



UNAUDITED FINANCIAL STATEMENT FOR THE
PERIOD ENDED SEPTEMBER 30, 2019

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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)	Javed Yunus
Maj Gen. Imtiaz Hussain Sherazi, (Retd)	Ayesha Rafique
Maj Gen. Akhtar Iqbal, (Retd)	Tariq Hameed
Malik Riffat Mahmood	

MANAGEMENT

Jehanzeb Zafar	Chief Executive Officer
Noman Muhammad	Chief Operating Officer
Rehan Mobin	Chief Financial Officer
Kaleem Abbas	Head of Distribution
Hasan Tahir	Head of HR & Admin
Syed Jawaid Raza	Head of IT
Yusuf Ansari	Head of Corporate Sales
Hasan Askari	Head Training & Channel Management
Atif Usman Mallick	Head Internal Audit
Haajra Jafri	Company Secretary

Board Committees

Audit Committee:

Tariq Hameed	Chairman
Maj Gen. Imtiaz Hussain Sherazi, (Retd)	Member
Malik Riffat Mehmood	Member
Haajra Jafri	Secretary

Investment Committee:

Malik Riffat Mehmood	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	Chairman
Maj Gen. Akhtar Iqbal, (Retd)	Member
Maj Gen. Imtiaz Hussain Sherazi, (Retd)	Member
Jehanzeb Zafar	Member
Hasan Tahir	Secretary

Management Committees:

Risk Management & Compliance Committee:

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

Underwriting & Reinsurance Committee:

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

Claim Settlement Committee:

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

Appointed Actuary

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

Legal Advisor

Saiduddin & Co

External Auditor

Grant Thornton Anjum Rahman
(Chartered Accountants)

Registered Office

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

Head Office

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

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

Directors' Review

We are pleased to present the unaudited financial statements for the nine months period ended 30th September, 2019.

Financial Highlights

Financial Statements Line item	Sep 30, 2019	Sep 30, 2018
	Rs. in ('000)	
Gross premium revenue	172,159	26,993
Investment income	49,974	20,191
Net Insurance Benefits	44,758	22,315
Acquisition expense	112,171	2,785
Other Income	5,643	6,504
Marketing and administration expenses	168,274	46,877
Other expenses	8,135	6,796
(Loss)/profit after tax	(192,531)	(34,264)
Loss per share	(1.75)	(0.57)

Financial Analysis of the Company

During the period, the gross premium written was as follows:

Statutory Funds	Gross Premium Rupees. in '000	
	2019	2018
Individual Life	63,763	9,479
Single Premium	12,867	-
Bancassurance	8,020	-
Group Life Policies	87,509	17,514
Total	172,159	26,993

The change in strategy has started showing results. In the nine months period ended September 30, 2019, the gross premium written by your Company stood at Rs.172.16 million as compared to the same period of 2018 which was Rs.26.99 million.

All line of business have shown tremendous growth, the Company has joined hand with Askari Bank for Bancassurance and received an impressive response from the market and able underwrite Rs.8 million in its startup phase. Further the new individual life business and Group life business increased by Rs.67.15 million and Rs.70 million respectively.

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 as well as procuring the 100% renewals of individual life business

Investment:

The Investment income for the nine months period ended September 30, 2019 is Rs 49.97 million as compared to the same quarter of 2018 of Rs 20.19 million,

The Company's Investment portfolio currently stood at 557 million, as compared to the last year for December, 2018 which was Rs 714 million. The decrease in investment portfolio is because of cost incurred in development of new operations infra structure. 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 nine months ended September 30, 2019 is Rs 44.76 million as compared to the same period of 2018 of Rs 22.32 million, The increase is mainly due to increase in business during the period. The Company has also revamped and modernized the claims processing which make it convenient for the policyholders to process their claims.

Expenses:

The Marketing & administration expenses for the period ended September 30 2019 has increased to Rs 168.27 million as compared to the same period of 2018 which was Rs 46.88 million and other expenses stood at Rs.8.14 million, an increase of Rs. 1.34 million from the same period of 2018. The increased is mainly due to the hiring of new management & sales teams, deployment of operational infrastructure and branding & launching of Askari life. 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.

Due to above increase in expenses and developmental cost, the Loss after tax for the nine months period ended September 30, 2019 is Rs.192.53 million as compared to Rs. 34.26 million of the same period of 2018.

Misc.:

The Company has changed its Registered Office from province of Baluchistan to Province of Punjab for better management of business

Future Outlook

Your Company is continuing to focus on rebranding, development and expansion of branch network to promote new marketing strategy and launching of competitive products which will help the company in achieving the growth in premium amount in the long term.

We assure you 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 Reinsurer for their continued guidance and support to the company's management towards the betterment of our business processes. The Board also wishes to sincerely thank the company's loyal policyholders and corporate clients for placing their trust and confidence in our organization.

Finally, 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

Date: **23rd October, 2019**



Chief Executive Officer

ڈائریکٹرز رپورٹ

ہم سال ۲۰۱۹ء کی تیسری سہ ماہی کے لئے، جس کا اختتام ۳۰ ستمبر ۲۰۱۹ء کو ہوا، غیر آڈٹ شدہ مالیاتی حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالیاتی سرخیاں

۳۰ ستمبر ۲۰۱۸ء	۳۰ ستمبر ۲۰۱۹ء	مالیاتی حساب کے سلسلے سے متعلق مد
'000 روپوں میں		
26,993	172,159	مجموعی پریمیئم سے آمدنی
20,191	49,974	سرمایہ کاری سے آمدنی
22,315	44,758	خالص بیمہ فوائد
2,785	112,171	اخراجات برائے حصول
6,504	5,643	دیگر آمدن
46,877	168,274	مارکیٹنگ اور انتظامی اخراجات
6,796	8,135	دیگر اخراجات
(34,264)	(192,531)	بعد از ٹیکس (نقصان) / فائدہ
(0.57)	(1.75)	فی حصص نقصان

کمپنی کا مالی تجزیہ:

اس دورانیے میں مجموعی پریمیئم درج ذیل رہا:

مجموعی پریمیئم '000 روپوں میں		
2018	2019	قانونی فنڈز
9,479	63,763	انفرادی لائف پریمیئم
-	12,867	سنگل پریمیئم
-	8,020	بینکشورنس
17,514	87,509	گروپ لائف پالیسیاں
26,993	172,159	کل مجموعہ

حکمت عملی میں تبدیلی نے اپنے نتائج ظاہر کرنا شروع کر دیے ہیں۔ ۳۰ ستمبر ۲۰۱۹ء سے کو ختم ہونے والی تین سہ ماہیوں میں، آپ کی کمپنی کا مجموعی پریمیئم ۲۰۱۸ء کے اسی دورانیے کے 26.99 ملین روپے کے مقابلے میں 172.16 ملین روپے رہا۔

کاروبار کی تمام مدوں میں زبردست نشوونما دیکھنے میں آئی۔ کمپنی نے بینکشورنس کے لئے عسکری بینک سے معاہدہ کیا ہے اور اس سلسلے میں مارکیٹ سے متاثر کن ردعمل دیکھنے میں آیا اور دور

آغاز میں ہی 8 ملین روپے کا قابل قدر بیمہ حاصل ہوا۔ مزید برآں، نیا انفرادی لائف کاروبار اور گروپ لائف کاروبار بالترتیب 67.15 ملین روپے اور 70 ملین روپے سے بڑھ گیا۔

ہماری انفرادی لائف اور گروپ لائف نے کاروبار کی بہتری کے لئے اور مارکیٹ میں تقابلی مصنوعات کے آغاز کی مدد سے کاروبار کے ہدف کو پورا کرنے کے لئے مستعد طور پر موثر جدوجہد کرنے کے ساتھ ساتھ 100 فیصد پریمیم کے حصول کے لئے بھی کوشاں ہیں۔

سرمایہ کاری

۳۰ ستمبر ۲۰۱۹ء کو ختم ہونے والے تین سہ ماہیوں کے لئے سرمایہ کاری کی آمدنی ، ۲۰۱۸ء کے اسی دورانیے کے 20.19 ملین روپے کے مقابلے میں 49.97 ملین روپے رہی۔

کمپنی کی سرمایہ کاری کا حجم ، دسمبر ۲۰۱۸ء کے 714.01 ملین روپے کے مقابلے میں موجودہ طور پر 557 ملین روپے رہا ہے ۔ سرمایہ کاری حجم میں کمی کی وجہ آپریشنز کے نئے انفراسٹرکچر کے فروغ پر اٹھنے والی لاگت کے باعث ہے۔ کمپنی مسلسل سرمایہ کاری کے نئے مواقع کی تلاش میں کوشاں ہے اور ملک کی موجودہ معاشی اور سیاسی صورت حال پر بھی توجہ مبذول کئے ہوئے ہے۔

نیٹ بیمہ فوائد

۲۰۱۸ء کے اسی دورانیے کے 22.32 ملین روپے کے مقابلے میں ، ۲۰۱۹ء کی تین سہ ماہیوں کے لئے ، مجموعی خالص بیمہ فوائد کے اخراجات 44.76 ملین روپے رہے ۔ یہ اضافہ خاص طور پر اس دورانیے میں کاروبار بڑھانے کی وجہ سے ہوا ہے۔ کمپنی نے کلیمز کے طریقہ کار کو بھی تبدیل اور جدید کر دیا ہے جو پالیسی کے حامل افراد کے لئے ان کے کلیمز حاصل کرنے کے طریقے کو آسان بناتا ہے۔

اخراجات

مارکیٹنگ اور انتظامی اخراجات، ۲۰۱۸ء کے اسی دورانیے کے مقابلے میں جو کہ 46.88 ملین روپے تھے، ۲۰۱۹ء کی تین سہ ماہیوں میں 168.27 ملین روپے تک بڑھ گئے اور دیگر اخراجات 8.14 ملین روپے رہے یعنی ۲۰۱۸ء کے اسی دورانیے کے مقابلے میں 1.34 ملین روپے کا اضافہ ہوا۔ اضافے کی اصل وجہ نئی انتظامیہ اور سیلز ٹیموں کی تقرری ، آپریشنل انفراسٹرکچر اور عسکری لائف کی برائٹنگ اور اجراء کے باعث ہوا۔ آپ کی کمپنی کی انتظامیہ پر اعتماد ہے کہ کمپنی کے نئے انفراسٹرکچر کے فروغ میں کی جانے والی سرمایہ کاریاں آنے والے وقتوں میں کمپنی کے لئے بہت زیادہ فائدہ مند ثابت ہوں گی۔

اخراجات اور ترقیاتی لاگت میں درج بالا اضافے کی وجہ سے، ۲۰۱۸ء کے اسی دورانیے کے 34.26 ملین روپے کے مقابلے میں، ۲۰۱۹ء کے اس دورانیے میں بعد از ٹیکس نقصان 192.53 ملین روپے رہا۔

متفرق:

کمپنی کو بہتر طور پر منظم کرنے کے لئے کمپنی نے اپنا رجسٹرڈ دفتر صوبہ بلوچستان سے صوبہ پنجاب منتقل کر لیا ہے۔

مستقبل پر نظر

آپ کی کمپنی نے ری برانڈنگ، مارکیٹنگ کی نئی حکمت عملی کو بڑھانے کے لئے برانچ نیٹ ورک کے فروغ اور پھیلاؤ اور تقابلی مصنوعات کے آغاز پر مسلسل توجہ مرکوز کئے ہوئے ہے جو کمپنی کو آنے والے وقتوں میں پریمیئم کی رقم میں نشوونما میں مدد کرے گی۔

ہم آپ کو، آپ کی کمپنی کو انڈسٹری میں ممتاز مقام تک پہنچنے کے لئے چیلنجنگ اور تقابلی کاروبار میں دیرپا منافع بخش نشوونما پیش کرنے کا یقین دلاتے ہیں۔

اظہار تشکر

ڈائریکٹرز ہمارے کاروبار کے طریقہ ہائے جات کی بہتری، کمپنی کی انتظامیہ کی حمایت اور مسلسل رہنمائی کے لئے Securities & Exchange Commission of Pakistan (SECP) اور ری انشورر کا شکریہ ادا کرنا چاہیں گے۔ بورڈ کمپنی کے پالیسی ہولڈرز اور کارپوریٹ صارفین کا بھی خلوص دل سے شکریہ ادا کرنا چاہتا ہے جنہوں نے ہمارے ادارے میں اپنا اعتماد اور اعتبار قائم رکھا۔

آخر میں، ہمارے حصص کنندگان کا بھی شکریہ جنکی مسلسل وابستگی اور خیر خواہی عسکری لائف کو ایک مضبوط اور قابل بھروسہ مالیاتی ادارہ اور مارکیٹ میں بھروسے کا نشان بنانے اور ہمارے لئے حوصلہ افزائی کا ایک ذریعہ ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے


چیف ایگزیکٹو آفیسر

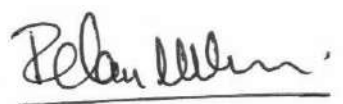

ڈائریکٹر

۲۳ اکتوبر ۲۰۱۹ء


ASKARI LIFE ASSURANCE COMPANY LIMITED
Condensed Interim Statement of Financial Position
As at September 30, 2019

	Note	September 30,	December 31,
		2019	2018
		Un-Audited	Audited
		-----Rupees in '000-----	
ASSETS			
Property and equipment	6	101,992	5,383
Intangible assets	7	2,100	-
Investments			
Equity securities	8	4,991	6,830
Government securities	9	541,273	697,184
Mutual funds	10	10,761	9,991
Loans secured against life insurance policies		9,234	9,424
Insurance / reinsurance receivables		15,839	3,380
Other loans and receivables		12,127	20,892
Taxation - payments less provision		13,059	11,311
Prepayments		7,534	5,097
Cash and bank	11	86,720	73,881
TOTAL ASSETS		805,630	843,373
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO COMPANY'S EQUITY HOLDERS			
Issued, subscribed and paid-up share capital [110,172,014 ordinary shares (2018: 110,172,014) of Rs.10 each]		1,101,720	1,101,720
Retained earnings arising from business other than participating business attributable to the shareholders (Ledger Account D)		(658,341)	(452,235)
Unrealised gain on available for sale investment		613	257
Accumulated losses		(90,283)	(103,858)
TOTAL EQUITY		353,709	545,884
LIABILITIES			
Insurance liabilities	12	287,286	257,883
Retirement benefit obligations		7,431	86
Premium received in advance		11,458	13,837
Insurance / reinsurance payables		43,541	14,112
Other creditors and accruals		102,205	11,571
TOTAL LIABILITIES		451,921	297,489
TOTAL EQUITY AND LIABILITIES		805,630	843,373
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes 1 to 28 form an integral part of the condensed interim financial statement.


Chief Financial Officer


Chief Executive Officer


Director

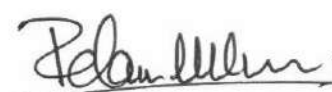





Director


Chairman

ASKARI LIFE ASSURANCE COMPANY LIMITED
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the nine months period ended September 30, 2019

	Nine Months Ended		Quarter Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	-----Un-Audited-----			
Note	-----Rupees in '000-----			
Premium revenue	172,159	26,993	88,541	19,457
less: Premium ceded to reinsurers	(62,170)	(16,379)	(41,045)	(15,927)
Net premium revenue	109,989	10,614	47,496	3,530
Investment income	51,768	20,212	17,435	7,573
Net realized fair value gain / (loss) on financial assets	104	(21)	104	-
Impairment losses on available for sales investments	(1,898)	-	(56)	-
Other income	5,643	6,504	2,069	661
Net income	55,617	26,695	19,552	8,234
Insurance benefits	96,750	25,849	41,498	10,042
Recoveries from reinsurers	(51,992)	(3,534)	(25,168)	(2,726)
Net insurance benefits	44,758	22,315	16,330	7,316
Net change in insurance liabilities (other than outstanding claims)	24,418	(7,347)	16,702	3
Acquisition expense	112,171	2,785	47,256	1,505
Marketing and administrative expenses	168,274	46,877	57,968	24,314
Other expenses	8,135	6,796	4,274	5,545
Total expenses	312,998	49,111	126,200	31,367
Results of operating activities	(192,150)	(34,117)	(75,482)	(26,919)
Loss before tax	(192,150)	(34,117)	(75,482)	(26,919)
Income tax expense	(381)	(147)	(102)	(48)
Loss for the period	(192,531)	(34,264)	(75,584)	(26,967)
Other comprehensive loss				
Unrealized gain / (loss) on available for sale of investments	297	(1,956)	(203)	(1,956)
Total comprehensive loss for the period	(192,234)	(36,220)	(75,787)	(28,923)
Loss per share - Rupees	(1.75)	(0.57)	(0.69)	(0.45)

The annexed notes 1 to 28 form an integral part of the condensed interim financial statement.

 Chief Financial Officer
 Chief Executive Officer
 Director
 Director
 Chairman

ASKARI LIFE ASSURANCE COMPANY LIMITED
Condensed Interim Cash Flow Statement (Un-Audited)
For the nine months period ended September 30, 2019

	Nine Months Ended	
	September 30, 2019	September 30, 2018
	Un-Audited	Un-Audited
	-----Rupees in '000-----	
	Note	
Operating Cash Flows		
(a) Underwriting activities		
Insurance premium received	157,321	24,279
Claims paid	(75,902)	(23,319)
Reinsurance and other recoveries received	3,390	391
Commission paid	(30,990)	(1,318)
Marketing and administrative expensed paid	(220,906)	(59,242)
Net cash flow from underwriting activities	(167,087)	(59,209)
(b) Other operating activities		
Income tax paid	(2,129)	(1,285)
Other operating receipts	22,866	5,409
Other operating payments	(4,529)	(328)
Loans advanced	-	-
Loans repayments received	-	-
Net cash flow from other operating activities	16,208	3,796
Total cash flow used in/from operating activities	(150,879)	(55,413)
Investment Activities		
Profit / return received	56,263	10,663
Dividend received	652	123
Payment for investments	(2,417,416)	(1,059,298)
Proceeds from investments	2,572,853	971,271
Proceeds from disposal of property and equipment	719	825
Purchase of property and equipment	(42,499)	(4,136)
Purchase of intangible asset	(2,546)	-
Total cash generated from / (used in) investing activities	168,026	(80,552)
Financing Activities		
Finance charges	(4,308)	-
Net cash flow from all activities	12,839	(135,965)
Cash and cash equivalents at beginning of period	73,881	166,225
and cash equivalents at end of period	86,720	30,260
	11	
Reconciliation to profit and loss account		
Operating cash flows	(150,879)	(55,413)
Depreciation	(5,541)	(1,675)
Amortization expense	(446)	-
Finance charges	(4,308)	-
Profit on disposal of investments	104	(21)
Gain on disposal of property and equipment	617	715
Dividend income	652	123
Other investment income	54,244	23,211
(Increase)/decrease in assets other than cash	23,568	12,360
Increase in liabilities other than borrowings	(110,542)	(13,564)
Loss after taxation	(192,531)	(34,264)

The annexed notes 1 to 28 form an integral part of the condensed interim financial statement.


Chief Financial Officer


Chief Executive Officer


Director


Director


Chairman

ASKARI LIFE ASSURANCE COMPANY LIMITED
 Condensed Interim Statement of Changes in Equity (Un-Audited)
 For the nine months period ended September 30, 2019

	Issued, subscribed and paid-up share capital	Accumulated losses	Retained earnings arising from business other than participating business attributable to the shareholders (Ledger Account D) Refer note	Unrealised gain on available for sale investments	Total
-----Rupees in '000-----					
Balance as at January 1, 2018 (as restated) - Audited	601,720	(87,365)	(355,735)	238	158,858
Total comprehensive income for nine months period ended September 30, 2018	-	(34,264)	-	(1,956)	(36,220)
Deficit for the period in statutory funds	-	19,818	(19,818)	-	-
Balance as at September 30, 2018 (as restated) - Unaudited	601,720	(101,811)	(375,553)	(1,718)	122,638
Balance as at January 1, 2019 - Audited	1,101,720	(103,858)	(452,235)	257	545,884
Reclassification adjustment of impairment loss on available for sale investments	-	-	-	59	59
Total comprehensive income for nine months period ended September 30, 2019	-	(192,531)	-	297	(192,234)
Deficit for the period in statutory funds	-	206,106	(206,106)	-	-
Balance as at September 30, 2019 - Unaudited	1,101,720	(90,283)	(658,341)	613	353,709

The annexed notes 1 to 28 form an integral part of the condensed interim financial statement.

Note: This includes balances maintained in accordance with the requirements of section 35 of the Insurance Ordinance, 2000 read with Rule 14 of the Insurance Rules, 2017 (previously the SIC Insurance Rules, 2002) to meet solvency margins, which are mandatorily maintained for the carrying on of the life insurance business.


 Chief Financial Officer


 Chief Executive Officer


 Director


 Director


 Chairman

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, Lahor

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

Horizon Tower - Sub Office: Room No.507, 5th Floor, Horizon Tower, near Bilawar House, Khayaban-e-Saadi, Clifton, Karachi.

Army Welfare Trust as a parent company holds 54.54% (December 31, 2018: 54.54%) 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 is well committed to shortly commence the Window Takaful Operations. Company's Board of Directors in its meeting held on October 24, 2018 approved the contribution of seed money of Rs. 50 million from share holder's fund for the commencement of operation. The Window Takaful Operation is also approved by SECP and Company has also established Individual Family Takaful and Group Family Takaful Funds.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statement have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' as applicable in Pakistan, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Accounting Regulations, 2017 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.

These condensed interim financial statement does not include all the statements required in the annual financial statements. Accordingly, the condensed interim financial statement should be read in conjunction with the annual financial statements for the year ended December 31, 2018.

2.1 BASIS OF MEASUREMENT

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

2.2 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim financial statement are in line with the audited annual accounts for the year ended December 31, 2018, with the exception of following :

3.1 IFRS 16 "Leases"

IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

This new Standard has been applied using the modified retrospective approach, where the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

The Company has applied the cost model to right-of use assets, except for those assets that meet the definition of investment property. Alternatively, the Company may elect to apply the revaluation model in IAS 16 to right-of-use assets, if it applies the revaluation model to the class of property and equipment that the right-of-use assets relate to.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is depreciated on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if the rate cannot be readily determined, the KIBOR (Karachi Inter Bank Offer Rate), Generally, the Company uses KIBOR rate as the discount rate.

Followings are the amounts recognised by the Company in these condensed interim financial statement for the nine months period ended September 30, 2019:

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the nine months period ended September 30, 2019

	Note	Rupees in '000'
Total lease liabilities - (included in other creditors and accruals)		63,228
Right of use asset	6	59,753
Finance charges - (included acquisition expense and Marketing and administrative expenses)	19 & 20	4,308
Depreciation - (included acquisition expense and Marketing and administrative expenses)	19 & 20	11,701

3.2 Intangible asset

An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and that the cost of such asset can also be measured reliably

Intangible assets acquired separately are measured on initial recognition at cost. Cost directly associated to identifiable asset and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of asset and related overhead cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any, thereon.

Intangible asset is amortised from the month when such asset is available for use on straight-line basis over its useful economic life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on prospective basis.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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, 2018.

In preparing this condensed interim financial statement, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at the year ended December 31, 2018.

5 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

5.1 During the period the Company has adopted IFRS 16 - Leases, with effect from January 1, 2019. The Company has applied IFRS 16 - Leases on four rental properties namely:

- Emerald Tower - Principal office
- Horizon Tower - Sub office
- Karachi Regional Development Centre
- Lahore Regional Development Center
- Islamabad Regional Development Center

5.2 During the period the Company has transferred its registered office and principal office from 57 Regal Plaza, M.A. Jinnah Road, Quetta and 802, 8th floor, Lakson Square Building No.1 Karachi to 8th floor, Army Welfare Trust, AWT Plaza, The Mall, Rawalpindi and 11th floor, Emerald Tower, Karachi respectively.

5.3 The Company has recognised impairment loss on investment in equity securities during the period amounting to Rs 1.9 million. (refer note 8.1).

5.4 Significant related party transactions are disclosed in note 23.

5.5 Window Takaful Operations (refer note 1.3).

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the nine months period ended September 30, 2019

6 PROPERTY AND EQUIPMENT

	September 30, 2019 (Un-Audited)	December 31, 2018 (Audited)
	-----Rupees in '000-----	
<i>Net book value</i>		
Property and equipment	42,239	5,383
Right-of-use assets	59,753	-
	<u>101,992</u>	<u>5,383</u>

6.1

	September 30, 2019 (Un-Audited)		December 31, 2018 (Audited)	
	Addition	Deletion	Addition	Deletion
	-----Rupees in '000-----			
Furniture & fixture	8,993	-	-	38,967
Office equipment	5,562	87	90	10,503
Computer equipment	9,338	120	3,181	4,399
Vehicles	51	1,199	2,655	10,760
Lease improvements	18,555	-	-	-
Right-of-use assets	71,454	-	-	-
	<u>113,953</u>	<u>1,406</u>	<u>5,926</u>	<u>64,629</u>

7 INTANGIBLE ASSETS

	September 30, 2019 (Un-Audited)	December 31, 2018 (Audited)
	-----Rupees in '000-----	
Cost		
Opening balance	-	-
Addition during the period	2,546	-
Closing balance	2,546	-
Amortization		
Opening balance	-	-
Charge for the period	446	-
Closing balance	446	-
Net book value	<u>2,100</u>	<u>-</u>

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the nine months period ended September 30, 2019

8 EQUITY SECURITIES

Available for sale

September 30, 2019 (Un-Audited)				December 31, 2018 (Audited)			
Cost	Unrealised gain / (loss) on available for sale investments	Accumulated impairment losses (refer note 8.1)	Carrying value	Cost	Unrealised gain / (loss) on available for sale investments	Accumulated impairment losses	Carrying value

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

Related parties - Listed shares

East west insurance company	281	263	-	544	281	263	-	544
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Others - Listed shares

Kohat Cement Company Limited	340	-	(221)	119	340	-	(119)	221
D. G. Khan Cement Company Limited	512	-	(367)	145	512	-	(271)	241
Habib Bank Limited	1,351	-	(524)	827	1,351	-	(508)	843
Ghandhara Industries Limited	1,633	-	(1,316)	317	1,633	-	(534)	1,099
Millat Tractor Limited	744	-	(352)	392	744	-	(278)	466
Bifo Industries Limited	350	-	(161)	189	350	-	(93)	257
Descon Oxychem Limited	101	-	(31)	70	101	43	-	144
Packages Limited	2,221	-	(1,025)	1,196	2,221	-	(674)	1,547
Al-Shaheer Corporation	78	-	(51)	27	78	(18)	-	60
Engro Foods Limited	323	-	(148)	175	323	(84)	-	239
Ferozsons Laboratories Limited	1,958	-	(1,033)	925	1,958	-	(876)	1,082
AGP Limited	103	-	(38)	65	103	-	(16)	87
	9,995	263	(5,267)	4,991	9,995	204	(3,369)	6,830

8.1 Movement in accumulated impairment losses on available for sale investments

Opening balance
Charge for the period
Closing balance

September 30, 2019 (Un-Audited)	December 31, 2018 (Audited)
-----Rupees in '000-----	
3,369	-
1,898	3,369
5,267	3,369

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the nine months period ended September 30, 2019

9 GOVERNMENT SECURITIES

Held to maturity

	September 30, 2019 (Un-Audited)				December 31, 2018 (Audited)
	Maturity date	Effective coupon/ yield (%)	Face Value	Principal repayment	Carrying value
	-----Rupees in '000-----				
10 year Pakistan Investment Bonds	22-Jul-20	12.00%	5,200	On maturity	5,166
10 year Pakistan Investment Bonds	18-Aug-21	12.00%	16,000	On maturity	15,899
10 year Pakistan Investment Bonds	19-Jul-22	12.00%	18,700	On maturity	18,443
10 year Pakistan Investment Bonds	21-Apr-26	8.75%	32,500	On maturity	33,059
10 year Pakistan Investment Bonds	21-Feb-29	11.30%	39,200	On maturity	39,403
3 Months Treasury Bills	17-Jan-19	8.79%	-	On maturity	-
3 Months Treasury Bills	28-Feb-19	10.27%	-	On maturity	-
3 Months Treasury Bills	14-Mar-19	10.30%	-	On maturity	-
3 Months Treasury Bills	14-Mar-19	10.30%	-	On maturity	-
3 Months Treasury Bills	24-Oct-19	13.67%	429,303	On maturity	429,303
			<u>540,903</u>		<u>541,273</u>
					697,184

10 MUTUAL FUND

Available for sale

	September 30, 2019 (Un-Audited)			December 31, 2018 (Audited)		
	Cost	Accumulated unrealised gain	Carrying value	Cost	Accumulated unrealised gain	Carrying value
	-----Rupees in '000-----					
NIFA income opportunity fund	10,307	348	10,655	9,938	53	9,991
NBP islamic money market fund	104	2	106	-	-	-
	<u>10,411</u>	<u>350</u>	<u>10,761</u>	<u>9,938</u>	<u>53</u>	<u>9,991</u>

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the nine months period ended September 30, 2019

11 CASH AND BANK

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	-----Rupees in '000-----	
Cash and Cash Equivalent		
- Cash in hand	30	-
- Policy stamps	508	100
Cash at bank		
- Current account	2,537	6,380
- Saving account	83,645	67,401
	86,720	73,881

12 INSURANCE LIABILITIES

	Note	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Reported outstanding claims	12.1	83,679	78,694
Incurred but not reported claims	12.2	2,788	1,620
Investment component of universal life and account value policies	12.3	177,598	161,565
Liabilities under individual conventional insurance contracts	12.4	2,536	3,278
Liabilities under group insurance contracts (other than investment linked)	12.5	11,718	5,202
Other insurance liabilities	12.6	8,967	7,524
		203,607	179,189
		287,286	257,883

12.1 Reported outstanding claims

Gross of Reinsurance

Payable within one year	45,500	30,214
Payable over a period of time exceeding one year	62,514	56,954
	108,014	87,168

Recoverable from Reinsurance

Receivable within one year	(23,229)	(8,019)
Receivable over a period of time exceeding one year	(1,106)	(455)
	(24,335)	(8,474)
Net reported outstanding claims	83,679	78,694

12.2 Incurred but not reported claims

Gross of reinsurance	6,766	3,119
Reinsurance recoveries	(3,978)	(1,499)
Net of reinsurance	2,788	1,620

12.3 Investment component of universal life and account value policies

Investment component of account value policies	177,598	161,565
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12.4 Liabilities under individual conventional insurance contracts

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	-----Rupees in '000-----	
Gross of reinsurance	2,536	3,278
Reinsurance recoveries	-	-
Net of reinsurance	2,536	3,278

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
-----Rupees in '000-----		
12.5 Liabilities under Group Insurance Contracts (other than Investment linked)		
Gross of reinsurance	36,902	14,527
Reinsurance recoveries	(25,184)	(9,325)
Net of reinsurance	11,718	5,202
12.6 Other insurance liabilities		
Gross of reinsurance	9,355	8,327
Reinsurance recoveries	(388)	(803)
Net of reinsurance	8,967	7,524

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

- 13.1.1** 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 parties 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/IIO/PB-009/01/2017 to an amount of Rs. 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.

- 13.1.2** 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.

13.2 Commitments

Operating leases

Not later than one year
More than one year not later than five year

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
-----Rupees in '000-----		
	-	10,396
	-	4,475
	-	14,871

Ijarah Financing

Not later than one year
More than one year not later than five year

	6,039	-
	21,915	-
	27,954	-

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the nine months period ended September 30, 2019

14 NET PREMIUM REVENUE

	Nine months ended		Quarter ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	-----Un-Audited-----			
	-----Rupees in '000-----			
Gross premiums				
Regular premium individual policies				
First year	59,812	670	26,523	-
Second year renewal	1,037	413	25	119
Subsequent year renewal	10,934	8,396	2,857	2,077
Single premium individual policies	12,867	-	6,499	-
Group policies without cash values	87,509	17,514	52,637	17,261
Total gross premiums	172,159	26,993	88,541	19,457
Less: Reinsurance premiums ceded				
On individual life first year business	(1,426)	(5)	(206)	-
On individual life second year business	(273)	(10)	-	(1)
On individual life renewal business	3,804	(501)	(161)	(235)
On group policies	(64,282)	(15,904)	(40,685)	(15,701)
Reinsurance commission on risk premium	7	41	7	10
	(62,170)	(16,379)	(41,045)	(15,927)
Net premiums	109,989	10,614	47,496	3,530

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the nine months period ended September 30, 2019

15 INVESTMENT INCOME

	Nine months ended		Quarter ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	-----Un-Audited-----			
	-----Rupees in '000-----			
Income from equity securities				
Dividend income	652	123	1	7
Income from debt securities				
Return on Government securities	51,116	18,612	17,434	7,566
Income from term deposits				
Return on term deposits	-	1,477	-	-
	51,768	20,212	17,435	7,573

16 NET REALIZED FAIR VALUE LOSS ON FINANCIAL ASSETS

Available for sale financial assets				
Realized:				
Gain on Listed Shares	-	412	-	-
Gain / (Loss) on Mutual Funds	104	(433)	104	-
	104	(21)	104	-

17 OTHER INCOME

Return on bank balances	4,742	2,843	2,007	587
Gain on sale of property and equipment	617	716	62	-
Liabilities written back	-	1,984	-	18
Profit commission from reinsurance	-	752	-	-
Miscellaneous	284	209	-	56
	5,643	6,504	2,069	661

18 NET INSURANCE BENEFITS

Gross claims

Claims under individual policies				
By death	881	1,824	4	870
By maturity	17,948	9,819	5,069	3,402
By surrender	10,549	9,786	2,306	2,410
Total gross individual policy claims	29,378	21,429	7,379	6,682
Claims under group policies				
By death	64,646	4,370	32,677	3,360
By insured event other than death	2,726	50	1,442	-
Total gross group policy claims	67,372	4,420	34,119	3,360
Total gross claims	96,750	25,849	41,498	10,042
Less: reinsurance recoveries				
On group life claims	(51,992)	(3,534)	(25,168)	(2,726)
Net insurance benefit expense	44,758	22,315	16,330	7,316

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the nine months period ended September 30, 2019

19 ACQUISITION EXPENSES

Acquisition costs	Nine months ended		Quarter ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	-----Un-Audited-----			
	-----Rupees in '000-----			
Remuneration to insurance intermediaries on Individual policies:				
Commission to agent on 1st year premiums	25,215	406	10,936	-
Commission to agent on 2nd year premiums	113	45	113	13
Commission to agent on subsequent renewal premiums	129	375	129	104
Remuneration to insurance intermediaries on Group policies:				
Commission	9,489	1,090	6,042	1,073
	<u>34,946</u>	<u>1,916</u>	<u>17,220</u>	<u>1,190</u>
Other acquisition cost				
Policy stamps	862	19	369	19
Branch overhead	76,363	850	29,667	296
	<u>112,171</u>	<u>2,785</u>	<u>47,256</u>	<u>1,505</u>

20 MARKETING AND ADMINISTRATIVE EXPENSES

Employee benefit cost	96,698	34,268	33,732	17,797
Travelling expenses	6,112	1,876	2,627	711
Advertisements and sales promotion	17,982	1,272	2,901	1,186
Printing and stationery	4,105	463	1,404	138
Depreciation on property and equipment	12,779	1,675	6,019	695
Amortisation of intangible asset	446	-	169	-
Rent, rates and taxes	1,941	1,940	290	1,124
Electricity, gas and water	1,593	503	706	212
Entertainment	1,676	455	601	159
Vehicle running expenses	7,666	668	2,399	146
Ijarah rental	1,270	-	820	-
Repair and maintenance	6,789	997	3,078	997
Bank charges	192	-	57	-
Postage, telegrams and telephone	3,631	398	1,197	130
Insurance	1,797	610	729	610
Finance charges	2,999	-	1,101	-
Miscellaneous	598	1,752	138	409
	<u>168,274</u>	<u>46,877</u>	<u>57,968</u>	<u>24,314</u>

21 OTHER EXPENSES

	Nine months ended		Quarter ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	-----Un-Audited-----			
	-----Rupees in '000-----			
Legal and professional charges	3,338	5,651	1,773	5,216
Shariah Advisor Fee	500	-	500	-
Appointed actuary fees	1,878	900	678	300
Director fee	525	-	155	-
Annual Supervision fee SECP	100	-	-	-
Auditors' remuneration	738	245	195	29
Fees, subscription and periodicals	1,056	-	973	-
	<u>8,135</u>	<u>6,796</u>	<u>4,274</u>	<u>5,545</u>

22 TAXATION

Current tax	(381)	(147)	(102)	(48)
Deferred tax	-	-	-	-
	<u>(381)</u>	<u>(147)</u>	<u>(102)</u>	<u>(48)</u>

22.1

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the nine months period ended September 30, 2019

22.1 The deferred tax assets of Rs.1,341,531 (December 31, 2018: Rs. 2,741,694) is not recognized in these condensed financial statements as management view that benefit arising from carry forward losses will be recognized when future profitability is consistently demonstrated.

23 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:

		Nine months ended	
		September 30, 2019	September 30, 2018
		----Un-Audited----	
		---Rupees in '000---	
Relationship	Transactions		
Holding company	Premium revenue	90	-
Associated undertaking	Premium revenue	13,856	1,352
Associated undertaking	Insurance benefits	17,780	409
Associated undertaking	Expenses and acquisition cost	4,427	438
Contribution	Staff Provident Fund	-	669
Key management personnel	Remuneration	52,028	13,473
Gratuity fund	Expenses	7,370	-
Directors	Meeting fee	525	440

ASKARI LIFE ASSURANCE COMPANY LIMITED
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		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
-----Rupees in '000-----			
Related Party	Balances		
Holding Company			
Army Welfare Trust	Due from insurance contract holders	181	91
Associated undertakings			
Askari Guards Limited	Outstanding claims	3,625	2,060
Askari Fuels	Outstanding claims	15	-
Fauji Security Services	Outstanding claims	600	-
Askari Travel & Tours	Accrued expenses	-	844
Fauji Security Services	Due from insurance contract holders	1	-
Mobil Askari (Pvt) Ltd	Due from insurance contract holders	9	-
Askari Development Holding Pvt Limited	Due from insurance contract holders	32	-
Askari General Insurance Company Limited	Due from insurance contract holders	31	-
Askari Guards Limited	Due from insurance contract holders	12	761
MIDASK	Due from insurance contract holders	38	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
Askari Fuels	Due from insurance contract holders	2	-
Askari Enterprises	Due to insurance contract holders	1	-
Blue Lagoon	Due to insurance contract holders	22	-
Askari Flying Academy	Due to insurance contract holders	2	-
AWT Investments	Due from insurance contract holders	13	-
Askari Woolen Mills	Due from insurance contract holders	3	-
Army Welfare Sugar Mills	Due to insurance contract holders	103	-
Askari Farms & Seeds	Due to insurance contract holders	26	-
Askari Chartered Aviation Services	Due from insurance contract holders	2	-
Gratuity	Other creditors and accruals	7,430	-
East West Insurance Company Limited	Equity investments	544	544
Provident Fund			
Staff Provident Fund	Payable to fund	-	85

24 **LOSS PER SHARE**

There is no dilutive effect on the basic loss per share of the company which is based on:

	Nine months ended		Quarter ended	
	Sep 30, 2019	Sep 30, 2018	Sep 30, 2019	Sep 30, 2018
	-----Un-Audited-----			
	-----Rupees in '000-----			
Loss after tax for the period	(192,531)	(34,264)	(75,584)	(26,967)
	----- Number of shares in '000-----			
weighted average number of ordinary end	110,172	60,172	110,172	60,172
	-----Rupees in '000-----			
loss per share	(1.75)	(0.57)	(0.69)	(0.45)

25 SEGMENTAL INFORMATION

25.1 Revenue account by statutory fund

	Statutory Funds					Aggregate	Quarter ended
	Ordinary Life	Universal Life	Accident & Health	Individual Family Takaful	Group Family Takaful	September 30, 2019	September 30, 2019
	-----Un-Audited-----						
	-----Rupees in '000-----						
Income							
Premiums less reinsurances	23,226	86,763	-	-	-	109,989	47,496
Net investment income	3,308	20,500	736	-	-	24,544	9,472
Total net income	26,534	107,263	736	-	-	134,533	56,968
Insurance benefits and expenditures							
Insurance benefits, including bonuses, net of reinsurance recoveries	16,095	28,663	-	-	-	44,758	16,330
Management expenses less recoveries	95,292	176,171	-	-	-	271,463	103,201
Total insurance benefits and expenditure	111,387	204,834	-	-	-	316,221	119,531
(Deficit) / income of income over insurance							
Benefit and expenditure	(84,854)	(97,571)	736	-	-	(181,688)	(62,563)
Add: Policyholder liabilities at the beginning of the period	9,549	169,640	-	-	-	179,189	186,905
Less: Policyholder liabilities at the end of the period	16,542	187,065	-	-	-	203,607	203,607
Net change in insurance liabilities (other than outstanding claims)	(6,993)	(17,425)	-	-	-	(24,418)	(16,702)
Deficit	(91,847)	(114,996)	736	-	-	(206,106)	(79,265)
Movement in policyholder liabilities	6,993	17,425	-	-	-	24,418	16,702
Transfer to or from shareholders' fund							
Capital contribution from shareholders' fund	92,500	114,000	-	500	-	207,000	82,000
Capital contribution to shareholders' fund	-	-	-	-	-	-	-
Transfer of surplus (to) shareholders' fund	-	-	-	-	-	-	-
Net transfer to or from shareholders' fund	92,500	114,000	-	500	-	207,000	82,000
Balance of statutory fund at beginning of period	10,875	170,849	4,989	-	-	186,713	192,588
Balance of statutory fund at end of period	18,522	187,278	5,725	500	-	212,025	212,025

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For the nine months period ended September 30, 2019

	Statutory Funds				Aggregate September 30, 2018	Quarter ended September 30, 2018	
	Ordinary Life	Universal Life	Accident & Health	Individual Family Takaful			Group Family Takaful
	-----Un-Audited----- -----Rupees in '000-----						
Income							
Premiums less reinsurances	1,610	9,004	-	-	-	10,614	3,560
Net investment income	1,039	13,831	181	-	-	15,051	4,224
Total net income	2,649	22,835	181	-	-	25,665	7,784
Insurance benefits and expenditures							
Insurance benefits, including bonuses, net of reinsurance recoveries	1,644	20,621	50	-	-	22,315	7,316
Management expenses less recoveries	10,968	17,205	2,342	-	-	30,515	11,725
Total insurance benefits and expenditure	12,612	37,826	2,392	-	-	52,830	19,041
Deficit income over insurance and expenditure	(9,963)	(14,991)	(2,211)	-	-	(27,165)	(11,257)
Add: Policyholder liabilities at the beginning of the year	4,048	179,507	-	-	-	183,555	176,205
Less: Policyholder liabilities at the end of the year	4,745	171,463	-	-	-	176,208	176,208
Net change in insurance liabilities (other than outstanding claims)	(697)	8,044	-	-	-	7,347	(3)
Deficit	(10,660)	(6,947)	(2,211)	-	-	(19,818)	(11,260)
Movement in policyholder liabilities	697	(8,044)	-	-	-	(7,347)	3
Transfer to or from shareholders' fund							
Capital contribution from shareholders' fund	10,808	6,208	2,118	-	-	19,134	9,650
Capital contribution to shareholders' fund	-	-	-	-	-	-	-
Transfer of surplus (to) shareholders' fund	-	-	-	-	-	-	-
Net transfer to or from shareholders' fund	10,808	6,208	2,118	-	-	19,134	9,650
Balance of statutory fund at beginning of period	6,770	179,973	2,702	-	-	189,445	183,021
Balance of statutory fund at end of period	7,615	171,190	2,609	-	-	181,414	181,414

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the nine months period ended September 30, 2019

26 FAIR VALUE MEASUREMENT

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at September 30, 2019 and December 31, 2018:

	Level 1	Level 2	Level 3	Total
	-----Rupees in '000-----			
Financial assets				
Equity securities	4,991	-	-	4,991
Government securities	-	541,273	-	541,273
Mutual funds	10,761	-	-	10,761
September 30, 2019 (Un-audited)	15,752	541,273	-	557,025
Financial assets				
Equity securities	6,830	-	-	6,830
Government securities	-	697,184	-	697,184
Mutual funds	9,991	-	-	9,991
December 31, 2018 (Audited)	16,821	697,184	-	714,005

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 - Fair value measurement using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Fair value measurement using inputs other than quoted prices included with in level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived
- Level 3 - Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e unobservable inputs).

The fair value of all other assets and liabilities is estimated to approximate their carrying value.

27 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statement are authorised for issue on _____, by the Board of Directors of the Company.

28 GENERAL

- 28.1 The figures in these condensed interim financial statement have been rounded off to nearest thousand of rupees.
- 28.2 Corresponding figures have been re-arranged and reclassified, wherever necessary. However, there were no significant reclassifications to report.


Chief Financial Officer


Chief Executive Officer


Director


Director


Chairman

Branch Network

Head office

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