

Askari Life Assurance Company Ltd.
Formerly East West Life Assurance Company Ltd.

Room no. 802, 8th Floor, Lakson Square, T + 92 213 563 0421 - 2 3
Building # 1, Sarwar Shaheed Road, F + 92 213 563 0429
Opp. Karachi Press Club, Karachi



September 24, 2018

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: Declaration of Right Shares

Dear Sir,

This is to inform you that the Board of Directors of the Company in their meeting held on September 19, 2018 at 03:00 p.m at Rawalpindi have decided to issue 83.09 Right Shares for every 100 Shares held i.e. 83.09% at par of Rs.10 per share.

In this respect, we are enclosing herewith following documents as required for the purpose of Right Shares.

1. The Statement regarding purpose of right issue, benefit to the Company, use of proceeds (Annexure A)
2. Financial projections for seven years (Annexure B)
3. Board of Directors resolution for the issue of Right Shares (Annexure C)

The Share Transfer Books of the Company will be closed from October 17, 2018 to October 23, 2018 (both days inclusive) to determine the entitlement of Right Shares. Transfer received at our Share Registrar THK (Pvt) Limited, 1st Floor, 40-C, Block – 6, P.E.C.H.S, Karachi at the close of business on October 16, 2018 will be treated in time for the purpose of entitlement of Right Shares to the transferees.

Yours Sincerely

ASKARI LIFE ASSURANCE CO. LTD.

SOHAIL NAZEER

Company Secretary

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ANNEXURE - A

STATEMENT OF PURPOSE, BENEFITS, USE OF PROCEEDS AND FINANCIAL PROJECTIONS UNDER SECTION 5(II) AND 5(III) OF THE COMPANIES (ISSUE OF CAPITAL) RULES, 1996

PURPOSE OF THE RIGHT ISSUE	To meet the minimum paid-up capital requirement as laid down by the section 28 of Insurance Ordinance 2000 of Securities and exchange Commission of Pakistan, amended vide SRO 89 (1)/2017, and to support the business growth.
BENEFITS TO THE COMPANY	The additional capital being inducted will create added source of funding for developing field force distribution and rebranding of the Company. It will be helpful for the management to effectively execute expansion plan, invest further in technology and enhance overall business of the organization. It will enhance the risk retention capacity of the company thereby allowing it to undertake high volume and quality business. It will improve the solvency of the company, resulting in better profitability for the future.
USE OF PROCEEDS	Development of branch network and deploy field force for marketing and distribution of new set of products. ERP system for effective management on business operations and client servicing. Experienced and qualified leadership team for execution of business plan. License application for Family Takaful window.
RSIK FACTOR ASSOCIATED WITH THE RIGHTS ISSUE / PROJECT	No significant risk factor are anticipated,

ASKARI LIFE ASSURANCE CO. LTD.
Sohail Nazeer
Company Secretary

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ANNEXURE - B

ASKARI LIFE ASSURANCE COMPANY LIMITED

Projected Profit and Loss Account

For the period December 2018 to December 2024

	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
Premium revenue	88,589,837	462,000,000	1,033,185,008	1,845,213,581	2,645,724,097	3,560,660,637	4,575,518,693
less Premium ceded to reinsurers	(45,279,462)	(106,052,589)	(181,971,062)	(303,664,415)	(366,170,591)	(429,994,730)	(495,272,249)
Net premium revenue	43,310,375	355,947,411	851,213,946	1,541,549,166	2,279,553,506	3,130,665,907	4,080,246,445
Net investment income	36,582,159	83,136,557	125,502,180	183,036,814	271,722,662	405,707,641	589,908,607
Net income	79,892,534	439,083,968	976,716,126	1,724,585,980	2,551,276,168	3,536,373,548	4,670,155,051
Insurance benefits	81,701,388	164,533,937	288,915,511	505,067,975	693,735,050	947,970,840	1,264,164,073
Recoveries from reinsurers	(38,250,000)	(89,920,563)	(155,232,215)	(259,957,434)	(314,946,989)	(371,989,479)	(431,345,178)
Net Claim Expense	43,451,388	74,613,374	133,683,296	245,110,541	378,788,062	575,981,361	832,818,895
Net change in insurance liabilities	4,416,028	75,308,660	299,443,592	669,823,337	1,108,021,780	1,639,586,419	2,239,903,621
Commission expenses	7,013,149	244,510,000	458,775,092	671,150,256	841,596,940	1,031,725,871	1,226,387,587
Marketing and administration expensed	77,458,085	172,036,495	151,660,304	166,948,900	181,984,397	199,426,785	219,577,780
Total expenses	88,887,262	491,855,155	909,878,988	1,507,922,493	2,131,603,117	2,870,739,074	3,685,868,988
Results of operating activities	(52,446,116)	(127,384,561)	(66,846,158)	(28,447,054)	40,884,989	89,653,112	151,467,168
(Loss)/profit before tax	(52,446,116)	(127,384,561)	(66,846,158)	(28,447,054)	40,884,989	89,653,112	151,467,168
Income tax expense	(128,566)	(566,066)	(574,014)	(581,962)	(589,910)	(597,858)	(605,806)
(Loss)/profit for the period	(52,574,682)	(127,950,627)	(67,420,172)	(29,029,016)	40,295,079	89,055,254	150,861,362

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Sohail Nazeer
Company Secretary

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ANNEXURE - C

EXTRACTS OF MINUTES MEETING OF THE BOARD OF DIRECTORS OF ASKARI LIFE ASSURANCE COMPANY LIMITED HELD ON September 19, 2018 AT AWT PLAZA, RAWALPINDI.

To Offer Right Share @ 83.09 % at par value of Rs. 10/-

“RESOLVED THAT “the ordinary paid-up capital of the Askari Life Assurance Company Limited (the Company) be and is hereby increase from Rs. 601,720,140/- to Rs. 1,101,720,140, by issue of further Rs. 500,000,000/- ordinary shares of the Company of Rs. 10/- each to be offered as 83.09% Right Share in the ration of 83.09 new shares for every 100 share held at par value of Rs. 10 per share under the provisions of Section 83 of Companies Act 2017 read with the companies (Issue of Capital) Rules, 1996 against payment to the Company of the price of the shares subscribed by the shareholders. Such Right Share shall rank pari-passu in all respects with the existing shares of the company and will be offered to those shareholders whose names appear in the member’s register of the Company at the close of business day on October 16, 2018”.

“RESOLVED FURTHER THAT “the CEO, Principal Officer and/ or Company Secretary be and are hereby singly authorized to appoint /negotiate with the underwriter(s) for the allotment of unsubscribed portion of Right Shares to any/ or all of the underwriter(s) and to appoint consultant / advisor for right share.

“RESOLVED FURTHER THAT “the CEO, Principal Officer and / or Company Secretary be and are hereby singly authorized to complete all the necessary legal and corporate formalities with regards to the above resolution and to take such actions as they may consider necessary or expedient to complete the process. Further resolved that in case of any omission or mistake if pointed out by the SECP , PSX, or any other competent authority in the aforesaid resolution the CEO Principal Officer and / or Company Secretary be and are hereby singly authorized to make necessary corrections as permitted under the law in letter & spirit, to file all necessary documents and to appear before all relevant authorities, including the court , SECP and / or any other competent body and / or authorities to give effect to foregoing resolutions.

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Sohail Nazeer
Company Secretary

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