is recorded in the other comprehensive income.</p> <p>The company performs an impairment review of its available for sale equity investments when there has been a "significant" or "prolonged" decline in the fair value below their cost. In determining "significant" or "prolonged" the Company evaluates, among other factors, historical share price movements, and the duration and extent to which the fair value of an investment is less than its cost. Determination of criteria for valuation on the basis of "significant" and "prolonged" factors is a matter of professional judgement as the key issue is to determine whether</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Reviewing the appropriateness of the accounting policies and practices followed by the Company to recognize impairment of investments on the basis of the requirements of the financial reporting standards;</li> <li>Obtaining an understanding of the procedures applied by the Company to identify impairments in the investments and observing the applications of such procedure;</li> <li>Performing valuation testing of investments on the basis of quoted market prices at the Pakistan Stock Exchange Limited as at 31 December 2018;</li> <li>Evaluating management's assessment of the indicators for impairment and compared the quoted values of investments with their costs to assess whether any significant or prolonged</li> </ul>

<p>a decline in value below cost is accompanied by objective evidence of impairment.</p>	<p>and other than temporary decline in value exists. We also checked that the Company's policy for impairment is consistently applied and impairment charge, if any, is appropriately recognized;</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the methodology and appropriateness of the valuation inputs used to value available for sale investments; and</li> <li>• Assessing the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the financial reporting framework as applicable to the Company.</li> </ul>
<p><b>Application of Insurance Rules, 2017 and Insurance Accounting Regulations, 2017</b></p> <p>As referred to in note 5.1.1 and 5.1.2 to the accompanying financial statements, the Insurance Rules, 2017 (the rules), Insurance Accounting Regulations, 2017 (the regulations) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended December 31, 2018.</p> <p>The rules and regulations had the following effects on the financial statements for which significant attention was provided:</p> <ul style="list-style-type: none"> <li>• Changes in the sequence of assets/ liabilities in the statement of financial position;</li> <li>• Discontinuation of separate statements of revenue account, premiums, claims, expenses and investment income;</li> <li>• Preparation of single column statement of financial position and single column statement of comprehensive income for statutory funds and shareholder fund; and</li> <li>• Recognition and presentation of Ledger account D.</li> <li>• Investments are required to be valued and presented in accordance with International Financial Reporting Standards.</li> </ul>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the procedures applied by the management for identification of the changes required in the financial statements.</li> <li>• Considering the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements.</li> <li>• Evaluating the sources of information used by the management for the preparation of the disclosures and the internal consistency of such disclosures with other elements of the financial statements.</li> <li>• Ensuring that the prior year figures have been appropriately disclosed as per the requirements of the rules; and</li> <li>• Ensuring that the requirements of IFRS have been complied for the reclassification of balances and figures.</li> <li>• Obtaining understanding of the management's process and controls in order to apply the change in accounting policy;</li> <li>• Assessing the impacts of the changes in accounting policy;</li> <li>• Ensuring that the related impacts of the change are accounted for retrospectively; and</li> <li>• Ensuring that appropriate disclosures have been provided in respect of the change in accounting policy.</li> </ul>

<p><b>Close call of going concern</b></p> <p><b>Refer note 1.3 to the financial statements.</b></p> <p>The Company incurred a loss after tax of Rs. 112.99 million during the year ended December 31, 2018 (2017: Rs. 35.66 million) resulting in accumulated losses and deficit in ledger account D of Rs. 103.86 million (2017: Rs. 87.37 million) and Rs. 452.23 million (2017: Rs. 355.74 million) respectively as at December 31, 2018.</p> <p>This matter was identified as a key audit matter due to the above identified events or conditions and the significant judgement involved in determining whether the management's going concern assumption is appropriate or if any material uncertainty relating to going concern exists.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• We evaluated and challenged the company's future business plans, related cashflows, forecasts and processes in which these were prepared. We also evaluated the underlying key assumptions. In order to corroborate managements future business plans and to identify potential contradictory information, we, amongst others, read the board minutes, minutes of the audit committee and discussed the business plans with the management and the audit committee.</li></ul>
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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 in the 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, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and the 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.

The 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; and
- 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.

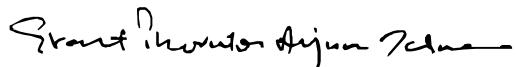
#### **Report on Other Legal and Regulatory Requirements**

**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 statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 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 **Muhammad Shaukat Naseeb**.



Grant Thornton Anjum Rahman  
Karachi

Date: March 27th, 2019

**STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2018**

	Note	2018	Restated (note 5.1) 2017	Restated (note 5.1) 2016
		(Rupees in '000)		
<b>ASSETS</b>				
Property and equipment	8	5,383	17,129	19,291
Investments				
Equity securities	9	6,830	519	563
Government securities	10	697,184	312,249	259,245
Term deposits receipts	11	-	111,000	100,000
Mutual funds	12	9,991	-	-
Loans secured against life insurance policies		9,424	9,952	9,939
Insurance / reinsurance receivables	13	3,380	2,483	4,642
Other loans and receivables	14	20,892	8,572	7,939
Taxation - payments less provision		11,311	9,749	8,975
Prepayments	15	5,097	89	-
Cash and Bank	16	73,881	55,225	65,960
<b>TOTAL ASSETS</b>		<b>843,373</b>	<b>526,967</b>	<b>476,554</b>
<b>EQUITY AND LIABILITIES</b>				
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO COMPANY'S EQUITY HOLDERS</b>				
Share capital	17	1,101,720	601,720	601,720
Ledger account D		(452,235)	(355,735)	(320,764)
Unrealised (loss) / gain on available-for-sale financial assets		257	238	282
Accumulated loss		(103,858)	(87,365)	(86,674)
<b>TOTAL EQUITY</b>		<b>545,884</b>	<b>158,858</b>	<b>194,564</b>
Advance against equity		-	100,000	-
<b>LIABILITIES</b>				
Insurance liabilities	18	257,883	249,429	256,481
Retirement benefit obligations	19	86	86	86
Premium received in advance		13,837	8,884	9,756
Insurance / reinsurance payables	20	14,112	2,410	6,432
Other creditors and accruals	21	11,571	7,300	9,235
<b>TOTAL LIABILITIES</b>		<b>297,489</b>	<b>268,109</b>	<b>281,990</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>843,373</b>	<b>526,967</b>	<b>476,554</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	22			

The annexed notes from 1 to 47 form an integral part of these financial statements



Chief Financial Officer



Chief Executive Officer



Director



Director



Chairman

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018	2017	Restated (note 5.1)
Note ----- (Rupees in '000) -----			
Premium revenue	43,849	19,211	
Premium ceded to reinsurers	(18,188)	(2,453)	
<b>Net premium revenue</b>	<u>23</u> 25,661	16,758	
Investment income	24 29,631	23,833	
Net realised fair value (losses) / gains on financial assets	25 (21)	460	
Net fair value losses on financial assets at fair value through profit or loss	26 (3,369)	-	
Other income	27 6,570	1,329	
	<u>32,811</u>	<u>25,622</u>	
<b>Net income</b>	<u>58,472</u>	42,380	
Insurance benefits	28 64,040	39,556	
Recoveries from reinsurers	(13,957)	(2,224)	
<b>Net insurance benefits</b>	<u>50,083</u>	37,332	
Net change in insurance liabilities (other than outstanding claims)	29 (4,366)	(5,751)	
Acquisition expenses	30 11,222	3,399	
Marketing and administration expenses	31 84,205	36,346	
Other expenses	30,066	6,127	
<b>Total expenses</b>	<u>121,127</u>	40,121	
<b>Results of operating activities</b>	<u>(112,738)</u>	(35,073)	
<b>Loss before tax</b>	<u>(112,738)</u>	(35,073)	
Income tax expense	32 (255)	(589)	
<b>Loss for the year</b>	<u>(112,993)</u>	<u>(35,662)</u>	
<b>Other comprehensive income:</b>			
Change in unrealised loss on available-for-sale financial assets	19	(44)	
	19	(44)	
<b>Total comprehensive income for the year</b>	<u>(112,974)</u>	<u>(35,706)</u>	
Loss per share - Rupees	<u>33</u> (1.82)	(0.59)	

The annexed notes from 1 to 47 form an integral part of these financial statements



Chief Financial Officer



Chief Executive Officer



Director



Director



Chairman

## CASHFLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 -----(Rupees in '000)-----	2017
<b>Operating Cashflows</b>			
(a) Underwriting activities			
Insurance premium received		46,466	18,366
Reinsurance premium paid		397	(1,563)
Claims paid		(42,748)	(40,856)
Commission paid		(2,903)	(2,349)
Marketing and administrative expenses paid		(110,031)	(45,365)
<b>Net cash used in underwriting activities</b>		<b>(108,819)</b>	<b>(71,767)</b>
(b) Other operating activities			
Income tax paid		(1,818)	(1,363)
Other operating payments		(17,649)	(528)
Other operating receipts		8,550	1,892
Loans secured against life insurance policies - advanced		(328)	(932)
Loans secured against life insurance policies - repayments received		1,066	1,062
<b>Net cash used in other operating activities</b>		<b>(10,179)</b>	<b>131</b>
<b>Total cash used in from all operating activities</b>		<b>(118,998)</b>	<b>(71,636)</b>
<b>Investment activities</b>			
Profit received		33,910	13,139
Dividend received		764	-
Payment for investments		(1,780,201)	(382,542)
Proceeds from investments		1,486,614	330,347
Fixed capital expenditure		(5,926)	(43)
Proceeds from sale of property and equipment		2,493	-
<b>Total cash used in from investing activities</b>		<b>(262,346)</b>	<b>(39,099)</b>
<b>Financing activities</b>			
Proceeds from issuance of shares		500,000	-
Advance received against equity		-	100,000
Issue of right shares		(100,000)	-
<b>Total cash generated from financing activities</b>		<b>400,000</b>	<b>100,000</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>18,656</b>	<b>(10,735)</b>
Cash and cash equivalents at beginning of year		<b>55,225</b>	<b>65,960</b>
<b>Cash and cash equivalents at end of year</b>	16	<b>73,881</b>	<b>55,225</b>
<b>Reconciliation to profit and loss account</b>			
Operating cash flows		(118,998)	(71,636)
Depreciation expense		(2,580)	(2,206)
Property and equipment - write offs	8.1.1	(14,333)	-
Profit on disposal of property and equipment		1,736	-
(Loss) / Profit on disposal of investments		(21)	460
Dividend and other investment income		34,466	24,509
Increase/(decrease) in assets other than cash		27,961	(670)
(Increase)/decrease in liabilities other than borrowings		(37,855)	13,881
Net fair value losses on financial assets at fair value through profit or loss		(3,369)	-
<b>Loss after taxation</b>		<b>(112,993)</b>	<b>(35,662)</b>

The annexed notes from 1 to 47 form an integral part of these financial statements



Chief Financial Officer



Chief Executive Officer



Director



Director



Chairman

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2018

	Revenue reserves				
	Share Capital	Unappropriated profit / (Accumulated loss)	Ledger Account D	Unrealised loss on available-for-sale financial assets	Total
----- (Rupees in '000) -----					
<b>Balance as at January 1, 2017</b>	601,720	(86,674)	-	-	515,046
Effect of change in accounting policy (note 5.1)	-	-	(320,764)	282	(320,482)
<b>Balance as at January 1, 2017 as restated</b>	<u>601,720</u>	<u>(86,674)</u>	<u>(320,764)</u>	<u>282</u>	<u>194,564</u>
Total comprehensive loss for the year	-	(35,662)	-	-	(35,662)
Effect of change in accounting policy (note 5.1)	-	-	-	(44)	(44)
Deficit for the year in statutory funds	-	34,971	(34,971)	-	-
<b>Balance as at December 31, 2017 as restated</b>	<u>601,720</u>	<u>(87,365)</u>	<u>(355,735)</u>	<u>238</u>	<u>158,858</u>
<b>Balance as at January 1, 2018</b>	<u>601,720</u>	<u>(87,365)</u>	<u>(355,735)</u>	<u>238</u>	<u>158,858</u>
<b>Transactions with owners</b>					
Issue of right shares at Rs.10 each	500,000	-	-	-	500,000
Net loss for the year	-	(112,993)	-	-	(112,993)
Change in fair value of Available for sale investments	-	-	-	19	19
Deficit for the year in statutory funds	-	96,500	(96,500)	-	-
<b>Balance as at December 31, 2018</b>	<u>1,101,720</u>	<u>(103,858)</u>	<u>(452,235)</u>	<u>257</u>	<u>545,884</u>

The annexed notes from 1 to 47 form an integral part of these financial statements



Chief Financial Officer



Chief Executive Officer



Director



Director



Chairman

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

### 1. LEGAL, STATUS AND NATURE OF BUSINESS

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

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

**City Links Office:** 221-B, Block 2, P.E.C.H.S, Karachi.

**Bahria Office:** Office 114-115, Himalaya, 1st Floor, Bahria Complex, MT Khan Road, Karachi.

Army Welfare Trust as a parent company holds 54.54% (2017: 51%) shares of the Company.

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

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

- Ordinary Life
- Universal Life
- Accidental and Health

**1.3** The Company incurred loss after tax of Rs. 112.99 million (2017: Rs. 35.66 million) resulting in accumulated loss of Rs. 103.86 million (2017: Rs. 87.37 million) and Deficit in the Ledger account D of Rs. 452.23 million (2017: Rs. 355.74 million) as at December 31, 2018. Further Company's cashflows from operating activities are negative Rs. 118.99 million (2017: Rs. 71.64 million).

The Parent company have explicitly provided a commitment to provide necessary financial support to the Company, if need arises, to address any liquidity issues to enable the Company to continue its business. Accordingly, the shareholders of the company during the year ended December 31, 2018 contributed Rs. 500 million on account of equity.

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

### 2 BASIS FOR PRESENTATION AND STATEMENT OF COMPLIANCE

#### 2.1 Statement of compliance

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

**2.2 Accounting Standards, IFRIC Interpretations and amendments which became effective during the year**

**2.2.1 Standards, amendments and interpretations to the published standards that are relevant to the company and adopted in the current year**

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

<b>Standard or Interpretation</b>	<b>Effective Date (Annual periods beginning on or after)</b>
IFRS 2 - Classification and Measurement of Share-based Payment Transaction (Amendments to IFRS 2)	January 1, 2018
IFRS 1 and IAS 28 - Annual Improvements to IFRSs 2014-2016	January 1, 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	January 1, 2018
IAS 40 - Transfers of Investment Property (Amendments to IAS 40)	January 1, 2018

Adoption of the above revisions, amendments and interpretations of the standards have no significant effect on the amounts for the year ended December 31, 2018 and 2017.

**2.2.2 Standards, amendments to published standards and interpretations that are effective but not relevant**

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on January 01, 2018 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are therefore not presented here.

**2.2.3 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company**

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

<b>Standard or Interpretation</b>	<b>Effective Date (Annual periods beginning on or after)</b>
IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Postponed
IFRS 15 - Revenue from Contracts with Customers	July 1, 2018
IFRS 9 - Financial Instruments	July 1, 2018
IFRS 16 - Leases	January 1, 2019
IFRIC 23 - Uncertainty over Income Tax Treatments	January 1, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	January 1, 2019
IFRS 9 - Prepayment Features with Negative Compensation (Amendments to IFRS 9)	January 1, 2019
IAS 19 - Plan Amendment, Curtail or Settlement (Amendments to IAS 19)	January 1, 2019
IAS 12/IAS 23/ IFRS 3/ IFRS 11 - Annual Improvements to IFRS Standards 2015-2017 Cycle	January 1, 2019
IAS 1/IAS 8 - Definition of Material (Amendments to IAS 1 and IAS 8)	January 1, 2020

The management anticipates that, except as stated above, adoption of the new standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than presentation and disclosures. The management is in the process of assessing the impact of changes laid down in IFRS 9 and 15 on its financial statements.

#### **2.2.4 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)**

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<b>Standard or Interpretation</b>	<b>Effective Date (Annual periods beginning on or after)</b>
IFRS 1 - First Time Adoption of International Financial Reporting Standards	Not yet notified
IFRS 14 - Regulatory Deferral Accounts	January 1, 2016
IFRS 17 - Insurance Contracts	January 1, 2021
IFRIC 4 - Determining Whether an Arrangement Contains a Lease	Not yet notified
IFRIC 12 - Service Concession Arrangements	Not yet notified

### **3 BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention except for investment which are stated at amortized cost and fair value.

### **4 FUNCTIONAL AND PRESENTATION CURRENCY**

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

### **5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all period presented in these financial statements except for available for sale investments and format for preparation of these financial statements as disclosed in note 5.1.1 and 5.1.2.

#### **5.1 Change in accounting policy**

##### **5.1.1 Adoption of insurance accounting regulations, 2017**

The SECP vide SRO 89(1)/2017 dated February 9, 2017, has issued the Insurance Rules, 2017 including the new Insurance Accounting Regulations, 2017 and format for the preparation of the financial statements. The new Insurance Rules are effective for the current period financial statements. In view of the applicability of the rules, the company has changed its presentation and disclosure format to comply with the requirements of the said rules. The significant changes affecting these financial statements are as follows;

- Changes in the sequence of assets/ liabilities in the statement of financial position;
- Discontinuation of separate statements of revenue account, premiums, claims, expenses and Investment income;
- Investments are required to be valued and presented in accordance with International Financial Reporting Standards ; and
- Preparation of single column statement of financial position and single column statement of comprehensive income for statutory funds and shareholder fund.

### 5.1.2 Available-for-sale Investments

During the period the company has changed its accounting policy for the valuation of Available for sale investments (AFS) to comply with the requirements of the Insurance Accounting Regulations, 2017 issued by SECP which requires the valuation of AFS investments at fair value. In line with the requirements provided in the rules, subsequent to the initial recognition, the quoted AFS investments are to be valued at market value and any unrealized gain or loss arising on revaluation of AFS investment is charged to other comprehensive income and transferred to shareholders equity. On derecognition or impairment of AFS investments, the cumulative gain or loss previously recorded in the valuation reserve are reclassified to profit and loss account. Previously, subsequent to initial recognition the quoted AFS investments were stated at lower of cost or market value in accordance with the requirements of SEC Insurance Rules, 2002. The change in accounting policy has been applied retrospectively in accordance with the requirements of IAS 8 (accounting policies, change in accounting estimates and errors).

As a result of restatement comparatives have been revised as follows:

	(Rupees in '000)		
	Balance previously reported	Adjustments	Balance (restated)
<b><u>Statement of financial position (As at 31 December 2016)</u></b>			
Accumulated loss / deficit	(411,879)	325,205	(86,674)
Ledger account D	-	(320,764)	(320,764)
Balance of statutory fund including PHL	(193,747)	(4,441)	(189,306)
Investment - Equity securities	281	282	563
	-	282	282
<b><u>Statement of financial position (As at 31 December 2017)</u></b>			
Accumulated loss / deficit	(448,990)	361,625	(87,365)
Ledger account D	-	(355,735)	(355,735)
Balance of statutory fund including PHL	(189,445)	(5,890)	(183,555)
Investment - Equity securities	281	238	519
	-	238	238
<b><u>Impact on other comprehensive income due to:</u></b>			
Unrealized loss on available for sale investment			(44)

### 5.2 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.

### 5.3 Property and equipment

#### Tangible assets

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 addition to the month of disposal. 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.

### 5.4 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.

### 5.5 Policyholders' liabilities

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.

## 5.5.1 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(1)/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(1)/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, 2018 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 polices unearned premium reserves has been calculated for mortality charges only.

## 5.5.2 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.

### **5.5.3 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.

### **5.6 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.

### **5.7 Reinsurance contracts held**

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.

### **5.8 Receivables and payables related to insurance contract**

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

### **5.9 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.

## 5.10 Segment reporting

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.

## 5.11 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.

## 5.12 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.

## 5.13 Claims

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.

## 5.14 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 other 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.

## 5.15 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.

## 5.16 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.

## 5.17 Staff retirement benefits

### Defined contribution plan

Until December 31, 2018 the Company operated contributory provident fund scheme. Equal monthly contribution were made both by the company and employees to the fund at the rate of 10% of basic 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.

## 5.18 Impairment of financial and non financial 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.

### **5.19 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.

### **5.20 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.

### **5.21 Management expenses**

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

### **5.22 Related party transactions**

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

### **5.23 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.

### **5.24 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.

### **5.25 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 Change in estimate**

#### **Fixed assets and Intangibles - Depreciation and amortization**

In October 01, 2018, remaining useful life of the following assets was reviewed by the management and made more reflective of the consumption pattern of the assets. Accordingly, the depreciation method was also changed from Diminishing balance method to straight line method.

Assets	Revised rate	Old rate
Furniture and fixture	20%	10%
Office and electrical equipment	20%	10%
Computer equipment	33.33%	30%
Motor vehicles	20%	10% & 20%

The impact of revision on depreciation expense in accounting estimates is provided below:

Assets	Revised Amount	Amount	Net impact
		(Without revision)	
		(Rupees in '000)	
Furniture and fixture	907	907	-
Office and electrical equipment	478	242	236
Computer equipment	382	354	28
Motor vehicles	814	553	261
	<b>2,581</b>	<b>2,056</b>	<b>525</b>

## 6.2 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
Useful life of depreciable assets	5.3
Policy holders' liabilities	5.5
Taxation	5.16
Provision for compensated absences	5.17
Impairment of financial and non financial assets	5.18

## 7 SUMMARY OF SIGNIFICANT EVENTS

- 7.1** The Board of Directors of the Company in their meeting held on September 19, 2018 announced to issue 83.09 right shares for every 100 shares held i.e. 83.09% at par of Rs.10 per share amounting Rs.500 million which were fully subscribed and paid up capital of the Company was increased from Rs. 601.720 million to Rs. 1,101.720 million.
- 7.2** The Fourth Schedule to the Companies Act, 2017 (the Act) became applicable to the company for the first time for the preparation of financial statements. The Act (including its Fourth Schedule) forms an integral part of the statutory financial reporting framework applicable to the Company. The Act has also brought certain changes with regards to preparation and presentation of annual and interim financial statements of the Company.

**7.3** The Securities and Exchange Commission of Pakistan (SECP) vide SRO 88(1)/2017 and SRO 89(1)/2017 dated 9 February 2017, had issued the Insurance Accounting Regulation 2017 and Insurance Rules 2017 (the new Rules and Regulations). The application of these Rules and Regulations for the purpose of preparation and presentation of the published financial statements was effective from 1 April 2017. However, SECP vide letter ID/OSM/EWLA/2017/10867 dated August 28, 2017 and letter ID/OSM/EWLA/2017/12321, dated October 12, 2017 granted exemptions to the Company to prepare half yearly accounts for the period ended June 30, 2017, third quarter accounts for the period ended September 30, 2017 and annual audited accounts for the year ended December 31, 2017 in accordance with the requirements of previous rules [SECI(Insurance) Rules 2002] and allowed the application of new regulations effective from the accounting year commencing from 1 January 2018. Accordingly, the Company has applied the new rules and regulations for the preparation of the financial statements for the year ended December 31, 2018.

**7.4** During the year, company has launched a new individual life product called Askari Nayab Plan.

## 8 PROPERTY AND EQUIPMENT

### 8.1 Operating assets - Tangible

Description	2018								
	Cost			Accumulated Depreciation			As at December 31, 2018	Written down value As at December 31, 2018	Rate %
	As at January 01, 2018	Additions	Disposals / Write Offs	As at December 31, 2018	As at January 01, 2018	Charge for the year			
----- Rupees in '000 -----									
Furniture and fixture	38,967	-	(38,967)	-	26,871	907	(27,778)	-	- 20
Office and electrical equipment	11,191	90	(10,503)	778	8,185	476	(7,965)	696	82 20
Computer equipment	5,101	3,181	(4,399)	3,883	4,826	383	(4,237)	972	2,911 33.33
Motor vehicles	13,550	2,655	(10,760)	5,445	11,798	814	(9,557)	3,055	2,390 20
	<b>68,809</b>	<b>5,926</b>	<b>(64,629)</b>	<b>10,106</b>	<b>51,680</b>	<b>2,580</b>	<b>(49,537)</b>	<b>4,723</b>	<b>5,383</b>
-----									
Description	2017								
	Cost			Accumulated Depreciation			As at December 31, 2017	Written down value As at December 31, 2017	Rate %
	As at January 01, 2017	Additions	Disposals / Write Offs	As at December 31, 2017	As at January 01, 2017	Charge for the year			
----- Rupees in '000 -----									
Furniture and fixture	38,967	-	-	38,967	25,527	1,344	-	26,871	12,096 10
Office and electrical equipment	11,161	30	-	11,191	7,852	333	-	8,185	3,006 20
Computer equipment	5,088	13	-	5,101	4,711	115	-	4,826	275 30
Motor vehicles	13,550	-	-	13,550	11,385	413	-	11,798	1,752 10-20
	<b>68,766</b>	<b>43</b>	<b>-</b>	<b>68,809</b>	<b>49,475</b>	<b>2,205</b>	<b>-</b>	<b>51,680</b>	<b>17,129</b>

8.1.1 During the year assets having net book value of Rs.14. 3 million [2017: Nil] have been written off.

### 8.2 DETAIL OF DISPOSAL OF PROPERTY AND EQUIPMENT

Assets exceeding aggregate book value of Rs. 50,000 and assets sold to a director or an executive

Description of Asset	Cost	Book Value	Sale Proceed	Gain	Buyer		Mode of disposal
					(Rupees in '000)		
Vehicle (LX0-9098)	643	61	300	239	Sheikh Khalid Mahmood (Ex Employee)		Negotiations
Vehicle (AGZ-704)	333	48	525	477	Imran Ali Dodani (Ex Director)		Negotiations
Vehicle (ARQ-692)	514	58	180	122	Naveed Ashraf (Ex Employee)		Negotiations
Vehicle (AQK-332)	1,646	165	525	360	Sohail Nazeer Sheikh (Ex Executive)		Negotiations
Vehicle (ART-620)	703	79	180	101	Tanveer Iqbal (Ex Employee)		Negotiations
Vehicle (ARR-084)	2,100	262	475	213	Imran Ali Dodani (Ex Director)		Negotiations
	<b>5,939</b>	<b>673</b>	<b>2,185</b>	<b>1,512</b>			
-----							
2017							

No assets were sold during the year

## 9 INVESTMENTS IN EQUITY SECURITIES

	2018				Restated (note 5.1.1) 2017		
	Cost	Revaluation Surplus / (Deficit)	Impairment	Fair Value	Cost	Revaluation Surplus / (Deficit)	Fair Value
----- Rupees in '000 -----							
<b>AVAILABLE FOR SALE</b>							
<b>Related parties</b>							
<b>Listed Shares</b>							
East West Insurance Company Limited	281	263	-	544	281	238	519
<b>Others</b>							
<b>Listed Shares</b>							
Kohat Cement Company Limited	340	-	(119)	221	-	-	-
D. G. Khan Cement Company Limited	512	-	(271)	241	-	-	-
Habib Bank Limited	1,351	-	(508)	843	-	-	-
Ghandha Industries Limited	1,633	-	(534)	1,099	-	-	-
Millat Tractor Limited	744	-	(278)	466	-	-	-
Bifo Industries Limited	350	-	(93)	257	-	-	-
Descon Oxychem Limited	101	43	-	144	-	-	-
Packages Limited	2,221	-	(674)	1,547	-	-	-
Al-Shaheer Corporation	78	(18)	-	60	-	-	-
Engro Foods Limited	323	(84)	-	239	-	-	-
Ferozsons Laboratories Limited	1,958	-	(876)	1,082	-	-	-
AGP Limited	103	-	(16)	87	-	-	-
	<b>9,995</b>	<b>204</b>	<b>(3,369)</b>	<b>6,830</b>	<b>281</b>	<b>238</b>	<b>519</b>

## 10 INVESTMENTS IN GOVERNMENT SECURITIES

	2018				2017		
	Maturity Year	Effective Yield (%)	Amortized Cost	Principal Repayment	Carrying Value	Effective Yield (%)	Carrying Value
----- Rupees in '000 -----							
<b>HELD TO MATURITY</b>							
10 year Pakistan Investment Bonds	22-Jul-20	12.00%	5,138	on Maturity	5,138	12.00%	5,099
10 year Pakistan Investment Bonds	01-Aug-18	12.00%	-	on Maturity	-	12.00%	1,997
10 year Pakistan Investment Bonds	18-Aug-21	12.00%	15,866	on Maturity	15,866	12.00%	15,815
10 year Pakistan Investment Bonds	19-Jul-22	12.00%	18,388	on Maturity	18,388	12.00%	18,300
10 year Pakistan Investment Bonds	21-Apr-26	8.75%	9,766	on Maturity	9,766	8.75%	-
10 year Pakistan Investment Bonds	21-Apr-26	8.75%	23,341	on Maturity	23,341	8.75%	23,456
06 Months Treasury Bills	-	-	-	-	-	5.95%	98,322
06 Months Treasury Bills	-	-	-	-	-	5.85%	99,509
03 Months Treasury Bills	-	-	-	-	-	5.85%	49,751
03 Months Treasury Bills	17-Jan-19	8.79%	99,622	on Maturity	99,622	-	-
03 Months Treasury Bills	28-Feb-19	10.27%	172,211	on Maturity	172,211	-	-
03 Months Treasury Bills	14-Mar-19	10.30%	196,032	on Maturity	196,032	-	-
03 Months Treasury Bills	14-Mar-19	10.30%	156,820	on Maturity	156,820	-	-
			<b>697,184</b>		<b>697,184</b>		<b>312,249</b>

## 11 INVESTMENT IN TERM DEPOSIT RECEIPTS

	2018	2017
	-Rupees in '000-	
<b>HELD TO MATURITY</b>		
Deposits maturing within 12 months	-	

## 12 INVESTMENTS IN MUTUAL FUNDS

	2018			2017		
	Cost	Revaluation Surplus	Carrying Value	Cost	Revaluation Surplus	Carrying Value
----- Rupees in '000 -----						
<b>AVAILABLE FOR SALE</b>						
NAFA income opportunity fund	<b>9,938</b>	<b>53</b>	<b>9,991</b>	<b>-</b>	<b>-</b>	<b>-</b>

2018	2017
----- Rupees in '000 -----	

**13 INSURANCE / REINSURANCE RECEIVABLES**

Due from insurance contract holders	3,380	1,045
Due from other insurers / reinsurers	-	1,438
	<b>3,380</b>	<b>2,483</b>

**13.1 Due from related parties Holding company**

Army Welfare Trust	91	-
<b>Associate</b>		
Askari Guards Limited Head Office Staff	761	-
MEDASK	138	-
Real Estate (Head Office)	95	-
AWT Housing Scheme Lahore (AWT HS Lahore)	72	-
AWT Housing Scheme Peshawar (AWT HS Peshawar)	34	-
AWT Housing Scheme Sang Jani (AWT HS Sang Jani)	48	-
AWT Housing Scheme Karachi (AWT HS Khi)	68	-
	<b>1,307</b>	<b>-</b>

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

Name of related party			
Askari Guards Limited Head Office Staff	5,660	-	
MEDASK	138	-	
Real Estate (Head Office)	95	-	
AWT Housing Scheme Lahore (AWT HS Lahore)	72	-	
AWT Housing Scheme Peshawar (AWT HS Peshawar)	34	-	
AWT Housing Scheme Sang Jani (AWT HS Sang Jani)	48	-	
AWT Housing Scheme Karachi (AWT HS Khi)	68	-	
Army Welfare Trust	492	-	

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

Amount past due

Name of related party	Past due 0-90 days	Past due 0-90 days	Total gross amount
Army Welfare Trust	91	-	91
Askari Guards Limited Head Office Staff	761	-	761
MEDASK	138	-	138
Real Estate (Head Office)	95	-	95
AWT Housing Scheme Lahore (AWT HS Lahore)	72	-	72
AWT Housing Scheme Peshawar (AWT HS Peshawar)	34	-	34
AWT Housing Scheme Sang Jani (AWT HS Sang Jani)	48	-	48
AWT Housing Scheme Karachi (AWT HS Khi)	68	-	68
	<b>1,307</b>	<b>-</b>	<b>1,307</b>

Note      2018      2017  
----- Rupees in '000 -----

**14 OTHER LOANS AND RECEIVABLES**

Accrued investment income	2,581	2,808
Security deposit	5,717	3,255
Advance to vendors	14.1      12,214	1,602
Loans to employees	14.2      380	907
	<u>20,892</u>	<u>8,572</u>

- 14.1** It includes adjustable mobilization advance amounting to Rs. 10.9 million paid against the construction of the company's office.
- 14.2** This represent interest free loans provided to employees repayable within 12 months.

2018      2017  
----- Rupees in '000 -----

**15 PREPAYMENTS**

Prepaid rent	<u>5,097</u>	89
--------------	--------------	----

**16 CASH AND BANK**

- Cash in hand	-	5
- Stamps in hand	100	-
<b>Cash and bank</b>		
- Current account	6,380	8,610
- Saving account	16.2      67,401	46,610
	<u>73,881</u>	<u>55,225</u>

**16.1 Cash and cash equivalents**

Cash and bank	<u>73,881</u>	55,225
---------------	---------------	--------

**16.2** It carries mark-up / interest at the rate of 4% to 8% per annum (2017: 3% to 6% per annum).

**17 SHARE CAPITAL**

**17.1 AUTHORIZED SHARE CAPITAL**

2018	2017	2018	2017
Number of shares		----- Rupees in '000 -----	
75,000,000	75,000,000	Ordinary shares of Rs. 10 each	
50,000,000	-	As at beginning of the year	
<u>125,000,000</u>	<u>75,000,000</u>	Increased during the year	
		As at end of the year	

**17.2 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL**

2018	2017	2018	2017
Number of shares		----- Rupees in '000 -----	
60,172,014	60,172,014	Ordinary shares of Rs.10 each issued for	
50,000,000	-	As at beginning of the year	601,720      601,720
<u>110,172,014</u>	<u>60,172,014</u>	Issued during the year	<u>500,000</u> -
		As at end of the year	<u>1,101,720</u> <u>601,720</u>

As at December 31, 2018, 60.087 million shares - 54.54% shares (December 31, 2017: 30.688 million shares - 51% shares) were held by Trustees of Army Welfare Trust.

	Note	2018 ----- Rupess in '000	2017 ----- Rupess in '000
<b>18 INSURANCE LIABILITIES</b>			
Reported outstanding claims (including claims in payment)	18.1	<b>78,694</b>	65,874
Incurred but not reported claims (IBNR)	18.2	1,620	741
Investment component of account value policies	18.3	<b>161,565</b>	169,918
Liabilities under individual conventional insurance contracts	18.4	<b>3,278</b>	3,832
Liabilities under group insurance contracts (other than investment linked)	18.5	<b>5,202</b>	91
Other insurance liabilities	18.6	<b>7,524</b>	8,973
		<b>179,189</b>	<b>183,555</b>
		<b>257,883</b>	<b>249,429</b>
<b>18.1 Reported outstanding claims</b>			
<b>Gross of Reinsurance</b>			
Payable within one year		<b>30,214</b>	21,268
Payable over a period of time exceeding one year		<b>56,954</b>	44,606
		<b>87,168</b>	<b>65,874</b>
<b>Recoverable from Reinsurance</b>			
Receivable within one year		(8,019)	-
Receivable over a period of time exceeding one year		(455)	-
		<b>(8,474)</b>	-
Net reported outstanding claims		<b>78,694</b>	<b>65,874</b>
<b>18.2 Incurred but not reported claims</b>			
Gross of reinsurance		<b>3,119</b>	933
Reinsurance recoveries		<b>(1,499)</b>	<b>(192)</b>
Net of reinsurance		<b>1,620</b>	<b>741</b>
<b>18.3 Investment component of universal life and account value policies</b>			
Investment component of account value policies		<b>161,565</b>	<b>169,918</b>
<b>18.4 Liabilities under individual conventional insurance contracts</b>			
Gross of reinsurance		<b>3,278</b>	3,832
Reinsurance credit		-	-
Net of reinsurance		<b>3,278</b>	<b>3,832</b>
<b>18.5 Liabilities under Group Insurance Contracts (other than Investment linked)</b>			
Gross of reinsurance		<b>14,527</b>	91
Reinsurance credit		<b>(9,325)</b>	-
Net of reinsurance		<b>5,202</b>	<b>91</b>
<b>18.6 Other insurance liabilities</b>			
Gross of reinsurance		<b>8,327</b>	9,931
Reinsurance recoveries		<b>(803)</b>	<b>(958)</b>
		<b>7,524</b>	<b>8,973</b>

**19 RETIREMENT BENEFIT OBLIGATIONS**

Unfunded gratuity scheme for the permanent employees of the Company had been discontinued since 2003. Outstanding balance represents the liability of the Company pertaining to the employees who rendered their services at the time of discontinuation and allowed the members to withdraw their balances at the time of completion / termination of their employment. Consequently, no further charge and contribution has been accounted for since then.

	Note	2018	2017
		----- Rupees in '000 -----	
<b>20 INSURANCE / REINSURANCE PAYABLES</b>			
Due to other insurers / reinsurers		<u>14,112</u>	<u>2,410</u>
<b>21 OTHER CREDITORS AND ACCRUALS</b>			
Agent commission payable		2,924	2,027
Workers welfare fund		676	676
Accrued expenses		4,884	2,134
Income tax liabilities		1,497	334
Other liabilities		724	425
Compensated absence payable	21.1	781	1,604
Payable to staff provident fund		<u>85</u>	<u>100</u>
		<u><u>11,571</u></u>	<u><u>7,300</u></u>

**21.1** 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:

	2018	2017
Principal Actuarial Assumption		
Discount factor used per annum	13.25%	8.25%
Expected increase in eligible pay per annum	13.25%	8.25%
Movement in Payable to Accumulated Compensation Absences	2018	2017
	----- Rupees in '000 -----	
Opening Balance	1,604	1,554
(Reversal) / addition during the year	<u>(823)</u>	<u>50</u>
Closing Balance	<u><u>781</u></u>	<u><u>1,604</u></u>

**22 CONTINGENCIES AND COMMITMENTS**

**22.1 Contingencies**

**22.1.1** 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.

**22.1.2** 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.

## 22.2 Commitments

### *Operating leases*

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

	2018	2017
----- Rupees in '000 -----		
10,396	1,091	
4,475	637	
<b>14,871</b>	<b>1,728</b>	

## 23 NET INSURANCE PREMIUM REVENUE

### Gross Premiums

Regular Premium Individual Policies\*

First year	2,224	1,243
Second year renewal	562	1,222
Subsequent year renewal	10,097	14,368
Group policies without cash value	<b>30,966</b>	2,378
<b>Total Gross Premiums</b>	<b>43,849</b>	19,211

### Less: Reinsurance Premiums Ceded

On individual life First year business	35	15
On individual life second year business	15	28
On individual life renewal business	807	1,729
On group policies	18,138	802
less : Reinsurance commission on risk premium	(807)	(121)
	<b>18,188</b>	2,453
<b>Net Premiums</b>	<b>25,661</b>	16,758

	2018	2017
----- Rupees in '000 -----		

## 24 INVESTMENT INCOME

### Income from equity securities

#### *Available for Sale*

- Dividend income	764	-
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### Income from debt securities

#### *Held to Maturity*

- Return on government securities	27,390	18,347
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### Income from term deposits

- Return on term deposits	1,477	5,486
	<b>29,631</b>	<b>23,833</b>

		2018	2017
		----- Rupees in '000 -----	
<b>25</b>	<b>NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS</b>		
	Available for sale		
	Realised gains on:		
	- Equity securities	412	-
	- Mutual funds	(433)	460
	Total	<u>(21)</u>	<u>460</u>
<b>26</b>	<b>NET FAIR VALUE LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
	Impairment in value of available for sale securities	<u>(3,369)</u>	<u>-</u>
<b>27</b>	<b>OTHER INCOME</b>		
	Return on bank balances	4,552	534
	Gain on sale of property and equipment	1,736	-
	Miscellaneous	<u>282</u>	<u>795</u>
		<u>6,570</u>	<u>1,329</u>
<b>28</b>	<b>NET INSURANCE BENEFITS</b>		
	<b>Gross Claims</b>		
	Claims under individual policies		
	by death	7,344	3,447
	by insured event other than death	-	10
	by maturity	26,367	22,576
	by surrender	<u>14,295</u>	<u>9,181</u>
	Total gross individual policy claims	<u>48,006</u>	<u>35,214</u>
	Claims under group policies		
	by death	15,984	2,842
	by insured event other than death	<u>50</u>	<u>1,500</u>
	Total gross group policy claims	<u>16,034</u>	<u>4,342</u>
	Total gross claims	<u>64,040</u>	<u>39,556</u>
	Less: Reinsurance recoveries		
	On Individual life claims	(730)	-
	On Group life claims	<u>(13,227)</u>	<u>(2,224)</u>
	Net insurance benefit expense	<u>50,083</u>	<u>37,332</u>

## 28.1 Claim Development

INDIVIDUAL Accident Year	2014	2015	2016	2017	2018	Total
	Rupees in '000					
At end of accident year	5,976	2,461	1,268	1,201	1,561	12,467
One year later	840	543	1,410	150	-	2,943
Two years later	51	257	11	-	-	320
Three years later	67	38	-	-	-	105
Four years later	-	-	-	-	-	-
Current estimate of cumulative claims	6,934	3,299	2,689	1,351	1,561	15,834
Cumulative payments to date	(5,085)	(2,232)	(926)	(582)	(828)	(9,653)
Liability recognised in the statement of financial position	1,849	1,067	1,763	770	733	6,182
GROUP Accident Year	2014	2015	2016	2017	2018	Total
	Rupees in '000					
At end of accident year	92,421	8,231	416	457	15,984	117,511
One year later	-	-	-	-	-	-
Two years later	-	-	-	-	-	-
Three years later	-	-	-	-	-	-
Four years later	-	-	-	-	-	-
Current estimate of cumulative claims	92,421	8,231	416	457	15,984	117,511
Cumulative payments to date	(92,380)	(7,573)	(416)	(307)	(6,452)	(107,129)
Liability recognised in the statement of financial position	41	658	-	150	9,532	10,381

## 29 ACQUISITION EXPENSES

Note ----- 2018 2017  
----- Rupees in '000 -----

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
- Other benefits to insurance intermediaries

1,090	780
61	130
436	587
-	534
<b>1,587</b>	<b>2,031</b>

Remuneration to insurance intermediaries on group policies:

- Commission

2,213 292

Other acquisition costs

Stamp duty	37	8
Employee benefit cost	5,017	375
Travel and conveyance	1,016	-
Printing and stationery	18	6
Rent, rates and taxes	720	570
Electricity, gas and water	35	20
Entertainment	35	9
Vehicle running expenses	195	-
Repair and maintenance	22	-
Bank charges	35	-
Postage, telegrams and telephone	182	38
Internet	15	-
Miscellaneous	95	50
	<b>7,422</b>	<b>1,076</b>
	<b>11,222</b>	<b>3,399</b>

**30 MARKETING AND ADMINISTRATION EXPENSES**

Employee benefit cost	30.1	54,402	25,702
Travelling and conveyance		3,141	1,331
Advertisements and sales promotion		2,084	48
Printing and stationery		1,024	355
Depreciation		2,581	2,205
Rent, rates and taxes		6,216	1,060
Electricity, gas and water		843	725
Entertainment		874	347
Vehicle running expenses		4,229	1,723
Repair and maintenance		320	-
Director fee		520	185
Annual Supervision fee SECP		46	-
Bank charges		110	-
Postage, telegrams and telephone		1,103	519
Internet		162	-
Electricity, gas and water		111	239
Fees, subscription and periodicals		135	-
Insurance		3,160	-
Miscellaneous		3,144	1,907
		<b>84,205</b>	<b>36,346</b>

Note      2018      2017  
----- Rupees in '000 -----

**30.1 Employee benefit cost**

Salaries, allowances and other benefits	53,689	24,940
Charges for post employment benefit	713	762
	<b>54,402</b>	<b>25,702</b>

**31 OTHER EXPENSES**

Fixed assets written off	14,333	-
Legal and professional charges	13,111	3,075
Appointed actuary fees	1,200	1,251
Auditors' remuneration	31.1	1,078
Miscellaneous	344	446
	<b>30,066</b>	<b>6,127</b>

**31.1 Auditors' remuneration**

Audit fee	608	500
Special certifications and sundry advisory services	290	631
Out-of pocket expenses	180	224
	<b>1,078</b>	<b>1,355</b>

**32 TAXATION**

Current	205	128
Prior	50	461
	<b>255</b>	<b>589</b>

- 32.1** 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:

	2017	2016	2015
	-----Rs in '000-----		
Tax provision as per financial	129	166	142
Tax payable / paid as per tax return	178	627	805
		Restated	
		2018	2017
		-----Rupees in '000 -----	

### 33 LOSS PER SHARE

Loss (after tax) for the year	<u>(112,993)</u>	<u>(35,662)</u>
Weighted average number of ordinary shares	<u>62,090</u>	<u>60,172</u>
Loss per share	<u>(1.82)</u>	<u>(0.59)</u>

### 34 STAFF BENEFITS

#### Provident Fund

Net assets of the fund	Rupee in thousands	5,023	5,776
Cost of investments made	Rupee in thousands	5,023	5,776
Percentage of investments made (Cost of investment / Net assets of the Fund)	Percentage	100%	100%
Fair value of investments	Rupee in thousands	5,023	5,776

Investments out of provident fund have been made in accordance with the provisions of the section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

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

	Chief Executive		Directors		Executives*	
	2018		2018	2017	2018	2017
	-----Rs in '000-----					
Fees	-	-	520	185	-	-
Managerial remuneration	<b>6,350</b>	725	-	-	<b>6,964</b>	1,515
House rent allowance	<b>2,894</b>	325	-	-	<b>3,134</b>	639
Utilities	<b>732</b>	-	-	-	<b>4,030</b>	222
Special allowance	<b>1,965</b>	-	-	-	-	-
Medical	<b>561</b>	-	-	-	<b>143</b>	-
Car allowance	-	-	-	-	<b>1,341</b>	-
Others	<b>624</b>	-	-	-	<b>1,090</b>	-
Reimbursements	-	1,358	-	-	<b>25</b>	1,320
Retirement benefits	-	-	-	-	-	152
Staff provident fund	<b>82</b>	-	-	-	-	-
	<b>13,208</b>	<b>2,408</b>	<b>520</b>	<b>185</b>	<b>16,727</b>	<b>3,848</b>
Number of persons	<b>2</b>	<b>1</b>	<b>7</b>	<b>2</b>	<b>7</b>	<b>2</b>

Chief Executive Officer has been provided with Company maintained car.

\* Comparatives have been amended to reflect changes in the definition of executive as per the Companies Act, 2017. Executive means an employee, other than the chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

## 36 SEGMENTAL INFORMATION

## 36.1 Revenue Account by Statutory Fund

For the year ended December 31, 2018	Statutory funds			
	Ordinary Life	Universal Life	Accident & health	2018
	----- Rs in '000 -----			
<b>Income</b>				
Premium less reinsurances	13,601	12,060	-	25,661
Net investment income	1,093	13,288	219	14,600
Other income	41	3,358	-	3,399
<b>Total net income</b>	<b>14,735</b>	<b>28,706</b>	<b>219</b>	<b>43,660</b>
<b>Claims and expenditure</b>				
Claims, including bonuses, net of reinsurance recoveries	11,649	38,384	50	50,083
Management expenses less recoveries	48,789	45,654	-	94,443
<b>Total claims and expenditure</b>	<b>60,438</b>	<b>84,038</b>	<b>50</b>	<b>144,526</b>
<b>Deficit of income over claims and expenditure</b>	<b>(45,703)</b>	<b>(55,332)</b>	<b>169</b>	<b>(100,866)</b>
Add: Policyholders' liabilities at beginning of the year	4,048	179,507	-	183,555
Less: Policyholders' liabilities at end of the year	9,549	169,640	-	179,189
<b>(Deficit) / Excess</b>	<b>(51,204)</b>	<b>(45,465)</b>	<b>169</b>	<b>(96,500)</b>
Movement in policyholders' liabilities	5,501	(9,867)	-	(4,366)
<b>Transfers from shareholders' fund</b>				
- Capital contributions from shareholders' fund	49,808	46,208	2,118	98,134
Balance of statutory fund at beginning of the year	6,770	179,973	2,702	189,445
<b>Balance of statutory fund at end of the year</b>	<b>10,875</b>	<b>170,849</b>	<b>4,989</b>	<b>186,713</b>
<b>Represented by:</b>				
Capital contributed by shareholders' fund	217,183	224,708	17,868	459,759
Policyholders' liabilities	9,549	169,640	-	179,189
Retained earnings on other than participating business	(215,857)	(223,499)	(12,879)	(452,235)
<b>Balance of statutory fund at end of the year</b>	<b>10,875</b>	<b>170,849</b>	<b>4,989</b>	<b>186,713</b>

For the year ended December 31, 2017

**Income**

	Ordinary Life	Universal Life	Accident & health	2017
----- Rs in '000 -----				
Premium less reinsurances	402	15,122	1,234	16,758
Net investment income	993	12,684	227	13,904
<b>Total net income</b>	<b>1,395</b>	<b>27,806</b>	<b>1,461</b>	<b>30,662</b>

**Claims and expenditure**

Claims, including bonuses, net of reinsurance recoveries	4,632	31,250	1,450	37,332
Management expenses less recoveries	4,685	25,409	3,958	34,052
<b>Total claims and expenditure</b>	<b>9,317</b>	<b>56,659</b>	<b>5,408</b>	<b>71,384</b>

**Deficit of income over claims and expenditure**

Add: Policyholders' liabilities at beginning of the year	5,148	184,156	2	189,306
Less: Policyholders' liabilities at end of the year	4,048	179,507	-	183,555

**Deficit**

Movement in policyholders' liabilities	(1,100)	(4,649)	(2)	(5,751)
Transfers from shareholders' fund				
- Capital contributions from shareholders' fund	7,770	24,300	4,350	36,420
Balance of statutory fund at beginning of the year	6,922	184,526	2,299	193,747
Balance of statutory fund at end of the year	<b>6,770</b>	<b>179,973</b>	<b>2,702</b>	<b>189,445</b>

Represented by:

Capital contributed by shareholders' fund	167,375	178,500	15,750	361,625
Policyholders' liabilities	4,048	179,507	-	183,555
Retained earnings on other than participating business	(164,653)	(178,034)	(13,048)	(355,735)
Balance of statutory fund at end of the year	<b>6,770</b>	<b>179,973</b>	<b>2,702</b>	<b>189,445</b>

36.2 Segment results by line of business

For the year ended December 31, 2018

Income

Gross premiums

	Ordinary Life	Universal Life	Accident & health	2018 Rs in '000
First year	-	2,224	-	2,224
Second year renewal premium	-	562	-	562
Subsequent year renewal premium	-	10,097	-	10,097
<b>Group Premiums</b>	<b>30,966</b>	<b>-</b>	<b>-</b>	<b>30,966</b>
<b>Total gross premiums</b>	<b>30,966</b>	<b>12,883</b>	<b>-</b>	<b>43,849</b>

Reinsurance premiums

- Individual premiums	-	857	-	857
- Group premiums	18,138	-	-	18,138
- Reinsurance commission on risk premium	(773)	(34)	-	(807)
<b>Total reinsurance premiums</b>	<b>17,365</b>	<b>823</b>	<b>-</b>	<b>18,188</b>
<b>Net premium revenues</b>	<b>13,601</b>	<b>12,060</b>	<b>-</b>	<b>25,661</b>
<b>Net investment income</b>	<b>1,134</b>	<b>16,646</b>	<b>219</b>	<b>17,999</b>
<b>Net income</b>	<b>14,735</b>	<b>28,706</b>	<b>219</b>	<b>43,660</b>

Insurance benefits and expenditures

Insurance benefits, including bonuses, net of reinsurance	11,649	38,384	50	50,083
Management expenses less recoveries	48,789	45,654	-	94,443
<b>Total insurance benefits and expenditures</b>	<b>60,438</b>	<b>84,038</b>	<b>50</b>	<b>144,526</b>
<b>(Deficit) / Excess of income over insurance benefits</b>	<b>(45,703)</b>	<b>(55,332)</b>	<b>169</b>	<b>(100,866)</b>
Add: Policyholders' liabilities at beginning of the year	4,048	179,507	-	183,555
Less: Policyholders' liabilities at end of the year	9,549	169,640	-	179,189
<b>Surplus / (deficit) before tax</b>	<b>(51,204)</b>	<b>(45,465)</b>	<b>169</b>	<b>(96,500)</b>

For the year ended December 31, 2017

	Ordinary Life	Universal Life	Accident & health	2017
	Statutory funds ----- Rs in '000 -----			
Income				
Gross premiums				
First year	-	1,243	-	1,243
Second year renewal	-	1,222	-	1,222
Subsequent year renewal	-	14,368	-	14,368
Group premiums	1,144	-	1,234	2,378
Total gross premiums	1,144	16,833	1,234	19,211
Reinsurance premiums				
- Individual premiums	-	1,772	-	1,772
- Group premiums	802	-	-	802
- Reinsurance commission on risk premium	(60)	(61)	-	(121)
Total reinsurance premiums	742	1,711	-	2,453
Net premium revenues	402	15,122	1,234	16,758
Other income	-	-	-	-
Net investment income	993	12,684	227	13,904
Net income	1,395	27,806	1,461	30,662
Insurance benefits and expenditures				
Insurance benefits, including bonuses, net of reinsurance	4,632	31,250	1,450	37,332
Management expenses less recoveries	4,685	25,409	3,958	34,052
Total insurance benefits and expenditures	9,317	56,659	5,408	71,384
Excess of income over insurance benefits	(7,922)	(28,853)	(3,947)	(40,722)
Add: Policyholders' liabilities at beginning of the year	5,148	184,156	2	189,306
Less: Policyholders' liabilities at end of the year	4,048	179,507	-	183,555
Deficit before tax	(6,822)	(24,204)	(3,945)	(34,971)

### 36.3 Segment Statement of financial position

	Shareholders' fund	Statutory funds			2018	Restated 2017
		Ordinary Life	Universal Life	Accident & health		
-----Rs in '000-----						
Property and equipment	5,383	-	-	-	5,383	17,129
Investments	463,976	24,839	221,045	4,145	714,005	423,768
Loans secured against life insurance policies	-	4,049	5,375	-	9,424	9,952
Insurance / reinsurance receivables	-	3,004	-	376	3,380	2,483
Other loans and receivables	18,166	1,531	-	1,195	20,892	8,572
Taxation - payments less provision	11,311	-	-	-	11,311	9,749
Prepayments	5,097	-	-	-	5,097	89
Cash & Bank	43,161	8,326	19,521	2,873	73,881	55,225
<b>Total assets</b>	<b>547,094</b>	<b>41,749</b>	<b>245,941</b>	<b>8,589</b>	<b>843,373</b>	<b>526,967</b>
Insurance liabilities net of reinsurance recoveries	-	27,110	227,174	3,599	257,883	249,429
Retirement benefit obligations	86	-	-	-	86	86
Premium received in advance	-	144	13,693	-	13,837	8,884
Insurance / reinsurance payables	-	12,644	1,468	-	14,112	2,410
Other creditors and accruals	8,647	523	2,401	-	11,571	7,300
<b>Total Liabilities</b>	<b>8,733</b>	<b>40,421</b>	<b>244,736</b>	<b>3,599</b>	<b>297,489</b>	<b>268,109</b>

### 37 MOVEMENT IN INVESTMENTS

	Held to Maturity	Available for Sale	Total
-----Rs in '000-----			
At beginning of previous year	423,249	519	423,768
Additions	1,691,403	88,798	1,780,201
Disposals (sale and redemptions)	(1,417,468)	(69,125)	(1,486,593)
Realised fair value loss	-	(21)	(21)
Unrealised fair value loss	-	19	19
Impairment	-	(3,369)	(3,369)
<b>Total</b>	<b>697,184</b>	<b>16,821</b>	<b>714,005</b>

### 38 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.

#### 38.1 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.

##### 38.1.1 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 underwriting 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 – term 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	100 bp increase	100 bp decrease
31 December 2018				
Cash flow sensitivity	-----(Rupees in '000)-----		-----(Rupees in '000)-----	
	7,646	(7,646)	7,646	(7,646)
31 December 2017				
Cash flow sensitivity	4,699	(4,699)	4,699	(4,699)

**38.1.2 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)			
31 December 2018 Cash flow sensitivity	----- 7,646	----- (7,646)	----- 7,646	----- (7,646)
31 December 2017 Cash flow sensitivity	----- 4,699	----- (4,699)	----- 4,699	----- (4,699)

## 38.2 Financial risk

### 38.2.1 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	December 31, 2018					Restated December 31, 2017				
	Maturity upto one year	Maturity after one year	Sub-Total	Non-interest bearing financial instruments	Total	Maturity upto one year	Maturity after one year	Sub Total	Non-interest bearing financial instruments	Total
	(Rupees in '000)									
<b>Financial assets</b>										
Investments	624,685	72,499	697,184	16,821	714,005	358,582	64,667	423,249	519	423,768
Loans secured against life insurance policies	-	-	-	9,424	9,424	-	-	-	9,952	9,952
Insurance / reinsurance receivable	-	-	-	3,380	3,380	-	-	-	2,483	2,483
Other loans and receivables	-	-	-	20,892	20,892	-	-	-	8,572	8,572
Cash & Bank	67,401	-	67,401	6,480	73,881	46,601	-	46,601	8624	55,225
	<b>692,086</b>	<b>72,499</b>	<b>764,585</b>	<b>56,997</b>	<b>821,582</b>	<b>405,183</b>	<b>64,667</b>	<b>469,850</b>	<b>30,150</b>	<b>500,000</b>
<b>Financial liabilities</b>										
Insurance Liabilities	-	-	-	257,883	257,883	-	-	-	249,429	249,429
Retirement benefit obligations	-	-	-	86	86	-	-	-	86	86
Premium received in advance	-	-	-	13,837	13,837	-	-	-	8,884	8,884
Insurance / reinsurance payables	-	-	-	14,112	14,112	-	-	-	2,410	2,410
Other creditors and accruals	-	-	-	11,571	11,571	-	-	-	7,300	7,300
	<b>-</b>	<b>-</b>	<b>-</b>	<b>297,489</b>	<b>297,489</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>268,109</b>	<b>268,109</b>
<b>On balance sheet gap</b>	<b>692,086</b>	<b>72,499</b>	<b>764,585</b>	<b>(240,492)</b>	<b>524,093</b>	<b>405,183</b>	<b>64,667</b>	<b>469,850</b>	<b>(237,959)</b>	<b>231,891</b>

#### (a) Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short term deposits and deposits in profit and loss sharing accounts with banks.

#### (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. 1.682 million (2017: Rs. 0.082 million).

### 38.2.2 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, 2018 is the carrying amount of the financial assets as set out below:

	<b>2018</b>	<b>2017</b>
	----- (Rupees in '000)-----	

#### **Financial Assets**

Investment in equity securities	16,821	111,281
Deposits maturing within 12 months	-	111,000
Insurance / reinsurance receivables	3,380	2,483
Other loans and receivables	20,892	8,572
Cash and Bank	<u>73,681</u>	<u>55,217</u>
	<u>114,774</u>	<u>288,553</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-.

#### **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.

#### **38.2.3 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. 1,101 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, 2018.

#### **39 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:

Government securities  
Listed securities  
Open end mutual funds  
Term deposits receipts

31 December 2018		
Fair value measurement using		
Level 1	Level 2	Level 3
-----(Rupees in '000)-----		
-	697,184	-
6,830	-	-
9,991	-	-
-	-	-
<b>16,821</b>	<b>697,184</b>	<b>-</b>

Government securities  
Listed securities  
Open end mutual funds  
Term deposits receipts

31 December 2017		
Fair value measurement using		
Level 1	Level 2	Level 3
-----(Rupees in '000)-----		
-	312,249	-
519	-	-
-	-	-
<b>111,000</b>	<b>-</b>	<b>-</b>
<b>111,519</b>	<b>312,249</b>	<b>-</b>

**40 STATEMENT OF SOLVENCY**

	Shareholders Fund	Ordinary Life	Universal Life	Accident and Health	December 31, 2018	December 31, 2017
-----Rupees in '000-----						
<b>Assets</b>						
Property and equipment	5,383	-	-	-	5,383	17,129
Investments						
Equity securities	6,830	-	-	-	6,830	281
Government securities	457,146	24,839	211,054	4,145	697,184	312,249
Term deposits receipts	-	-	-	-	-	111,000
Mutual funds	-	-	9,991	-	9,991	-
Loans secured against life insurance policies	-	4,049	5,375	-	9,424	9,952
Taxation - payments less provision	11,311	-	-	-	11,311	9,749
Insurance / reinsurance receivables	-	3,004	-	376	3,380	2,483
Other loans and receivables	18,166	1,531	-	1,195	20,892	8,572
Prepayments	5,097	-	-	-	5,097	89
Cash & Bank	43,161	8,326	19,521	2,873	73,881	55,225
<b>Total Assets (A)</b>	<b>547,094</b>	<b>41,749</b>	<b>245,941</b>	<b>8,589</b>	<b>843,373</b>	<b>526,729</b>
<b>Inadmissible Assets</b>						
Property and equipment	5,383	-	-	-	5,383	17,129
Investments						
Equity securities	544	-	-	-	544	281
Insurance / reinsurance receivables	-	29	-	376	405	1,975
Other loans and receivables	380	868	-	-	1,248	4,180
<b>Total of In-admissible assets (B)</b>	<b>6,307</b>	<b>897</b>	<b>-</b>	<b>376</b>	<b>7,580</b>	<b>23,565</b>
<b>Total Admissible Assets (C=A-B)</b>	<b>540,787</b>	<b>40,852</b>	<b>245,941</b>	<b>8,213</b>	<b>835,793</b>	<b>503,164</b>
<b>Total Liabilities</b>						
Insurance liabilities net of reinsurance recoveries	-	27,111	227,173	3,599	257,883	249,429
Retirement benefit obligations	86	-	-	-	86	86
Premium received in advance	-	144	13,693	-	13,837	8,884
Insurance / reinsurance payables	-	12,644	1,468	-	14,112	2,410
Other creditors and accruals	8,647	523	2,401	-	11,571	7,300
<b>Total Liabilities (D)</b>	<b>8,733</b>	<b>40,422</b>	<b>244,735</b>	<b>3,599</b>	<b>297,489</b>	<b>268,109</b>
<b>Total Net Admissible Assets (E=C-D)</b>	<b>532,054</b>	<b>430</b>	<b>1,206</b>	<b>4,614</b>	<b>538,304</b>	<b>235,055</b>
<b>Minimum Solvency Requirement</b>						
Shareholders fund					165,000	165,000
Ordinary Life					10,310	207
Universal Life					3,683	3,970
Accident and Health					720	247
<b>Total solvency margin required</b>					<b>179,713</b>	<b>169,424</b>
Excess in Net Admissible Assets over Minimum Requirements					<b>358,591</b>	<b>65,631</b>

## 41 RELATED PARTY RELATIONSHIPS

Name of related parties	Relationship
Army Welfare Trust	Holding company
Askari Development & Holdings Private Limited	Associated undertaking
AWT Investments Limited (Primus Investment)	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 Probbynabad	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

## 42 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:

Relationship	Transactions	Restated	
		2018	2017
----- (Rupees in '000) -----			
Holding company	Premium revenue	492	-
Holding company	Insurance benefits	1,200	-
Holding company	Payments	100,000	-
Associated undertaking	Premium revenue	9,576	-
Associated undertaking	Insurance benefits	2,660	-
Associated undertaking	Expenses and acquisition cost	7,796	-
Chief Executive Officer	Premium revenue	50	-
Contribution	Staff Provident Fund	813	762
Key Management Personnel	Remuneration	29,935	6,256
Directors	Fee	520	185
<b>Related Party</b>			
<b>Holding Company</b>			
Army Welfare Trust	Due from insurance contract holders	91	-
	Advance against equity	-	100,000
<b>Associated undertakings</b>			
Askari Guards Limited	Due from insurance contract holders	761	-
Askari Guards Limited	Outstanding claims	2,060	-
Askari Travel & Tours	Accrued expenses	844	-
MEDASK	Due from insurance contract holders	138	-
Real Estate (Head Office)	Due from insurance contract holders	95	-
AWT Housing Scheme Lahore	Due from insurance contract holders	72	-
AWT Housing Scheme Peshawar	Due from insurance contract holders	34	-
AWT Housing Scheme Sang Jani	Due from insurance contract holders	48	-
AWT Housing Scheme Karachi	Due from insurance contract holders	68	-
East West Insurance Company Limited	Equity investments	544	519
<b>Provident Fund</b>			
Staff Provident Fund	Payable to fund	85	100

#### 43 GENERAL

Figures have been rounded off to the nearest thousands.

#### 44 CORRESPONDING FIGURE

- 44.1** As referred to in note 5, the Insurance Accounting Regulations 2017 have become effective from January 1, 2018. These regulations have introduced a single balance sheet, profit and loss account, cash flow, done away with the separate presentation of revenue account of the statutory fund, incorporated ledger account D balances (retained earnings on other than participating business) in capital and reserves attributable to company equity holders, which resulted in additional disclosures and certain changes in the presentation.

Due to change comparative figures can be reconciled to the financial statements for the year ended December 31, 2017 as follows:

##### Balance sheet

Nature	Note	Reclassification from	Reclassification to	Amount
Assets	13	Premiums due but unpaid	Insurance / reinsurance receivables	1,045
Assets	13	Amount due from other insurer and reinsurer	Insurance / reinsurance receivables	1,438
				2,483
Assets		Sundry receivables	Other loans and receivables	4,600
Assets	14	Investment income accrued	Other loans and receivables	2,808
Assets	14	Unsecured advances to employees	Other loans and receivables	907
				8,315
Assets	11	Deposit maturing within 12 months	Investments	111,000
Liabilities	18	Outstanding claims	Insurance liabilities	65,874
				65,874
Liabilities	21	Amount due to agents	Other creditors and accruals	2,027
Liabilities		Accrued expenses	Other creditors and accruals	5,166
Liabilities		Other creditors and accruals	Other creditors and accruals	107
				7,300

**Profit and loss account**

Income	24	Statement of investment income - on government securities	Investment income	7,389
Income	24	Statement of investment income - Amortization of discount	Investment income	5
Income	24	Return on government securities	Investment income	10,889
Income	24	Profit and los account - Amortization of discount/ premium relative to par	Investment income	64
Income	24	Statement of investment income - other fixed income interest income- term deposits	Investment income	5,486
				23,833
Income	25	Profit and loss account - Income from Mutual fund	Net realized fair value gain on financial assets	230
Income	25	Statement of investment income - gain sale of investment	Net realized fair value gain on financial assets	230
				460
Income	27	Profit and loss account - Return on other Fixed Income & Securities	Other income	534
Income	27	Statement of investment income - Miscellaneous Income	Other income	795

**45 SUBSEQUENT EVENTS**

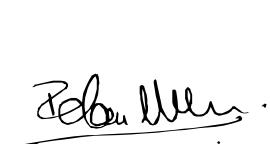
There is no subsequent event effecting the financial statements for the year ended December 31, 2018.

**46 NUMBER OF EMPLOYEES**

	2018	2017
The details of number of employees are as follows:		
Number of employees as at year end	<u>62</u>	<u>34</u>
Average number of employees during the year	<u>35</u>	<u>36</u>

**47 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue by the Board of Directors of the Company on 14th March, 2019.



Chief Financial Officer



Chief Executive Officer



Director



Director



Chairman

## Statement of Directors

(under section 46(6) and 52(2)(c) of the Insurance Ordinance, 2000)

**Section 46 (6):**

- In our opinion the annual statutory accounts of the Askari Life Assurance Company Limited set out in the forms attached to the statement have been drawn up in accordance with the Ordinance and any rules made thereunder;
- Askari Life Assurance Company Limited has at all times in the year complied with the provisions of the Ordinance and the rules made thereunder relating to solvency and reinsurance arrangements. Moreover, the paid-up capital was increased during the year to comply with the Ordinance and the rules made thereunder; and
- As at 31st December, 2018, the Askari Life Assurance Company Limited continues to be in compliance with the provisions of the Ordinance and the rules made thereunder relating to paid-up capital, solvency and reinsurance arrangements.

**Section 52(2)(c):**

- In our opinion, each statutory fund of the Askari Life Assurance Company Limited complies with the solvency requirements of Insurance Ordinance, 2000 and Insurance Rules 2017.



Chief Executive Officer



Director



Director



Chairman

**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, 2018 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, 2018 in aggregate.



Shujat Siddiqui, MA, FIA, FPSA  
Appointed Actuary

### Pattern of Shareholding as at 31st December, 2018

No of Shareholders	From	To	Total Shares hold	Percentage
58	1	100	1,496	0.00%
130	101	500	56,909	0.05%
85	501	1000	78,047	0.07%
169	1001	5000	481,145	0.44%
56	5001	10000	443,576	0.40%
16	10001	15000	200,190	0.18%
17	15001	20000	321,096	0.29%
11	20001	25000	259,491	0.24%
10	25001	30000	274,280	0.25%
6	30001	35000	196,230	0.18%
3	35001	40000	117,499	0.11%
1	40001	45000	41,000	0.04%
14	45001	50000	690,468	0.63%
1	50001	55000	54,928	0.05%
2	55001	60000	120,000	0.11%
1	60001	65000	63,000	0.06%
1	65001	70000	70,000	0.06%
1	70001	75000	75,000	0.07%
1	80001	85000	80,561	0.07%
7	95001	100000	699,500	0.63%
1	105001	110000	109,500	0.10%
1	115001	120000	118,000	0.11%
1	120001	125000	123,646	0.11%
1	125001	130000	126,000	0.11%
1	135001	140000	136,562	0.12%
1	165001	170000	169,862	0.15%
1	175001	180000	179,119	0.16%
1	200001	205000	201,578	0.18%
1	205001	210000	208,000	0.19%
1	215001	220000	215,105	0.20%
1	335001	340000	337,162	0.31%
1	345001	350000	349,841	0.32%
1	395001	400000	396,773	0.36%
1	420001	425000	420,935	0.38%
1	435001	440000	436,961	0.40%
2	490001	495000	986,821	0.90%
1	530001	535000	535,000	0.49%
1	595001	600000	596,217	0.54%
1	610001	615000	611,966	0.56%
1	695001	700000	700,000	0.64%
1	735001	740000	736,465	0.67%
1	740001	745000	744,406	0.68%
1	750001	755000	752,000	0.68%
1	755001	760000	759,345	0.69%
1	1215001	1220000	1,218,096	1.11%
1	1485001	1490000	1,488,652	1.35%
1	1660001	1665000	1,662,091	1.51%
1	2500001	2505000	2,504,253	2.27%
1	3230001	3235000	3,232,523	2.93%
1	3890001	3895000	3,893,025	3.53%
1	21810001	2.2E+07	21,810,416	19.80%
1	60085001	6E+07	60,087,278	54.54%
<hr/>		<hr/>	623	<hr/>
<hr/>		<hr/>	110,172,014	<hr/>
<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 childrens	6	2,407,848	2.186%
2	Executive	1	4,000	0.004%
3	Associated Companies, Undertakings & related parties	2	81,897,694	74.336%
4	NIT and ICP	-	-	-
5	Public Sector Companies & Corporations	-	-	-
6	Others	12	6,811,967	6.183%
7	Banks, Development Finance Institutions, Non-Banking Finance Institution, Insurers, Modaraba & Mutual funds	-	-	-
8	Individuals	602	19,050,505	17.292%
<b>Total</b>		<b>623</b>	<b>110,172,014</b>	<b>100.000%</b>

## Categories of Shareholders

CEO, Directors and their spouses and minor childrens	6	2,407,848	2.186%
1 Javed Yunus - Director		420,935	0.38%
2 Jehanzeb Zafar - CEO		2,740	0.002%
3 Ayesha Rafique - Director		2,500	0.002%
4 Miss. Uroj Javed Yunus		1,200	0.001%
5 Rubina Yunus		491,821	0.45%
6 Tulu Javed Yunus		1,488,652	13.5%
Executive	1	4,000	0.004%
Associated Companies, Undertakings & related parties and Shareholders holding five percent or more	2	81,897,694	74.34%
1 East West Insurance Co.Ltd		21,810,416	19.80%
2 Army Welfare Trust		60,087,278	54.54%
Others	12	6,811,967	6.183%
Individuals	602	19,050,505	17.292%
<b>Total</b>	<b>623</b>	<b>110,172,014</b>	<b>100.00%</b>

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 26th Annual General Meeting of the shareholders of **Askari Life Assurance Company Limited** will be held on Wednesday, 24th April, 2019 at **28 Regal Plaza, Jinnah Road, Quetta** and through video conferencing at **Blue Lagoon, Masood Akhtar Road OFF the Mall, Rawalpindi Cantt**, at **1:00 PM**, to transact the following business.

### Ordinary Business:

1. To confirm the minutes of the 25th extra ordinary general meeting held on September 11, 2018.
2. To receive, consider and adopt the Company's Financial Statements for the year ended 31st December, 2018, together with the Reports of the Auditors and Directors thereon.
3. To appoint M/s Grant Thornton Anjum Rahman, Chartered Accountants, as external Auditors of the Company and to fix their remuneration for the financial year December 31, 2019. The retiring Auditor M/s Grant Thornton Anjum Rahman, Chartered Accountants, being eligible, to offer themselves for re-appointment as Statutory Auditors.
4. To transact any other business that may be placed before the meeting with the permission of the Chairman.

### Special Business:

5. To consider and approve transmission of "Annual Audited Accounts" to members through CD/DVD/USB or other permissible compatible medium at their registered or notified address as allowed by the Securities and Exchange Commission of Pakistan under SRO 470(I) 2016 dated 31 May 2016 and if thought fit to pass the following resolution as ordinary resolution:

**RESOLVED THAT** under and pursuant to S.R.O. No. 470 (I)/2016 dated 31 May 2016 issued by the Securities and Exchange Commission of Pakistan the transmission of annual audited financial statements, auditor's report and directors' report etc. ("Annual Audited Accounts") to members at their registered or notified address in soft form by way of CD/DVD/USB or other permissible compatible medium instead of transmitting the Annual Audited Accounts in hard copies, be and is hereby approved.

By Order of the Board

Date : 02nd April, 2019



Chief Executive Officer

### NOTES:

- (a) The Share Transfer Books of the Company will remain closed from April 18, 2019 to April 24, 2019 (both days inclusive) for Annual General Meeting. Transfers received in order by our registrar, M/s THK Associates (Pvt) Limited. 1stFloor , 40-C Block 6, PECHS, Karachi, at the close of business on April 17, 2019 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: not less than 48 hours before the time for holding the meeting and must be duly stamped, Company's head office, Room Number 802, 8th Floor, Lakson Square Building # 1, Opp: Karachi Press Club, Sarwar Shaheed Road, Karachi, signed and witnessed. A member shall not be entitled to appoint more than one proxy.
- (c) CDC account/sub account holders are requested to bring 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.

## FOR ATTENDING THE MEETING:

- In case of individuals, the accounts holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing original CNIC or Passport along with Participant ID number and the account number at the time of attending the Meeting.
- In case of 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.

## 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 provide earlier) along with proxy from to the Company.

## Change of Address and Zakat Status:

Members with physical shareholding are requested to promptly notify the Company's Registrar of any change in their addresses and also submit Non-deduction of Zakat form if applicable to them. Further, Members holding their shares through CDC are requested to update their address and zakat status with their participants.

## Submission of copies of CNIC:

In accordance with Securities and Exchange Commission of Pakistan (SECP)SRO 831(I)/2012 dated July 05, 2012 dividend warrant should bear CNIC number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholders. Members having physical shares are once again requested to immediately send a copy of their valid computerized national identity (CNIC) to our above mentioned Share Registrar for updating of record.

## Annual Accounts of the Company:

Annual accounts of the company for the financial year ended 31st December, 2018, 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's secretary at Company office address: Room Number 802, 8th Floor, Lakson Square Building # 10 pp: Karachi Press Club, Sarwar Shaheed Road, Karachi along with CNIC copy of the member.

## Consent for Video Conferencing Facility:

Members may avail video conferencing facility for the meeting, provided the Company receives, at least seven (7) days prior to the date of the Meeting at Company address (mentioned above), consent in the format provided below from Members residing at particular geographical location having 10% or more shareholding. The Company will intimate Members regarding venue of video conference facility at least five (5) days before the date of the Meeting along with complete information necessary to enable them to access the facility.

"I/We \_\_\_\_\_ of \_\_\_\_\_ being member of Askair Life Assurance Company Limited holder of \_\_\_\_\_ Ordinary shares as per registered folio No./ CDC Account No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_ in respect of Annual General Meeting of the Company to be held on April 24, 2019."

**Statement under Section 134(3) of the Companies Act, 2017 concerning the Special Business:****AGENDA ITEM 6****Transmission of Annual Audited financial statements through CD/DVD/USB**

The Securities and Exchange Commission of Pakistan under SRO 470 (I)/2016 dated 31 May 2016 allowed listed companies to transmit the "Annual Audited Accounts" to its members by sending through CD/DVD/USB or other permissible compatible medium to their registered or notified address instead of transmitting the Annual Audited Accounts in hard copies. The Company shall, however, supply the hard copies of the Annual Audited Accounts to the Members, on demand, free of cost upon receipt of the any Request from the members.

For any query/problem/information, members may contact the Share Registrar at the following address:  
Principal Shareholder Joint Shareholder(s)

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

**Askari life Assurance Company Limited**  
Room Number 802, 8th Floor, Lakson Square Building # 1  
Opp: Karachi Press Club, Sarwar Shaheed Road, Karachi  
Telephone No : (021) 35630421-3  
Contact Person: Sandeep Kumar  
Email: investor.relations@askarilife.com

## Branch Network

### Head office/Other offices

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

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

**Email:** info@askarilife.com  
**UAN:** 021- 111 -225- 275  
**Phone:** +92 (021) 35630421  
35630422 - 35630429

### Karachi:

Showroom number 05 & 06 Ground Floor,  
Zubaidas Garden, Plot # 1 Survey no. 34,  
Survey Sheet no. 35-P/1, situated in  
Block 7 & 8 Kathiawar Cooperative  
Housing Society, Karachi.  
**Email:** Rdc.karachi@askarilife.com

### Lahore:

Plot # 524, Block-15, Sector B-1,  
Quaid-e-Azam Town Scheme,  
College Road, Lahore.  
**Email:** Rdc.Lahore@askarilife.com

### Islamabad:

1st Floor Left side Rizwan Center  
Plot #85 West, Blue Area  
Sector F-7/G-7, Islamabad.  
**Email:** Rdc.Islamabad@askarilife.com

### 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 26th Annual General Meeting of the Company to be held on Wednesday, 24th April, 2019 at 28 Regal Plaza, Jinnah Road, Quetta and through video conferencing at Blue Lagoon, Masood Akhtar Road Off the Mall, Rawalpindi Cantt, at 1:00 PM and at any adjournment thereof".

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

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 Company's head office, Room Number 802, 8th Floor, Lakson Square Building # 1, Opp: Karachi Press Club, Sarwar Shaheed Road, 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.

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*The Company Secretary*

**Askari Life Assurance Co. Ltd.**

Room no. 802, 8th Floor,  
Lakson Square, Building # 1,  
Sarwar Shaheed Road, Opp.  
Karachi Press Club, Karachi.

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# پرائیسی فارم

## عسکری لائف ایشورنس کمپنی لمبیڈ

من کے مسمی  
سماں

ولد \_\_\_\_\_  
سماں \_\_\_\_\_

(کمل پتہ)، \_\_\_\_\_  
عسکری لائف ایشورنس کمپنی لمبیڈ کا رکن ہونے کی حیثیت سے،  
مسمی \_\_\_\_\_  
سماں \_\_\_\_\_

(کمل پتہ)، \_\_\_\_\_  
کو، کمپنی کی چھٹیوں میں سالانہ جرزاں میٹنگ جو بده، ۲۲ اپریل ۲۰۱۹ء کو دوپھر ایک بجے، ۲۸ ریگل پازہ، جناح روڈ، کوئٹہ اور ویڈیو  
کافرنس کے ذریعے ملوکیوں، مسعود اختر روڈ، آف دی مال، راوی پینڈی کینٹ میں منعقد ہوگی اور بعد ازاں اس کی بھی التواپ، میری جانب  
سے ووٹ دینے کے لئے، اپنے نائب کے طور پر مقرر رکتا ہوں۔

مورخہ \_\_\_\_\_  
۲۰۱۹ء کو دستخط کیا گیا

براہ مہربانی روپیہ اسٹامپ چسپاں کریں

رکن کے دستخط  
گواہن کی موجودگی میں دستخط کئے گئے

گواہ نمبر دو کے دستخط

گواہ نمبر ایک کے دستخط

نام: \_\_\_\_\_  
شناختی کارڈ نمبر: \_\_\_\_\_

نوع:

- ۱۔ نائب کے طور پر مقرر کردہ فرو، مقرر کرنے والے کی جانب سے شرکت کرنے، گفتگو کرنے اور ووٹ ڈالنے کا اہل ہوگا۔
- ۲۔ پرائیسی فارم کے سطھ قومی شناختی کارڈ / پاسپورٹ کی تصدیق شدہ نقول فراہم کرنا ہوگی۔
- ۳۔ کوئی بھی فردا نائب کے طور پر مقرر کیا جاسکتا ہے خواہ وہ کمپنی کا رکن ہو یا نہیں۔

نائب مقرر کئے جانے کی دستاویز مقرر کرنے والی کے طرف سے یا اسکے منظور شدہ اثارنی کی جانب سے تحریر کردہ ہوگی یا اگر مقرر کرنے والا کوئی کارپوریشن ہے تو اس ادارے کی مہر یا ادارے کے اثارنی کی جانب سے۔

- ۴۔ نائب مقرر کئے جانے کی دستاویز اور مختار نامہ یا کوئی اور اتحاری (اگر ہو تو) جس کے تحت اس پر دستخط کئے گئے ہوں، یا اس مختار نامے کی یا اتحاری کی نوٹری پیک سے تصدیق شدہ نقل کمپنی کے ہیڈ آفس، کمرہ نمبر ۸۰۲، آٹھواں فلور، لیکسن اسکولر بلڈنگ نمبر ایک، بال مقابل کراچی پر لیں گے، سرو شہید روڈ، کراچی کے پاس میٹنگ کے وقت سے کم از کم اڑتا لیس (۲۸) گھنٹے قبل جمع کرائی جائے گی۔
- ۵۔ مقرر کردہ نائب میٹنگ کے وقت اپنا اصل قومی شناختی کارڈ / پاسپورٹ پیش کرے گا۔

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*The Company Secretary*

**Askari Life Assurance Co. Ltd.**

Room no. 802, 8th Floor,  
Lakson Square, Building # 1,  
Sarwar Shaheed Road, Opp.  
Karachi Press Club, Karachi.

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\*Mobile apps are also available for download for android and ios devices

 021-111-225-275  
 info@askarilife.com  
 askarilife.com



**Askari Life Assurance Co. Ltd.**

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