



REPORT FOR THE PERIOD ENDED JUNE 30, 2020

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VISION

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

MISSION

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

CORE VALUES

1. FINANCIAL ACUMEN

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

2. CUSTOMER CARE

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

3. ETHICAL CONDUCT

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

4. SUSTAINABILITY

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

COMPANY INFORMATION

Board of Directors

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

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

MANAGEMENT

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

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

Board Committees

Audit Committee:

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

Chairman
Member
Member
Company Secretary

Investment Committee:

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

Chairman
Member
Member
Member
Member

Ethics, Human Resource Remuneration & Nomination Committee:

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

Chairman
Member
Member
Member
Secretary

Management Committees:

Risk Management & Compliance Committee:

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

Underwriting & Reinsurance Committee:

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

Claim Settlement Committee:

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

Appointed Actuary

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

Legal Advisor

Saiduddin & Co

External Auditor

RSM Avais Hyder Liaquat Nauman
(Chartered Accountants)

Registered Office

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

Head Office

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Directors' Review

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

Financial Highlights

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

Financial Analysis of the Company

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

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

Gross Premium

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

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

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

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

Investment:

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

The Company's Investment and Bank portfolio currently stood at 622.33 million, as compared to the last year of December, 2019 of Rs 623.45 million. The company is constantly looking for new investment opportunities and also considering the current economic and political situation of the country.

Net Insurance Benefits

The overall net insurance benefits expense for the half year ended of 2020 is Rs 56.22 million as compared to the same period of 2019 of Rs 28.43 million, representing the increase of 98%. The increase is mainly due to expansion of business during the period. The Company has also revamped and modernized the claims processing which make it convenient for the corporate customer/policyholders to process their claims.

Expenses:

The Marketing & administration expenses for the half year ended of 2020 are reduced to Rs 106.01 million as compared to the same period of 2019 of Rs 110.49 million mainly due to the impact of lockdown during Covid-19. The other expenses stood at Rs.7.21 million and Rs.3.68 million in 2019, the increase in other expenses was relate to the payment of statutory fees. The management of your Company is confident that investments made in development of new infrastructure of the Company will prove to be greatly beneficial for the Company in the long run.

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

Challenges faced by the insurance industry:

Imposition Sales tax:

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

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

Future Outlook

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

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

Our target remains to deliver sustainable, profitable growth in challenging and competitive business environment in order to reach leading position in the industry.

Acknowledgment

The directors would like to take this opportunity to extend their gratitude to the Securities and Exchange Commission of Pakistan (SECP) and Reinsurers for their continued support. The Board also wishes to thank the policyholders and corporate clients for placing their trust and confidence in our organization.

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

On behalf of the Board of Directors



Director



Chief Executive Officer

Date: August 26, 2020

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

مالیاتی سرخیاں

تصیلات	۳۰ جون ۲۰۱۹ء	۳۰ جون ۲۰۲۰ء
محوی پر یکمیم سے آمدی	83,618	141,241
سرمایہ کاری اور دیگر سے آمدی	36,065	36,423
خاص بیس فوائد	28,428	56,221
آخرات برائے حصول	64,915	61,678
مارکیٹ اور انتظامی آخرات	110,489	106,006
دیگر آخرات	3,678	7,206
بعداز ٹکس (قصان) فائدہ	(116,947)	(109,208)
ٹی حصہ قصان	(1.06)	(0.99)

اس ششماہی کے دوران، جمیع پر یکمین درج ذیل رہا:

کاروباری میں جمیع پر یکمین روپے میں 1000	2019	2020	کاروباری میں افزادی لاکٹ
-12%	42,378	37,493	افزادی لاکٹ
149%	6,368	15,865	سنگل پر یکمین
100%	-	10,548	پینک ایشورس
122%	34,872	77,335	گروپ لاکٹ پالیسیاں
69%	83,618	141,241	کل جمیع

جمیع پر یکمین

۲۰۲۰ء کی بھلی ششماہی میں، آپ کی کمپنی کا جمیع پر یکمین 141.24 ملین روپے رہا، جو ۱۹۰۰ء کے اسی دورانیے کے 83.62 ملین روپے کے مقابلے میں 69 فیصد تک بڑھ گیا ہے۔

سب سے زیادہ نشوونما گروپ لاکٹ کاروبار میں دیکھنے میں آئی جو ۱۹۰۰ء کے مقابلے میں 42.46 ملین روپے سے اور بینا افزادی لاکٹ کا کاروبار 5.7 ملین روپے سے بڑھ گیا۔

ہماری افزادی لاکٹ اور گروپ لاکٹ کی سلسلہ میں کاروبار کے لئے اور ساری کیٹ میں تقاضی مصنوعات کا آغاز کر کے کاروبار میں ضروری شرکت کو ہدف بنتا کے لئے مستعد طور پر موڑ جو جدید کی ہے۔ البتہ کو ۱۹۰۳ کی دباء کے عالمی طور پر پھیلاوئے دنیا کی محاذیات پر اڑا لایا ہے۔ سال رواں کے دوسرا سماں میں حکومت پاکستان کے اعلان کردہ مسلسل لاک ڈاؤن اور مختلف احتیاطی تدابیر کی وجہ سے، ایشورس کے شعبے کے کل کاریوں پر بھی خوفی اڑ پڑا ہے۔

سرمایہ کاری

۲۰۲۰ء کی بھلی ششماہی کے لئے سرمایہ کاری اور دیگر آمدی، ۱۹۰۰ء کی اسی ششماہی کے مقابلے 36.07 ملین روپے کے مقابلے 36.42 ملین روپے رہی، لیکن ۱۰۰ فیصد کی نشوونما دیکھنے میں آئی باوجود اس کے کہ سال رواں کے دوسرا سماں میں کم کم کچھ گئے تحقیقی نزخوں کے باوجود میں آپ کی کمپنی سرمایہ کاری پورٹ فولیوز میں آمدی کو برقرار رکھا ہائی ہے۔

کمپنی کی سرمایہ کاری اور بینک کا جنم، دسمبر ۲۰۱۹ء کے 623.45 ملین روپے کے مقابلے میں موجودہ طور پر 622.33 ملین روپے رہا۔ کمپنی مسلسل سرمایہ کاری کے نئے موقع کی تلاش میں کوشش ہے اور ملک کی موجودہ معاشری اور سیاسی صورت حال پر بھی توجہ مبذول کئے ہوئے ہے۔

خالص بینہ فوائد

۲۰۱۹ء کے اسی دورانی کے 28.43 ملین روپے کے مقابلے میں، ۲۰۲۰ء کے پہلی ششماہی کے لئے، جموئی خالص بینہ فوائد کے 56.22 ملین روپے رہے، لیکن ان میں 98 فیصد اضافہ سائنس آیل، یہ اضافہ خاص طور پر اس دورانی میں کاروبار برقرار رہنے کی وجہ سے ہوا ہے۔ کمپنی نے کلیز کے طریقہ کار کو بھی تبدیل اور چدید کر دیا ہے جو کار پوریٹ صارف / پالسی کے حامل افراد کے لئے ان کے کلیز پر عمل درآمد کو آسان بناتا ہے۔

اخراجات

مارکیٹ اور انتظامی اخراجات، ۲۰۱۹ء کے اسی دورانی کے مقابلے میں جو 110.49 ملین روپے تھے، ۲۰۲۰ء کی پہلی ششماہی میں 106.01 ملین روپے تک کم، ہو گئے جس کی اصل وجہ کو ۲۰۱۹ کے دران لاک ڈاؤن کا اثر رہا۔ دیگر اخراجات 7.21 ملین روپے اور ۲۰۱۹ء میں 3.68 ملین روپے رہے، دیگر اخراجات میں اضافہ کا تعلق آئینی فیس سے تھا۔ آپ کی کمپنی کی انتظامیہ پر اعتماد ہے کہ کمپنی کے نئے انفرائی سٹکچر کے فروغ میں کی جانے والی سرمایہ کاریاں آنے والے وقوں میں کمپنی کے لئے بہت ہی زیادہ قائدہ مند ثابت ہو گئی۔

پچھلے سال کے اسی دورانی میں 116.95 ملین روپے کے مقابلے میں ۲۰۲۰ء کی پہلی ششماہی میں بعد از جگہ تھان 21.109.21 ملین روپے رہا۔

بینہ صنعت کو درپیش چلنجز:

سیلز ٹکس کا تاثر:

صوبائی روپیہ اتحادیوں کے جانب سے صوبائی سیلز ٹکس کے نفاذ سے متعلق بینہ صنعت کو سب سے بڑے چلنجز کا مسلسل سامنا ہے۔ یہ صنعت نے انشورنس ایسوسی ایشن آف پاکستان کے فورم کے ذریعے جموئی طور پر پاکستان میں بینہ کی شمولیت میں اضافے کے لئے علیحدگی میں اسے پر صوبائی سیلز ٹکس کی چھوٹ کے لئے مختلط اتحادیوں کے ساتھ اس مسئلے کو اختیار ہے۔

اس کی تفصیلات مالیاتی بیانات کے نوٹ ۱.۱.۱۵ میں چیلنج کی گئی ہیں۔

مستقبل پر نظر

آپ کی کمپنی نے ری برائلنگ، مارکیٹنگ کی نئی حکمت عملی کو برقرار نے کے لئے تکمیلی نیٹ ورک کی برائلنگ، اس کے فروغ اور پھیلاؤ اور قابلیت مصنوعات کے آغاز پر مسلسل تو پھر مرکوز کئے ہوئے ہے جو کمپنی کو آنے والے وقوں میں پر یکمین گری رقم میں نشوونما کے حصول میں مدد کرے گی۔

کو وہ ۱۹ کی دباء سے ملک میں بیسہ حیات کی پر ڈکٹش سے آگاہی اور اگنی قبولیت پر اثر پڑنے کا امکان ہے۔ کچھ اس دباء کے بعد پیدا ہونے والے موقع پر نظر رکھے ہونے ہے کیونکہ اس سے یہ بات واضح ہوئی ہے کہ صحت یا زندگی کا خطرہ بہ آسانی بالیٰ تی خطرے میں تبدیل ہو سکتا ہے چنانچہ ہماری رائے میں، لوگ اپنی آمدی اور بچتوں کے سلسلے میں خطرے کو جھانپ پائیں گے جو کہ بیسہ حیات کی مصنوعات کو لوگ جس طرح سمجھتے ہیں آنے والے وقوف میں اس پر ایک ثابت تاثر قائم ہو گا۔

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

اطہار شکر
ڈائریکٹر مسلسل رہنمائی کے لئے سیکریٹریز اینڈ ایچیجن کیشن آف پاکستان اور ری انسور رکٹریہ ادا کرنا چاہیں گے۔ بورڈ کمپنی کے پالیسی ہولڈرز اور کار پوریت صارفین کا بھی خلوص دل سے ٹکریہ ادا کرنا چاہتا ہے جنہوں نے ہمارے ادارے میں اپنا اختیار اور اعتبار قائم کر کھا۔

آخر میں، ہمارے حصہ کنندگان کا بھی ٹکریہ جھکی مسلسل وابستگی اور خیر خواہی عُسکری لائف کو ایک مضبوط اور قابل بھروسہ بالیٰ ادارہ اور مارکیٹ کے لئے بھروسے کا نشان بنانے کے لئے ہمارے لئے حوصلہ افزائی کا ایک ذریعہ ہے۔

بورڈ آف ڈائریکٹر کی جانب سے

چaudhry Aijaz Iqbal
ڈائریکٹر

Attaur Rehman
ڈائریکٹر

Assurance Department

ASKARI LIFE ASSURANCE COMPANY LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2020

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ASKARI LIFE ASSURANCE COMPANY LIMITED

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Askari Life Assurance Company Limited as at June 30, 2020 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed financial statements for the six months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

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

Our conclusion is not qualified in respect of this matter.

Other Matter

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

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

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



A handwritten signature in blue ink, appearing to read "Riffat Hussain".

Chartered Accountants
Karachi

Date: 26 August, 2020

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

	Note	June 30, 2020 Un-Audited	December 31, 2019 Audited ----- (Rupees in '000)-----
ASSETS			
Property and equipment	6	36,302	40,806
Right of use assets	7	40,189	56,727
Intangible assets	8	1,827	2,216
Investments			
Equity securities	9	7,194	6,819
Government securities	10	526,851	492,725
Mutual funds	11	11,640	11,067
Loans secured against life insurance policies		6,651	6,651
Insurance receivables		24,351	11,213
Other loans and receivables		28,786	14,222
Taxation - payments less provision		15,600	13,650
Prepayments		547	968
Cash and bank	12	76,647	112,844
TOTAL ASSETS		776,585	769,908
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO COMPANY'S EQUITY HOLDERS			
Authorised share capital			
[200,000,000 ordinary shares {2019: 125,000,000} of Rs. 10 each]		2,000,000	1,250,000
Ordinary share capital		1,101,720	1,101,720
Money ceded to Waqf Fund		500	500
Retained earnings arising from business other than participating business attributable to the shareholders (Ledger Account D)	13	(842,148)	(732,558)
Unrealised gain on available-for-sale financial assets		23	800
Accumulated losses		(86,033)	(86,415)
TOTAL EQUITY		174,062	284,047
Advance against equity		100,000	-
LIABILITIES			
Insurance liabilities	14	366,225	345,874
Retirement benefit obligations		16,206	12,177
Premium received in advance		10,235	9,575
Insurance / reinsurance payables		41,684	27,917
Other creditors and accruals		25,817	31,360
Lease liability against right of use assets		42,356	58,958
TOTAL LIABILITIES		502,523	485,861
TOTAL EQUITY AND LIABILITIES		776,585	769,908
CONTINGENCIES AND COMMITMENTS	15		

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

RJW

Below the signatures:

Chief Financial Officer Chief Executive Officer Director Director Chairman

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

Note	Half year ended		Quarter ended	
	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)
	-----(Rupees in '000)-----	-----(Rupees in '000)-----		
Gross premium / contribution revenue	141,241	83,618	45,430	44,070
Reinsurance premium / contribution ceded	(55,185)	(21,125)	(22,740)	(8,376)
Net premium / contribution revenue	16	86,056	62,493	35,694
Investment income	17	29,882	34,333	14,690
Net fair value gains / (losses) on financial assets at fair value	18	563	(1,842)	2,476
Other income	19	5,978	3,574	2,304
		36,423	36,065	19,470
			122,479	42,160
Total income			98,558	52,694
Insurance benefits		129,626	55,252	77,035
Reinsurance recoveries		(73,405)	(26,824)	(43,809)
Net insurance benefits expense	20	56,221	28,428	33,226
Net change in insurance liabilities (other than outstanding claims)		398	7,716	(1,679)
Acquisition expenses		61,678	64,915	21,186
Marketing and administration expenses		106,006	110,489	51,189
Other expenses		7,206	3,678	5,568
Total expenses		175,288	186,798	76,264
Loss before tax		(109,030)	(116,668)	(67,330)
Income tax expense		(178)	(279)	(123)
Loss after tax		(109,208)	(116,947)	(67,453)
Other comprehensive income:				
Unrealised gain on remeasurement of available-for-sale financial assets	13	(777)	7	(1,375)
		(777)	7	(1,375)
Total comprehensive loss for the period		(109,985)	(116,940)	(68,828)
Loss per share - Rupees		(0.99)	(1.06)	(0.61)
				(0.65)

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

Rulan Mulla
Chief Financial Officer

J. S. J. S.
Chief Executive Officer

M. A. S.
Director

S. A. S.
Director

C. J. J. S.
Chairman

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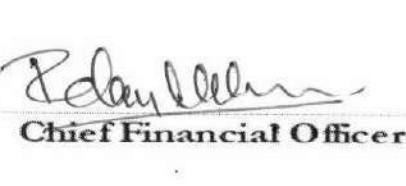
ASKARI LIFE ASSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

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

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


Chief Financial Officer


Chief Executive Officer


Director

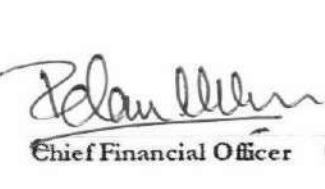

Director


Chairman

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

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

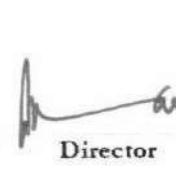
The annexed notes from 1 to 31 form an integral part of the condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director



Director



Chairman

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

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Askari Life Assurance Company Limited (the Company) was incorporated in Pakistan on August 18, 1992 as a public limited company under the repealed Companies Ordinance, 1984 (replaced by Companies Act 2017). Its shares are quoted on Pakistan Stock Exchange. The Company commenced life insurance operations on February 22, 1993 after registration with Controller of Insurance on February 14, 1993. The address of its registered and principal office are 8th Floor, Army Welfare Trust, AWT Plaza, The Mall, Rawalpindi and 11th Floor, Emerald Tower, Plot No. G-19, Block 5, KDA Improvement Scheme No.5, Clifton, Karachi respectively. The major shareholding in the Company was taken over by Army Welfare Trust on October 27, 2017. The geographical locations other than stated above are as under:

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

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

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

Army Welfare Trust as a Holding Company holds 54.54% (December 31, 2019: 54.54%) shares of the Company.

1.2 The Company is engaged in life insurance and window family takaful business including ordinary life business and accidental and health business.

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

- Ordinary Life
- Universal Life
- Accidental and Health
- Individual Family Takaful
- Universal Life Family Takaful
- Group Family Takaful

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

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

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

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

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

d) The Parent company has a commitment to provide necessary financial support to the Company, if need arises, to address any liquidity and solvency issues to enable the Company to continue its business.

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

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

2 BASIS FOR PRESENTATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act 2017 and Insurance Accounting Regulations, 2017 provisions of and directives issued under the Companies Act 2017, the Insurance Ordinance, 2000, Insurance Rules, 2017 and the Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Act 2017, Insurance Ordinance, 2000, Insurance Accounting Regulations 2017 Insurance Rules, 2017 and Takaful Rules, 2012 shall prevail.

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

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

3 BASIS OF MEASUREMENT

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

4 FUNCTIONAL AND PRESENTATION CURRENCY

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

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

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

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

5.3 The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2019.

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

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

6 PROPERTY AND EQUIPMENT

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

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

7 RIGHT TO USE OF ASSETS

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

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

8 INTENGIBLE ASSETS

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

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

ASKARI LIFE ASSURANCE COMPANY LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

9 INVESTMENTS IN EQUITY SECURITIES

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

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

December 31,		
June 30, 2020	2019	
(Un-Audited)	(Audited)	
-----Rupees in '000-----		

Opening balance	(3,320)	(3,369)
(Provision) / reversal for the period	563	49
Closing balance	(2,757)	(3,320)

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

10 INVESTMENTS IN GOVERNMENT SECURITIES

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

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

11 INVESTMENTS IN MUTUAL FUNDS

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

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

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

13	UNREALIZED GAIN ON AVAILABLE FOR SALE FINANCIAL ASSETS	Note	June 30, 2020
			December 31, 2019
			(Un-Audited) (Audited)
----- Rupees in '000 -----			
	Investment in equity securities	9	(44)
	Investment in mutual funds	11	67
			23
			800

13.1	Movement in balance		
	Opening balance		800
	Unrealised gain for the year		(777)
	Closing balance		23

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

14.1	Reported outstanding claims		
	Gross of Reinsurance		
	Payable within one year		164,621
	Payable over a period of time exceeding one year		10,387
			175,008
			113,712
			10,387
			124,099

	Recoverable from Reinsurance		
	Receivable within one year		(52,393)
	Receivable over a period of time exceeding one year		(9,712)
			(62,105)
			112,903
			92,950

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

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

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 There is pending adjudication bearing No 125/2012 before the Session Court, South, Karachi in respect of a employee who was previously working on contract basis at company's Hyderabad branch and committed fraud. As the Company is taken over by AWT (the buyer) it was agreed with the previous management (the seller) that if any stage the Company or any of its director(s) become party and as such any liability is imposed by any Court on the Company or its Director(s) in this regard, the accrued liability would be paid by the sellers to the Company for onward payment to the affectees at earliest. The Company will accordingly ensure timely and fair payment of liability.

That to guarantee the covenants made by the seller above and to fully indemnify the Buyer against any liability/loss the Sellers have furnished in favour of the buyer an irrevocable and unconditional Insurance Guarantee from a AA+ rated insurance company, East West Insurance Company Limited bearing number EWL/HO/PB-009/01/2017 to an amount of PKR 118.467 million. Further to this effect a duly executed and notarized undertaking dated 13-01-2017 has also been furnished by the Sellers to the Federal Insurance Ombudsman.

15.1.2 Pakistan Steel Mill had filed instant suit against the Company in respect of the claims of their employees amounting to Rs. 4 million. The claim had been repudiated by the previous management on the grounds of delayed intimation. The Company is contesting the case in and is at the stage of appointment of commissioner. In view of Company's legal consultant, the Company has a *prima facie* case and unfavourable outcome is not expected.

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

Other

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

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

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

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

15.2 Commitments

Operating leases

	June 30, 2020 (Un-Audited)	December 31, 2019 (Audited)
----- Rupees in '000 -----		
Not later than one year	6,335	5,947
Later than one year and not later than five years	<u>19,645</u>	<u>20,557</u>
	<u><u>25,980</u></u>	<u><u>26,504</u></u>

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

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

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

**ASKARI LIFE ASSURANCE COMPANY LIMITED
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FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020**

	Note	Half year ended		Quarter ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
		----- Un-Audited -----			
21 ACQUISITION EXPENSES					
Remuneration to insurance intermediaries on individual policies:					
Commission to agent on first year premiums		13,676	14,279	3,438	7,625
Commission to agent on second year premiums		1,511	-	533	-
Commission to agent on subsequent renewal premiums		6	-	6	-
		15,193	14,279	3,977	7,625
Remuneration to insurance intermediaries on group policies:					
Commission		7,445	3,447	2,162	1,564
Stamp duty		394	493	263	194
Other acquisition costs		38,646	46,696	14,784	20,658
		61,678	64,915	21,186	30,041
22 MARKETING AND ADMINISTRATION EXPENSES					
Employee benefit cost		68,505	62,966	35,302	38,340
Advertisements and sales promotion		775	15,081	142	14,854
Depreciation on right of use asset		5,482	4,475	2,740	5,482
Vehicle running expenses		3,312	5,267	1,286	2,851
Travel and conveyance		1,660	3,485	618	2,578
Repair and maintenance		6,845	3,711	3,752	2,398
Depreciation on property and equipment		4,157	2,285	1,604	662
Postage, telegrams and telephone		2,759	2,434	1,380	1,354
Printing and stationery		1,938	2,701	645	2,230
Finance charges on lease liability against right of use asset		2,471	1,898	1,165	1,898
Entertainment		1,193	1,075	9	451
Ijara rental		1,941	450	1,098	450
Rent, rates and taxes		10	1,651	10	(2,023)
Electricity, gas and water		744	887	277	649
Insurance		2,692	1,068	813	1,068
Fees, subscription and periodicals		40	83	2	55
Miscellaneous		814	460	62	334
Amortisation of intangible assets		492	277	247	140
Bank charges		76	135	37	79
Annual supervision fee SECP		100	100	-	-
		106,006	110,489	51,189	73,850
23 OTHER EXPENSES					
Legal and professional charges		3,572	1,565	3,326	490
Appointed actuary fees		2,034	1,200	1,017	600
Auditors' remuneration		490	543	490	543
Shariah Advisor Fee		900	-	525	-
Director meeting fee		210	370	210	175
		7,206	3,678	5,568	1,808

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ASKARI LIFE ASSURANCE COMPANY LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

24 SEGMENTAL INFORMATION

24.1 Revenue Account by Statutory Fund

For the six months period ended June 30, 2020

Income

Premium / Contributions less reinsurances

Net investment income

Total net income

Insurance benefits and expenditure

Insurance benefits including bonuses, net of reinsurance recoveries

Management expenses less recoveries

Total insurance benefits and expenditure

(Deficit)/ surplus of income over claims and expenditure

Add: Policyholders' liabilities at beginning of the period

Less: Policyholders' liabilities at end of the period

(Deficit)/surplus

Movement in policyholders' liabilities

Transfers from shareholders' fund

- Capital contributions from shareholders' fund

Balance of statutory fund at beginning of the period

Balance of statutory fund at end of the period

	Statutory funds					<u>Aggregate</u>	Quarter ended
	Ordinary Life	Universal Life	Accident & health business	Individual Family Takaful	Group Family Takaful		
----- Rs in '000' -----							
Premium / Contributions less reinsurances	21,765	61,083	-	1,982	1,226	86,056	22,690
Net investment income	4,309	17,695	317	-	93	22,414	10,728
Total net income	26,074	78,778	317	1,982	1,319	108,470	33,418

Insurance benefits including bonuses, net of reinsurance recoveries	25,465	30,633	-	-	123	56,221	33,226
Management expenses less recoveries	61,942	96,550	-	1,325	1,624	161,441	69,946
Total insurance benefits and expenditure	87,407	127,183	-	1,325	1,747	217,662	103,172
(Deficit)/ surplus of income over claims and expenditure	(61,333)	(48,405)	317	657	(428)	(109,192)	(69,754)
Add: Policyholders' liabilities at beginning of the period	12,994	239,584	-	-	346	252,924	255,001
Less: Policyholders' liabilities at end of the period	7,040	245,462	-	607	213	253,322	253,322
(Deficit)/surplus	(55,379)	(54,283)	317	50	(295)	(109,590)	(68,075)
Movement in policyholders' liabilities	(5,954)	5,878	-	607	(133)	398	(1,679)
Transfers from shareholders' fund							
- Capital contributions from shareholders' fund	69,000	56,500	-	-	-	125,500	85,000
Balance of statutory fund at beginning of the period	17,374	240,340	5,593	-	818	264,125	265,187
Balance of statutory fund at end of the period	25,041	248,435	5,910	657	390	280,433	280,433

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

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

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ASKARI LIFE ASSURANCE COMPANY LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

25 Segment Statement of financial position

Shareholders' fund	Statutory funds					June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Ordinary Life	Universal Life	Accident & health business	Individual Family Takaful	Group Family Takaful		
-----Rs in '000-----							
Property and equipment	36,302	-	-	-	-	-	36,302
Right of use assets	40,189	-	-	-	-	-	40,189
Intangible assets	1,827	-	-	-	-	-	1,827
Investments	163,372	65,052	310,357	6,904	-	-	545,685
Loans secured against life insurance policies	-	1,487	5,164	-	-	-	6,651
Insurance receivables	-	23,975	-	376	-	-	24,351
Other loans and receivables	12,534	14,757	300	1,195	-	-	28,786
Taxation - payments less provision	15,600	-	-	-	-	-	15,600
Prepayments	547	-	-	-	-	-	547
Cash & Bank	50,861	5,139	13,797	1,033	1,868	3,949	76,647
Interfund balances	870	-	-	-	(484)	(386)	-
Total assets	322,102	110,410	329,618	9,508	1,384	3,563	776,585
							769,908
Insurance liabilities net of reinsurance recoveries	-	52,747	308,936	3,600	607	335	366,225
Retirement benefit obligations	16,206	-	-	-	-	-	16,206
Premium received in advance	-	2,030	8,155	-	-	50	10,235
Insurance / reinsurance payables	-	34,586	4,121	-	33	2,944	41,684
Lease liability against right of use assets	42,356	-	-	-	-	-	42,356
Other creditors and accruals	16,589	3,046	5,432	-	694	56	25,817
Total Liabilities	75,151	92,409	326,644	3,600	1,334	3,385	502,523
							485,861

Revised

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

WINDOW TAKAFUL OPERATIONS

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

1 Statement of Financial Position

As at June 30, 2020

	Operator's Sub Fund	Statutory funds		Aggregate	Aggregate
		Universal Life Family Takaful	Group Family Takaful	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
Rupees in '000					
Share capital and reserves					
Funds received from Shareholders' Fund	-	-	-	-	-
Capital returned to Shareholders' Fund	-	-	-	-	-
Accumulated Surplus / (Deficit)	(180)	-	-	(180)	12
Qard-e-Hasna contributed by the Window Takaful Operator	-	-	-	-	-
Net shareholders' equity	(180)	-	-	(180)	12
 Balance of statutory fund (including Technical reserves Rs. 0.336 million (December 31, 2019: Rs.0.346 million)		564	663	1,227	806
 Deferred liabilities					
Staff retirement benefits	-	-	-	-	-
 Creditors and accruals					
Outstanding claims	-	-	123	123	-
Contributions received in advance	-	-	50	50	-
Amount due to takaful / re-takaful operators	-	33	2,944	2,977	955
Amounts due to agents	720	-	-	720	85
Accrued expenses	-	-	-	-	-
Other creditors and accruals	30	-	-	30	7
	750	33	3,117	3,900	1,047
 Total liabilities	750	597	3,780	5,127	1,853
 Commitments					
 Total equity and liabilities	570	597	3,780	4,947	1,865
 Cash and bank deposits					
Cash and others	-	-	-	-	-
Current and other accounts	1,104	942	3,771	5,817	1,951
Deposits maturing within 12 months	-	-	-	-	-
	1,104	942	3,771	5,817	1,951
 Unsecured loans to employees					
 Investments					
Government securities	-	-	-	-	-
Listed securities	-	-	-	-	-
Open end mutual funds	-	-	-	-	-
Provision for diminution in value	-	-	-	-	-
	-	-	-	-	-
 Current assets - others					
Contributions due but unpaid	-	-	-	-	-
Amount due from takaful / re-takaful operators	-	-	-	-	-
Sundry receivables	-	-	-	-	-
Investment income accrued	-	-	-	-	-
Advances and deposits	-	-	-	-	-
Prepayments	-	-	-	-	-
Taxation - payments less provision	-	-	-	-	-
Inter fund balance	(534)	(345)	9	(870)	(86)
	(534)	(345)	9	(870)	(86)
 Fixed assets					
 Tangible assets					
Furniture & fixture, office equipments	-	-	-	-	-
Motor vehicles	-	-	-	-	-
Right of use	-	-	-	-	-
Computer equipments	-	-	-	-	-
 Intangible assets					
Softwares	-	-	-	-	-
	-	-	-	-	-
 Total assets	570	597	3,780	4,947	1,865

26.2 Revenue Account

For the six months period ended June 30, 2020

Universal Life	Group Family	Statutory Funds Aggregate			
		For the Half year ended	For the Quarter ended	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)
Rupees in '000					

26.2.1 Participants' Investment Fund (PIF)

Income

Allocated contribution

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

Investment income

Total net income

Less: Claims and Expenditure

Claims

Takaful operator fee

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

Excess of Income over Claims and expenditure

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

Add : Technical reserves at the beginning of the period

Less : Technical reserves at the end of the period

Deficit retained in PTF

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

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

Movement in technical reserves**Surplus before distribution****Movement in technical reserves**

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

Transfers from

Qard-e-Hasna contributed by Window Takaful Operator

Money ceded to Waqf

Balance of PTF at the beginning of the period

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

Balance of PTF at the end of the period

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ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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26.2 Revenue Account

For the six months period ended June 30, 2020

Universal Life Family Takaful	Group Family Takaful	Statutory Funds		Aggregate	
		For the Half year ended		For the Quarter ended	
		June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)
Rupees in '000					

26.2.2 Participants' Takaful Fund (PTF)

Income

Contribution net of retakaful

Net investment income

Other income

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

Less: Claims and Expenditure

Claims

Takaful operator fee

-	123	123	-	123	-
1,418	1,330	2,748	-	1,448	-
1,418	1,453	2,871	-	1,571	-
(27)	(143)	(170)	-	(106)	-

Excess / (Deficit) of Income over Claims and expenditure

Add : Technical reserves at the beginning of the period

Less : Technical reserves at the end of the period

Surplus / (deficit) retained in PTF

-	346	346	-	336	-
-	213	213	-	213	-
(27)	(10)	(37)	-	17	-
27	143	170	-	106	-

Surplus before distribution

Movement in technical reserves

(27)	(143)	(170)	-	(106)	-
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Transfers from

Qard-e-Hasna contributed by Window Takaful Operator

-	-	-	-	-	-
-	-	-	-	-	-
-	806	806	-	742	-
(27)	663	636	-	636	-

Balance of PTF at the beginning of the period

Balance of PTF at the end of the period

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

26.2.3 Operators' Sub Fund (OSF)

	Statutory Funds		Aggregate			
	Universal Life	Group Family Takaful	For the Half year ended		For the Quarter ended	
			June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)
Rupees in '000						
Income						
Allocation fee	31	-	31	-	31	-
Investment income	-	9	9	-	6	-
Takaful operator fee	1,387	1,330	2,717	-	1,417	-
Certificate admin fee	-	-	-	-	-	-
Wakalat-ul-Istismar	-	-	-	-	-	-
	1,418	1,339	2,757	-	1,454	-
Less: Expenses						
Acquisition cost	865	1,317	2,182	-	895	-
Administration expenses	460	307	767	-	624	-
Total management cost	1,325	1,624	2,949	-	1,519	-
Excess of (expenditure)/over income						
Add : Technical reserves at the beginning of the period	-	-	-	-	-	-
Less : Technical reserves at the end of the period	-	-	-	-	-	-
Surplus / (Deficit)	93	(285)	(192)	-	(65)	-
Movement in technical reserves	-	-	-	-	-	-
Capital Contribution during the period	-	-	-	-	-	-
Qard-e-Hasna contributed to the Participants Takaful Fund	-	-	-	-	-	-
Balance of OSF at the beginning of the period	-	12	12	-	(115)	-
Balance of OSF at the end of the period	93	(273)	(180)	-	(180)	-

ASKARI LIFE ASSURANCE COMPANY LIMITED

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FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

26.3 Statement of Contribution

For the six months period ended June 30, 2020

Universal Life Family Takaful	Group Family Takaful	Aggregate				
		For the Half year ended		For the Quarter ended		
		June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)	
-----'Rupees in '000-----						
Gross Contributions						
Regular contributions individual family takaful*						
- First year	1,845	-	1,845	-	1,845	
- Second year	-	-	-	-	-	
- Subsequent year renewal	-	-	-	-	-	
Single Contribution individual family takaful	170	-	170	-	170	
Group family takaful contribution without cash value	-	3,215	3,215	-	3,215	
Total Gross Contributions	2,015	3,215	5,230	-	5,230	
Participants' Investment Fund						
Allocated regular contribution	430	-	430	-	430	
Allocated single contribution	161	-	161	-	161	
	591	-	591	-	591	
Participant's Takaful Fund (PTF)						
Gross contribution	1,424	3,215	4,639	-	4,639	
Less: Retakaful Contribution Ceded						
On individual first year business	33	-	33	-	33	
On individual second year business	-	-	-	-	-	
On individual renewal business	-	-	-	-	-	
On group family takaful	-	1,989	1,989	-	1,989	
Net Contributions	1,391	1,226	2,617	-	2,617	

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

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

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

	Statutory Funds		Aggregate		Aggregate	
			For the Half year ended		For the Quarter ended	
	Universal Life	Family Takaful	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)	June 30, 2020 (Un-Audited)	June 30, 2019 (Un-Audited)
Rupees in '000'						
Gross claims						
Claims under individual family takaful						
- by death	-	-	-	-	-	-
- by covered event other than death	-	-	-	-	-	-
- by maturity	-	-	-	-	-	-
- by surrender	-	-	-	-	-	-
Total gross individual family takaful claims	-	-	-	-	-	-
Claims under group family takaful						
- by death	-	-	-	-	-	-
- by covered event other than death	-	-	-	-	-	-
Total group family takaful claims	-	-	-	-	-	-
Total Gross Claims						
Participants' Investment Fund (PIF)						
Claims under individual family takaful						
- by death	-	-	-	-	-	-
- by covered event other than death	-	-	-	-	-	-
- by maturity	-	-	-	-	-	-
- by surrender	-	-	-	-	-	-
Total gross individual family takaful claims	-	-	-	-	-	-
Participants' Takaful Fund (PTF)						
Claims under individual family takaful						
- by death	-	-	-	-	-	-
- by covered event other than death	-	-	-	-	-	-
- by maturity	-	-	-	-	-	-
- by surrender	-	-	-	-	-	-
Total gross individual family takaful claims	-	-	-	-	-	-
Claims under group family takaful						
- by death	-	-	123	123	123	123
- by covered event other than death	-	-	-	-	-	-
Total group family takaful claims	-	-	123	123	123	123
Less: Retakaful recoveries						
On individual family takaful first year claims	-	-	-	-	-	-
On individual family takaful second year claims	-	-	-	-	-	-
On individual family takaful renewal claims	-	-	-	-	-	-
On group takaful claims	-	-	-	-	-	-
Net Claims			123	123	123	123

p/w

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

26.5 Statement of Expenses

For the six months period ended June 30, 2020

Operators' Sub Fund

Acquisition costs

Remuneration to takaful intermediaries on individual family takaful:

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

Remuneration to takaful intermediaries on group family takaful:

- Commission

Other acquisition costs:

Stamp duty

Total acquisition cost

Administration expenses

Shariah Advisor Fee

Employee benefit cost

Vehicle running expenses

Miscellaneous

Printing and stationery

Postage, telegrams and telephone

Gross management expenses

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

'Rupees in '000-----

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

-	1,315	1,315	-	30	-
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26	2	28	-	26	-
26	2	28	-	26	-
865	1,317	2,182	-	895	-

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

ASKARI LIFE ASSURANCE COMPANY LIMITED

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

26.6 Statement of Investment Income

For the six months period ended June 30, 2020

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

'Rupees in '000

Participants' Investment Fund (PIF)

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

Net investment income of PIF

a

-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Net investment income of PIF						

Participants' Takaful Fund (PTF)

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

Net investment income of PTF

b

-	-	-	-	-	-	-
-	-	84	84	-	50	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Net investment income of PTF		84	84	-	50	-

Operators' Sub Fund (OSF)

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

Net investment income of OSF

c

-	-	-	-	-	-	-
-	-	9	9	-	6	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Net investment income of OSF		9	9	-	6	-

Net investment income

(a+b+c)

-	93	93	-	56	-
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27 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows,

based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

June 30, 2020

Government securities
Listed securities
Open end mutual funds

	Level 1	Level 2	Level 3	Total
-	526,851	-	-	526,851
7,194	-	-	-	7,194
11,640	-	-	-	11,640
18,834	526,851	-	-	545,685

December 31, 2019

Government securities
Listed securities
Open end mutual funds

-	492,725	-	492,725
6,819	-	-	6,819
11,067	-	-	11,067
17,886	492,725	-	510,611

ASKARI LIFE ASSURANCE COMPANY LIMITED
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FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

28 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of holding Company, associated companies, staff retirement fund, Directors and key management personnel. The transactions with related parties are in normal course of business. Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows:

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

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

June 30, 2020
 (Un-Audited) December 31, 2019
 (Audited)

--- (Rupees in '000) --

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

29 GENERAL

Figures have been rounded off to the nearest thousand.

30 CORRESPONDING FIGURE

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

31 DATE OF AUTHORISATION FOR ISSUE

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

[Handwritten signatures]

<i>[Signature]</i> Chief Financial Officer	<i>[Signature]</i> Chief Executive Officer	<i>[Signature]</i> Director	<i>[Signature]</i> Director	<i>[Signature]</i> Chairman
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Branch Network

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