



(Un-Audited)

**Quarterly Report for the nine months period ended
September 30, 2018**

Our Vision

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

Our Mission

Uplift the financial well-being of Policy Holders, Customers, Advisors and Employees; thus, increasing shareholder profitability.

Our Values

We believe in the development and profitability through exceptional and flexible product lines to meet the need of our respected clients, policyholders, agents and employees. By maintaining Integrity and Honesty in everything we do, we believe in creating value not only for our customers, employees and related personnel, but to the society in general.

Quarterly Report for the nine months period ended September 30, 2018

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BOARD OF DIRECTORS AND COMPANY INFORMATION

Chairman

Lt Gen Najibullah Khan (Retd)

Director

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

Chief Executive Officer

Jehanzeb Zafar

Company Secretary

Sohail Nazeer

Chief Financial Officer

Rehan Mobin

Appointed Actuary

Shujat Siddiqui, MA, FIA, FPSA

Consulting Actuaries

Akhtar & Hasan (Private) Limited

Legal Advisor

Saiyed Younus Saeed

External Auditor

Grant Thornton Anjum Rehman
(Chartered Accountants)

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

Registered Office

28 Regal Plaza, M.A. Jinnah
Road, Quetta.
Phone: +92 (081) 2822913, 2821397
Fax: +92 (081) 2821460

Head Office

Room No. 802, 8th Floor,
Lakson Square Building No. 1
Opp. Karachi Press Club,
Pakistan.
Phone: +92 (021) 35630421
35630422 - 35630429

Website

www.askarilife.com

Email:

info@askarilife.com

BOARD AND MANAGEMENT COMMITTEES

Board Committees:

1. Audit Committee:

Ayesha Rafique	Chairperson
Maj Gen Imtiaz Hussain Sherazi (Retd),	Member
Malik Riffat Mehmood	Member

2. Investment Committee:

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

3. Ethics, Human Resource Remuneration & Nomination Committee:

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

Management Committees:

1. Risk Management & Compliance Committee:

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

2. Underwriting & Reinsurance Committee:

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

3. Claim Settlement Committee:

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

MANAGEMENT

Jehanzeb Zafar	Chief Executive Officer
Noman Noor Muhammad	Chief Operating Officer
Rehan Mobin	Chief Financial Officer
Sohail Nazeer	Company Secretary
Nusrat Ullah Khan	Head of HR & Admin
Syed Jawaaid Raza	Head of IT
Hasan Askari	Head of Training & Services
Yusuf Ansari	Head of Corporate Sales
Wajih Nasim	Head of Marketing and Digital Alliances
Sandeep Kumar Rajpal	Head of Compliance
Bushra Aftab	Head of Claims

BANKERS

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

Directors' Review

We are pleased to present the unaudited financial statements for the nine months period ended September 30, 2018.

The Gross Premium Revenue for the Nine months period is Rs. 26.99 million against Rs. 26.97 million for corresponding period of last year. The overall net Claims Expense for the Nine months is Rs 22.31 million as compared to the corresponding period of last year of Rs 28.28 million.

The Investment income of the period increased by 22% is Rs. 20.21 million as compared to Rs. 16.51 million in corresponding period of last year. As required by Insurance Rules, 2017. Your Company has recorded Investment in equities and fixed income securities at fair value.

The change of policy holder liability for the period increased by 13% is Rs 7.34 million as compared to the corresponding period of last year of Rs.6.48 million.

The Marketing and administration expenses of the period is increase by 87% is Rs 53.42 million as compared to the corresponding period of the last year of Rs.28.58 million. This increase pertains to the appointment of new leadership and management personnel.

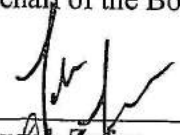
The Loss before tax for the nine months period under review is Rs.34.11 million compared to Rs 11.33 million in the corresponding period last year. The after-tax loss for the nine months period was Rs. 34.26 million compared to Rs. 11.44 million in the corresponding period of last year.

We are hopeful to deliver sustainable, profitable growth in challenging and competitive business environment in order to reach leading position in the industry.

It is a matter of deep gratification for your Directors to place on record their appreciation of the efforts made by officers and staff who have contributed to the growth of the Company. We are confident to deliver sustainable, profitable growth in challenging and competitive business environment in order to reach leading position in the industry.

Your Directors would also like to thank the Securities & Exchange Commission of Pakistan, Pakistan Reinsurance Company Limited and all our reinsurers for their continued guidance and support.

On behalf of the Board of Directors


Jehanzeb Zafar
Chief Executive Officer
24th October, 2018

ڈائریکٹرز کی جائزہ رپورٹ

30 ستمبر، 2018 کو نو ماہ کی مدت کے لئے ہم غیر آڈٹ شدہ مالی حسابات پیش کرتے ہیں۔

نو مہینے کی مدت کے لئے مجموعی پرمیم آمدنی 26.99 ملین روپے ہے، جو کہ گزشتہ سال کی اسی مدت کے لئے 26.97 ملین روپے، مجموعی طور پر خالص دعوں کے حتمی اخراجات 22.31 ملین روپے ہیں جو پچھلے سال کی اسی مدت کے مقابلے میں 28.28 ملین روپے رہے۔

اسی مدت میں سرمایہ کاری آمدنی میں اضافہ 22 فیصد ہوا، جو کہ 20.21 ملین روپے رہا، جو کہ گزشتہ سال کی اسی مدت میں 16.51 ملین روپے، انشورنس کے قواعد، 2017 کے مطابق آپ کی کمپنی نے ایکویٹی سرمایہ کاری اور فکسڈ آمدنی کی سیکیورٹیاں کو فیئر ویلیو پر ریکارڈ کیا ہے۔

اسی مدت کے دوران پالیسی ہولڈر ذمہ داری کی تبدیلی میں 13 فیصد اضافہ ہوا ہے جو 7.34 ملین روپے کی گزشتہ سال کی اسی مدت کے مقابلے میں 6.48 ملین روپے ہے۔

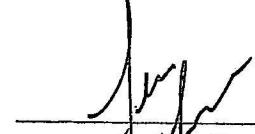
اس مدت کے مارکیٹنگ اور انتظامیہ کے اخراجات میں 87 فیصد اضافہ ہوا ہے جو 53.42 ملین روپے ہے جبکہ گزشتہ سال اسی عرصے سے 28.58 ملین روپے، یہ اضافہ نئی قیادت اور انتظامی اہلکاروں کی تقرری سے متعلق ہے۔ جائزہ کے تحت نو ماہ کے عرصے کے لئے ٹیکس سے پہلے نقصان پچھلے سال اسی عرصے میں 11.33 ملین روپے کے مقابلے میں 34.11 ملین روپے ہے۔ نو مہینے کی مدت کے بعد ٹیکس نقصان 34.26 ملین روپے کے مقابلے میں پچھلے سال کی اسی مدت میں 11.44 ملین روپے۔

انڈسٹری میں قائدانہ مقام حاصل کرنے کے لیے ہم پر امید ہیں کہ مسابقتی ماحول کے باوجود ہم منافع بخش نتائج حاصل کرسکیں گے۔

آپ کے ڈائریکٹرز کے لیے یہ بات انتہائی باعث اطمینان ہے کہ کمپنی کی انتظامیہ کے بہتری کے لیے اقدامات قابل ستائش ہیں، انڈسٹری میں قائدانہ مقام حاصل کرنے کے لیے ہم پر امید ہیں کہ مسابقتی ماحول کے باوجود ہم منافع بخش نتائج حاصل کرسکیں گے۔

آپ کے ڈائریکٹروں کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ اور ہمارے تمام ری انشورنس کمپنیوں کی ان کے مسلسل رہنمائی اور حمایت کے لئے شکریہ ادا کرتے ہیں۔

از طرف بورڈ آف ڈائریکٹرز

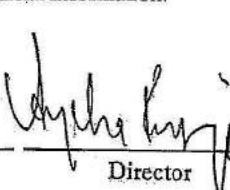


جہانزیب مemon
چیف ایگزیکٹو آفیسر

24 اکتوبر، 2018

		September 30, 2018 Un-Audited	December 31, 2017 Audited
	Notes	-----Rupees-----	
Assets			
Property and equipment	5	19,479,595	17,128,781
Investment			
Equity securities	6	7,958,567	280,518
Government securities	7	394,243,106	312,248,730
Term deposits	8	-	111,000,000
Mutual funds	9	9,884,810	-
Loans secured against life insurance policies		9,511,961	9,951,801
Insurance / reinsurance receivables		6,355,789	2,483,052
Other loans and receivables		10,095,283	8,314,781
Taxation - payments less provision		10,886,431	9,748,926
Prepayments		5,356,300	89,331
Other assets		278,539	257,976
Cash and bank	10	30,259,340	55,225,161
Total assets		504,309,721	526,729,057
Equity and liabilities			
Capital and reserves attributable to company's equity holders			
Authorized share capital			
[125,000,000 ordinary shares (2017: 75,000,000) of Rs.10 each]		1,250,000,000	750,000,000
Issued, subscribed and paid-up share capital [60,172,014 ordinary shares (2017: 60,172,014) of Rs.10 each]		601,720,140	601,720,140
Ledger account D		(375,553,137)	(355,735,123)
Unrealised loss on available for sale investment		(1,717,622)	-
Accumulated loss		(101,812,595)	(87,364,724)
Total equity		122,636,786	158,620,293
Advance against equity		100,000,000	100,000,000
Liabilities			
Insurance liabilities	11	242,695,967	249,428,671
Retirement benefit obligations		86,250	86,250
Premium received in advance		13,525,296	8,884,791
Insurance / reinsurance payables		16,098,434	2,409,982
Other creditors and accruals		9,266,988	7,299,070
Total liabilities		281,672,935	268,108,764
Total equity and liabilities		504,309,721	526,729,057
Contingencies and commitments			

The annexed notes 1 to 26 form an integral part of the condensed interim financial information.

				
Chairman	Chief Executive Officer	Director	Director	Chief Financial Officer


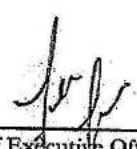
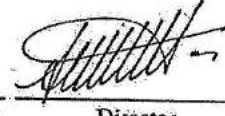
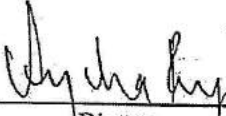
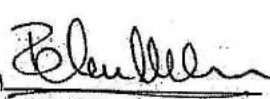
ASKARI LIFE ASSURANCE COMPANY LIMITED

Condensed Interim Profit and Loss Account (Un-Audited)

For the nine months period ended September 30, 2018


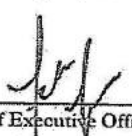

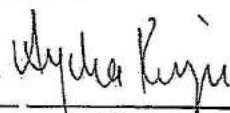

	Notes	Nine months ended		Quarter Ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
		Un-Audited	Un-Audited	Un-Audited	Un-Audited
		Rupees			
Premium revenue		26,992,565	26,979,113	19,456,131	3,845,147
less Premium ceded to reinsurers		(16,420,094)	(4,629,741)	(15,937,811)	(645,443)
Net premium revenue	13	10,572,471	22,349,372	3,518,320	3,199,704
Investment income	14	20,211,805	16,517,061	7,573,272	5,553,769
Net realized fair value gain on financial assets	15	(21,218)	460,251	-	-
Other income	16	6,504,809	2,467,978	661,979	606,368
		26,695,396	19,445,290	8,235,251	6,160,137
Net income		37,267,867	41,794,662	11,753,571	9,359,841
Insurance benefits		25,849,336	29,280,346	10,042,546	7,735,389
Recoveries from reinsurers		(3,534,296)	(995,568)	(2,726,296)	(52,280)
Net Claim Expense	17	22,315,040	28,284,778	7,316,250	7,683,109
Net change in insurance liabilities (other than outstanding claims)		(7,347,021)	(6,486,194)	2,153	1,673,911
Acquisition expenses	18	2,745,227	2,103,523	1,494,563	804,980
Marketing and administration expenses	19	53,427,676	28,582,164	29,830,170	10,190,064
Other expenses	20	245,164	649,241	29,460	49,561
Total expenses		49,071,046	24,848,734	31,356,346	12,718,516
Results of operating activities		(34,118,219)	(11,338,850)	(26,919,025)	(11,041,784)
(Loss)/profit before tax		(34,118,219)	(11,338,850)	(26,919,025)	(11,041,784)
Income tax expense	21	(147,666)	(106,930)	(48,432)	(50,096)
(Loss)/profit for the period		(34,265,885)	(11,445,780)	(26,967,457)	(11,091,880)
Earnings (after tax) per share - Rupees		(0.57)	(0.19)	(0.45)	(0.18)

The annexed notes 1 to 26 form an integral part of the condensed interim financial information.

				
Chairman	Chief Executive Officer	Director	Director	Chief Financial Officer

		Nine months ended		Quarter Ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
		Un-Audited	Un-Audited	Un-Audited	Un-Audited
Notes		-----Rupees-----			
(Loss)/profit for the period		(34,265,885)	(11,445,780)	(26,967,457)	(11,091,880)
Other comprehensive income					
Unrealized loss on available for sale of investment	6 & 9	(1,717,622)	-	(527,556)	-
Total comprehensive (loss)/ income for the period		(35,983,507)	(11,445,780)	(27,495,013)	(11,091,880)


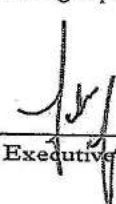

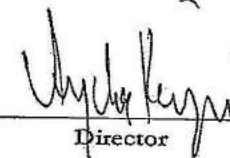
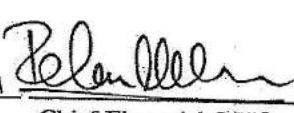
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 Chairman
  Chief Executive Officer
  Director
  Director
  Chief Financial Officer

	September 30, 2018 Un-Audited	September 30, 2017 Un-Audited
	Rupees	
Operating Cash Flows		
(a) Underwriting activities		
Insurance premium received	24,279,277	13,581,178
Claims paid	(23,319,283)	(32,172,702)
Reinsurance and other recoveries received	391,207	(1,279,537)
Commission paid	(1,318,918)	(1,931,490)
Marketing and administrative expensed paid	(59,241,636)	(31,429,820)
Net cash flow from underwriting activities	(59,209,353)	(53,232,371)
(b) Other operating activities		
Income tax paid	(1,285,171)	(930,210)
Other operating receipts/payments	4,640,505	(864,348)
Loans advanced	(328,299)	(776,874)
Loans repayments received	768,139	143,974
Net cash flow from other operating activities	3,795,174	(2,427,458)
Total cash flow from all operating activities	(55,414,179)	(55,659,829)
Investment Activities		
Profit / return received	10,663,405	9,198,829
Dividend received	122,750	-
Payment for investments	(1,059,298,314)	(224,532,101)
Proceeds from investments	971,271,130	230,396,252
Proceeds from disposal of property and equipment	825,000	-
Purchase of property and equipment	(4,135,613)	(43,200)
Total cash flow from investing activities	(80,551,642)	15,019,780
Financing Activities		
Total cash flow from financing activities	-	-
Net cash flow from all activities	(135,965,821)	(40,640,049)
Cash and cash equivalents at beginning of period	166,225,161	165,960,124
Cash and cash equivalents at end of period	30,259,340	125,320,075
Reconciliation to profit and loss account		
Operating cash flows	(55,414,179)	(55,659,829)
Depreciation expense	(1,675,464)	(1,653,715)
Profit/ (loss) on disposal of investments	(21,218)	460,251
Gain on disposal of property and equipment	715,665	-
Dividend income	122,750	-
Other investment income	23,210,752	18,351,289
Increase in assets other than cash	12,359,980	18,304,204
Increase/(Decrease) in liabilities other than borrowings	(13,564,171)	8,752,020
Loss after taxation	(34,265,885)	(11,445,780)

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The annexed notes 1 to 26 form an integral part of the condensed interim financial information.

 Chairman
 Chief Executive Officer
 Director
 Director
 Chief Financial Officer

ASKARI LIFE ASSURANCE COMPANY LIMITED
 Condensed Interim Statement of Changes in Equity (Un-Audited)
 For the nine months period ended September 30, 2018

	Attributable to Equity Holders of the Company					Ledger Account D	Total
	Issued, subscribed and paid-up share capital	Capital reserves	Revenue reserves	Unappropriated loss	Unrealised loss on available for sale investment		
				Rupees			
Balance as at January 1, 2017	601,720,140	-	-	(86,673,659)	-	(320,764,127)	194,282,354
Total comprehensive income for nine months ended September 30, 2017	-	-	-	(11,445,780)	-	-	(11,445,780)
Deficit for the period in statutory funds	-	-	-	11,379,163	-	(11,379,163)	-
Balance as at September 30, 2017	601,720,140	-	-	(86,740,276)	-	(332,143,290)	182,836,574
Balance as at January 1, 2018	601,720,140	-	-	(87,364,724)	-	(355,735,123)	158,620,293
Total comprehensive income for nine months ended September 30, 2018	-	-	-	(34,265,885)	(1,717,622)	-	(35,983,507)
Deficit for the period in statutory funds	-	-	-	19,818,014	-	(19,818,014)	-
Balance as at September 30, 2018	601,720,140	-	-	(101,812,595)	(1,717,622)	(375,553,137)	122,636,786

				
Chairman	Chief Executive Officer	Director	Director	Chief Financial Officer

ASKARI LIFE ASSURANCE COMPANY LIMITED

Notes To The Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

Askari Life Assurance Company Limited (the Company) was incorporated in Pakistan on August 18, 1992 as a public limited company under the Companies Ordinance, 1984. Its shares are quoted on Pakistan Stock Exchange. The Company commenced life insurance operations on February 22, 1993 after registration with Controller of Insurance on February 14, 1993. The addresses of its registered and principal office are 57 Regal Plaza, M.A. Jinnah Road, Quetta and 802, 8th Floor, Lakson Square Building No.1, Karachi, respectively.

Army Welfare Trust as a parent company holds 51% shares of the Company.

- 1.1 The Company is engaged in life insurance business. In accordance with the requirements of Insurance Ordinance, 2000. The company has established shareholders' fund and following statutory funds in respect of its each class of life insurance business:

Ordinary life;
Universal life; and
Accident and health.

- 1.2 The Company has a shortfall of Rs. 98.27 million as at September 30, 2018 in meeting the minimum capital requirement (MCR) of Rs. 700 million as required under SRO 89 (I)/2017 dated February 09, 2017 pursuant to section 28 of the Insurance Ordinance 2000. The Board of Directors of the Company in their meeting held on September 19, 2018 has announced to issue 83.09 right shares for every 100 shares held i.e. 83.09% at par of Rs.10 per share amounting Rs.500 million which will increase paid up capital of the Company from Rs.601.720 million to Rs.1,101.720 million.

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 and consequently these condensed interim financial information has been prepared on going concern basis.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial information have been prepared in accordance with the requirements of International Accounting Standard 34 "IAS-34", "Interim Financial Reporting" as applicable in Pakistan, provisions of and directives issued under the Companies Act 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and Insurance Accounting Regulation, 2017. The Securities and Exchange Commission of Pakistan (SECP) vide SRO 88(1)/2017 and SRO 89(1)/2017 dated 9 February 2017, had issued the Insurance Accounting Regulation 2017 and Insurance Rules 2017 (the new Rules and Regulations). The application of these Rules and Regulations for the purpose of preparation and presentation of the published financial statements was effective from 1 April 2017. However, SECP vide letter ID/OSM/EWLA/2017/10867 dated August 28, 2017 and letter ID/OSM/EWLA/2-017/12321, dated October 12, 2017 granted exemptions to the Company to prepare half yearly accounts for the period ended June 30, 2017, third quarter accounts for the period ended September 30, 2017 and annual audited accounts for the year ended December 31, 2017 in accordance with the requirements of previous rules [SEC(Insurance) Rules 2002] and allowed the application of new regulations effective from the accounting year commencing from 1 January 2018. Accordingly, the Company has applied the new rules and regulations for the preparation of the condensed interim financial information for the nine months period ended September 30, 2018.

In case where the requirements differ in the provision of, or directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and Insurance Accounting Regulation, 2017 have been followed. These condensed interim financial information does not include all the information required in the annual financial statements. Accordingly, the condensed interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2017.

2.1 BASIS OF MEASUREMENT

The condensed interim financial information 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

The condensed interim financial statements have been prepared in accordance with Insurance Ordinance, 2000, the Insurance Rules, 2017 and Insurance Accounting Regulation, 2017 which result in additional disclosures and certain changes in financial statements presentation.

2.3 Promulgation of Companies

The Companies Act 2017 applicable for periods ending after December 31, 2017 which result in additional disclosures and certain changes in financial statements presentation.

ASKARI LIFE ASSURANCE COMPANY LIMITED

Notes To The Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim financial information are in line with the audited annual accounts for the year ended December 31, 2017 except for the following;

Change in accounting policy - adoption of insurance accounting regulations, 2017

As referred to in note 2, the Insurance Accounting Regulations 2017 have become effective from January 1, 2018. These regulations have introduced a single balance sheet, profit and loss account, cash flow, done away with the separate presentation of revenue account of the statutory fund, incorporated ledger account D balances (retained earnings on other than participating business) in capital and reserves attributable to company equity holders, and require all investments to be valued in accordance with the requirements of the International Financial Reporting Framework and introduced the concept of other comprehensive income. As a consequence of the revised presentation the balance in the retained earnings of the revenue account, principally maintained in accordance with the Insurance Rules, 2017 and the repealed SEC (Insurance) Rules 2002 principally to meet solvency margins including surplus retained in the current quarter, are reflected in the statement of shareholder equity.

There change in accounting policy has been applied retrospectively. There is no significant/ material effect of changes in accounting policies on the prior period financial statements.

4 COMPARATIVE FIGURES

As referred to in note 2, the Insurance Accounting Regulations 2017 have become effective from January 1, 2018. These regulations have introduced a single balance sheet, profit and loss account, cash flow, done away with the separate presentation of revenue account of the statutory fund, incorporated ledger account D balances (retained earnings on other than participating business) in capital and reserves attributable to company equity holders, which resulted in additional disclosures and certain changes in the presentation.

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

Balance sheet

Nature	Note	Reclassification from	Reclassification to	Amount
Assets		Premiums Due But Unpaid	Insurance / reinsurance receivables	1,044,984
Assets		Amount Due From Other Insurer and Reinsurer	Insurance / reinsurance receivables	1,438,068
				2,483,052
Assets		Sundry receivables	Other loans and receivables	4,599,997
Assets		Investment income accrued	Other loans and receivables	2,807,956
Assets		Unsecured Advances to Employees	Other loans and receivables	906,828
				8,314,781
Assets	8	Cash and Bank deposits	Investments	111,000,000
Equity		Accumulated deficit	Ledger Account D	(355,735,123)
Equity		Accumulated deficit	Accumulated loss	(87,364,724)
		Balance of statutory fund less policy holder liabilities	Insurance liabilities	(5,890,303)
				(448,990,150)
Liabilities	11	Outstanding claims	Insurance liabilities	65,874,229
Liabilities	11	Balance of statutory funds	Insurance liabilities	189,444,745
Liabilities	11	Balance of statutory fund less policy holder liabilities	Insurance liabilities	(5,890,303)
				249,428,671
Liabilities		Amount due to agents	Other creditors and accruals	2,027,414
Liabilities		Accrued expenses	Other creditors and accruals	5,165,977
Liabilities		Other creditors and accruals	Other creditors and accruals	105,679
				7,299,070

Comparative figures can be reconciled to the condensed interim financial information for the year period ended September 30, 2017 as follows:

Profit and loss account

Nature	Note	Reclassification from	Reclassification to	Amount
Income	14	Statement of investment income - on government securities	Investment income	5,563,054
Income	14	Statement of investment income - Amortization of discount	Investment income	3,391
Income	14	Return on government securities	Investment income	8,114,152
Income	14	Amortization of discount/ premium relative to par	Investment income	47,750
Income	14	other fixed income interest income- term deposits	Investment income	2,788,714
				16,517,061
Income	15	Profit and loss account - Income from Mutual fund	Net realized fair value gain on financial assets	230,126
Income	15	Statement of investment income - gain sale of investment	Net realized fair value gain on financial assets	230,125
				460,251

Profit and loss account

Nature	Note	Reclassification from Profit and loss account - Return on other Fixed Income & Securities	Reclassification to Other income	Amount
Income	16	Statement of investment income - Return on other Fixed Income & Securities	Other income	440,261
Income	16	Statement of investment income - Return on other Fixed Income & Securities	Other income	1,362,078
Income	16	Statement of investment income - Miscellaneous income	Other income	665,639
				2,467,978

5 Property and equipment

September 30, 2018 (Un-Audited)	December 31, 2017 (Audited)
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Rupees

Property and equipment

19,479,595	17,128,781
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September 30, 2018 (Un-Audited)		December 31, 2017 (Audited)	
Addition	Deletion	Addition	Deletion
Rupees			
Office equipment	74,000	-	30,100
Computer and accessories	1,406,653	-	13,100
Vehicles	2,654,960	(976,570)	-
	4,135,613	(976,570)	43,200

6 Equity securities

Available for sale

September 30, 2018 (Un-Audited)			December 31, 2017 (Audited)		
Cost	Impairment	Carrying value	Cost	Impairment	Carrying value

Rupees

Related parties - Listed shares

East west insurance company	280,518	-	519,730	280,518	-	280,518
	280,518	-	519,730	280,518	-	280,518

Others - Listed shares

Kohat Cement	340,414	-	250,280	-	-	-
D.G.Khan Cement Company Limited	512,320	-	307,230	-	-	-
Habib Bank Limited	1,350,558	-	1,059,590	-	-	-
Ghandara Nissan	1,632,836	-	1,355,684	-	-	-
Mullat Tractor Limited	743,964	-	567,924	-	-	-
Bifo Industries Limited	350,374	-	293,000	-	-	-
Descon Oxychem Limited	101,236	-	140,700	-	-	-
Packages Limited	2,220,597	-	1,788,879	-	-	-
Al Shateer Corporation	77,500	-	68,750	-	-	-
Engro Foods	322,857	-	254,220	-	-	-
Ferozonas Laboratories Limited	1,958,054	-	1,266,300	-	-	-
AGP Limited	102,991	-	86,280	-	-	-
	9,713,701	-	7,438,837	-	-	-
	(2,035,652)	-	-	-	-	-
	7,958,567	-	7,958,567	280,518	-	280,518

Unrealised loss on available for sale

7 Government securities

Held to maturity

Maturity year	Effective coupon/ yield (%)	September 30, 2018 (Un-Audited)			December 31, 2017 (Audited)
		Amortized cost	Principal repayment	Carrying value	
Rupees					
10 Years Pakistan Investment Bonds	2018	12.00%	-	2,000,000	1,996,746
10 Years Pakistan Investment Bonds	2020	12.00%	3,930,494	4,000,000	3,901,787
10 Years Pakistan Investment Bonds	2021	12.00%	15,853,428	16,000,000	15,853,428
10 Years Pakistan Investment Bonds	2020	12.00%	1,197,319	1,200,000	1,196,212
10 Years Pakistan Investment Bonds	2020	12.00%	10,296,858	10,500,000	10,296,858
10 Years Pakistan Investment Bonds	2022	12.00%	8,068,998	8,200,000	8,068,998
10 Years Pakistan Investment Bonds	2026	8.75%	23,370,125	22,500,000	23,370,125
10 Years Pakistan Investment Bonds	2026	8.75%	9,757,724	10,000,000	9,757,724
06 Months Treasury Bills	2018	5.95%	-	-	-
03 Months Treasury Bills	2018	5.85%	-	-	98,322,661
06 Months Treasury Bills	2018	5.85%	-	-	49,750,815
03 Months Treasury Bills	2018	5.85%	-	-	99,508,756
03 Months Treasury Bills	2018	7.73%	124,375,750	125,000,000	124,375,750
03 Months Treasury Bills	2018	7.75%	49,457,621	50,000,000	49,457,621
03 Months Treasury Bills	2018	7.75%	147,934,789	150,000,000	147,934,789
			394,243,106	399,400,000	394,243,106
					312,248,730

ASKARI LIFE ASSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial Information (Un-Audited)
For the nine months period ended September 30, 2018

8 Term deposits
Held to maturity

Deposit maturing within 12 months

JS Bank Limited
Summit Bank Limited
The Bank of Punjab
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Limited

September 30, 2018 (Un-Audited)	December 31, 2017 (Audited)
-----Rupees-----	
-	-
-	25,000,000
-	11,000,000
-	25,000,000
-	25,000,000
-	25,000,000
-	111,000,000

9 Mutual fund
Available for sale

Nafa income opportunity fund
Unrealised gain on available for sale
investment

September 30, 2018 (Un-Audited)			December 31, 2017 (Audited)		
Cost	Impairment	Carrying value	Cost	Impairment	Carrying value
-----Rupees-----					
9,566,780	-	9,884,810	-	-	-
318,030	-	-	-	-	-
9,884,810	-	9,884,810	-	-	-

10 Cash and bank

Cash and Cash Equivalent

- Cash in hand
- Stamps

Cash at bank

- Current account
- Saving account

September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
-----Rupees-----	
2,568	794
17,890	4,050
2,703,908	8,617,384
27,534,974	46,602,933
30,259,340	55,225,161

Cash and cash equivalents include the following for the purposes of the cash flow
statement

Cash and bank

Term deposit having maturity of within three months

September 30, 2018 (Un-audited)	September 30, 2017 (Un-audited)
-----Rupees-----	
30,259,340	55,320,075
-	70,000,000
30,259,340	125,320,075

11 Insurance Liabilities

Reported outstanding claims (including claims in payment)
Incurred but not reported claims
Investment component of universal life and account value policies
Liabilities under individual conventional insurance contracts
Liabilities under group insurance contracts (other than investment linked)

September 30, 2018 (Un-Audited)	December 31, 2017 (Audited)
-----Rupees-----	
66,488,546	65,874,229
505,705	740,678
171,260,707	178,891,387
3,422,690	3,831,859
1,018,319	90,518
242,695,967	249,428,671

12 Contingencies and Commitments

12.1 Contingencies

There is a pending adjudication bearing No. 125/2012 before the Session Court South, Karachi in respect of an employee who was previously working on contract basis at the 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 at any stage the Company or any of its director(s) become party and as such any liability is imposed by any court on the Company or its director(s) in this regard, the accrued liability would be paid by the Sellers to the Company for onward payment to the affectees at earliest. The Company will accordingly, ensure timely and fair payment of liability.

That to guarantee the covenants made by the Seller above and to fully indemnify the Buyer against any liability/loss the Sellers have furnished in favor of the Buyer an irrevocable and unconditional Insurance Guarantee from a AA+ rated insurance company East West Insurance Company Limited bearing number EWI/HO/PB-009/01/2017 to an amount of PKR 118.476 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.

12.2 Commitments

There were no commitments as at balance sheet date (2017: Nil).

13 NET PREMIUM REVENUE

	Nine months ended		Quarter Ended	
	September 30 2018	September 30 2017	September 30 2018	September 30 2017
	Un-Audited			
	Rupees			
Gross premiums				
Regular premium individual policies				
First year	669,601	882,723	-	300,796
Second year renewal	413,167	994,285	119,191	326,268
Subsequent year renewal	8,395,818	9,239,245	2,076,488	2,411,132
Group policies	17,513,979	15,862,860	17,260,452	806,951
Total gross premiums	26,992,565	26,979,113	19,456,131	3,845,147
Less: Reinsurance premiums ceded				
On individual life first year business	(5,235)	(7,048)	-	(1,971)
On individual life second year business	(10,344)	(18,285)	(2,000)	(1,524)
On individual life renewal business	(500,985)	(1,210,886)	(235,102)	(516,823)
On group policies	(15,903,530)	(3,393,522)	(15,700,709)	(125,125)
	(16,420,094)	(4,629,741)	(15,937,811)	(645,443)
Net premiums	10,572,471	22,349,372	3,518,320	3,199,704

14 INVESTMENT INCOME

Income from equity securities

Available for sale

Dividend income

122,750 7,000

Income from Debt Securities

Held to Maturity

Return on Government Securities

Amortization of Premium/Discount

18,557,243	13,677,206	7,545,242	4,549,138
54,937	51,141	21,030	17,234
18,612,180	13,728,347	7,566,272	4,566,372

Income from Term Deposits

Return on Term Deposits

1,476,875 2,788,714 - 987,397

Total Investment Income

20,211,805	16,517,061	7,573,272	5,553,769
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15 NET REALIZED FAIR VALUE GAIN ON FINANCIAL ASSETS

Available for sale financial assets

Realized:

Gain on Listed Shares

Gain/(Loss) on Mutual Funds

412,002	-	-	-
(433,220)	460,251	-	-
(21,218)	460,251	-	-

16 OTHER INCOME

	Nine months ended		Quarter Ended	
	September 30 2018	September 30 2017	September 30 2018	September 30 2017
	(Un-Audited)			
	Rupees			
Return on bank balances	2,843,184	1,802,339	586,797	606,368
Gain on sale of property and equipment	715,665	-	-	-
Liabilities written back	1,984,408	-	18,707	-
Profit commission from reinsurance	751,711	633,750	-	-
Miscellaneous	209,841	31,889	56,475	-
	<u>6,504,809</u>	<u>2,467,978</u>	<u>661,979</u>	<u>606,368</u>

17 NET INSURANCE BENEFITS

Gross claims

Claims under individual policies

By death

By insured event other than death

By maturity

By surrender

Total gross individual policy claims

Claims under group policies

By death

By insured event other than death

Total gross group policy claims

Total gross claims

Less: reinsurance recoveries

On group life claims

Net insurance benefit expense

1,823,965	2,791,610	870,000	974,364
-	10,286	-	-
9,819,182	16,841,888	3,401,937	4,395,641
9,786,093	7,154,934	2,410,513	2,191,451
<u>21,429,240</u>	<u>26,798,718</u>	<u>6,682,450</u>	<u>7,561,456</u>
4,370,096	1,277,423	3,360,096	19,706
50,000	1,204,205	-	154,227
<u>4,420,096</u>	<u>2,481,628</u>	<u>3,360,096</u>	<u>173,933</u>
<u>25,849,336</u>	<u>29,280,346</u>	<u>10,042,546</u>	<u>7,735,389</u>
(3,534,296)	(995,568)	(2,726,296)	(52,280)
<u>22,315,040</u>	<u>28,284,778</u>	<u>7,316,250</u>	<u>7,683,109</u>

18 ACQUISITION EXPENSES

Acquisition costs

Remuneration to insurance intermediaries on

Individual policies:

Commission to agent on first year premiums

Commission to agent on second year premiums

Commission to agent on subsequent renewal premiums

Other benefits to insurance intermediaries

Remuneration to insurance intermediaries on

Group policies:

Commission

Other acquisition cost

Policy stamps

Branch overhead

Commission from reinsurers

Total acquisition cost

406,497	575,399	-	219,387
44,975	98,278	12,816	34,665
375,159	390,232	103,992	128,237
-	281,850	-	25,148
1,090,145	239,738	1,073,463	140,530
<u>1,916,776</u>	<u>1,585,497</u>	<u>1,190,271</u>	<u>547,967</u>
18,660	5,000	18,160	2,000
850,325	807,844	296,080	281,606
2,785,761	2,398,341	1,504,511	831,573
(40,534)	(294,818)	(9,948)	(26,593)
<u>2,745,227</u>	<u>2,103,523</u>	<u>1,494,563</u>	<u>804,980</u>

19 MARKETING AND ADMINISTRATIVE EXPENSES

	Nine months ended		Quarter Ended	
	September 30 2018	September 30 2017	September 30 2018	September 30 2017
	(Un-Audited)			
	Rupees			
Salaries and other benefits	30,093,126	14,810,382	15,757,381	5,056,137
Travelling	1,876,075	1,072,304	711,167	416,095
Actuary's fee	900,000	950,000	300,000	200,000
Advertisement	1,271,604	48,600	1,185,884	-
Printing and stationary	462,507	308,938	137,721	48,865
Rental	1,939,674	763,848	1,123,852	254,616
Staff welfare	4,175,535	3,038,333	2,040,641	1,100,636
Postage, telegram and telephone	397,933	351,316	130,308	94,449
Electricity and gas	502,888	749,325	212,055	304,637
Entertainment	455,349	267,403	159,676	95,400
Legal and professional charges	5,483,151	1,523,304	5,048,151	1,076,792
Penalty	22,981	-	-	-
Vehicle maintenance	646,985	1,293,788	125,050	325,060
Insurance	578,538	-	578,538	-
Depreciation	1,675,464	1,653,715	695,685	551,761
Service charges	1,339,850	468,578	867,758	134,964
Miscellaneous	1,606,016	1,282,330	756,303	530,652
Marketing and administrative expenses	53,427,676	28,582,164	29,830,170	10,190,064

20 OTHER EXPENSES

Auditors remuneration	245,164	649,241	29,460	49,561
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21 TAXATION

Current tax				
- Minimum tax under section 113	147,666	106,930	48,432	50,096

22 TRANSACTIONS WITH RELATED PARTIES

The related parties comprises Army Welfare Trust Group Companies and East West Insurance Limited, directors of the Company, key management personnel, associated undertakings, entities with common directors, statutory funds and employees' funds. Following are the balances and transactions with related parties:

	September 30, 2018	September 30, 2017
	(Un-Audited)	
	Rupees	
Transactions		
Provident fund		
Contribution during the period	669,037	556,577
Key management personnel		
Salaries and other benefits	13,473,324	5,836,628
Directors fee	440,000	140,000
Gross premium written	1,352,312	-
Premium paid	71,399	-
Claim incurred	409,000	-
Services received	437,693	-
Balances		
Associate		
Investment	519,730	280,518
Key management personnel		
Advance to Executives	166,666	350,000
Premium Receivable	1,276,307	-
Payable for services	177,517	-
Outstanding claims	409,000	-

23 SEGMENTAL INFORMATION

Revenue account by statutory fund

2018	Statutory Funds			Aggregate		Quarter Ended	
	Ordinary Life	Universal Life	Accident & Health	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	Un-Audited Rupees						
Income							
Premiums less reinsurances	1,610,449	8,962,022	-	10,572,471	22,349,372	3,518,320	3,199,704
Net investment income	1,039,059	13,830,857	181,021	15,050,937	10,613,002	4,224,141	3,273,087
Total net income	2,649,508	22,792,879	181,021	25,623,408	32,962,374	7,742,461	6,472,791
Insurance benefits and expenditure							
Insurance benefits, including bonuses, net of reinsurance recoveries	1,643,733	20,621,307	50,000	22,315,040	28,284,778	7,316,250	7,683,109
Management expenses less recoveries	10,968,297	17,162,738	2,342,368	30,473,403	22,542,953	11,683,431	7,632,122
Total insurance benefits and expenditure	12,612,030	37,784,045	2,392,368	52,788,443	50,827,731	18,999,681	15,315,231
Deficit of income over insurance Benefit and expenditure	(9,962,522)	(14,991,166)	(2,211,347)	(27,165,035)	(17,865,357)	(11,257,220)	(8,842,440)
Net change in insurance liabilities (other than outstanding claims)	(697,764)	8,044,785	-	7,347,021	6,486,194	(2,153)	(1,673,911)
Deficit	(10,660,286)	(6,946,381)	(2,211,347)	(19,818,014)	(11,379,163)	(11,259,373)	(10,516,351)
Movement in policyholder liabilities	697,764	(8,044,785)	-	(7,347,021)	(6,486,194)	2,153	1,673,911
Transfer to or from shareholders' fund							
-Capital contribution from shareholders' fund	10,808,000	6,207,500	2,118,000	19,133,500	24,420,000	9,650,000	22,319,000
-Capital contribution to shareholders' fund	-	-	-	-	-	-	-
-Transfer of surplus to shareholders' fund	-	-	-	-	-	-	-
Net transfer to or from shareholders' fund	10,808,000	6,207,500	2,118,000	19,133,500	24,420,000	9,650,000	22,319,000
Balance of statutory fund at beginning of period	6,770,285	179,972,136	2,702,354	189,444,745	193,747,350	183,020,430	186,825,432
Balance of statutory fund at end of period	7,615,733	171,188,470	2,609,007	181,413,210	200,301,993	181,413,210	200,301,992

2017	Statutory Funds			Aggregate		Quarter Ended	
	Ordinary Life	Universal Life	Accident & Health	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
	Un-Audited Rupees						
Income							
Premiums less reinsurances	9,823,344	9,880,034	2,645,994	22,349,372	13,238,129	3,199,704	3,148,843
Net investment income	751,139	9,690,174	171,689	10,613,002	13,079,021	3,273,088	3,834,908
Total net income	10,574,483	19,570,208	2,817,683	32,962,374	26,317,150	6,472,792	6,983,751
Insurance benefits and expenditure							
Insurance benefits, including bonuses, net of reinsurance recoveries	7,065,647	20,064,926	1,154,205	28,284,778	34,264,868	7,683,109	9,702,320
Management expenses less recoveries	5,470,014	13,694,075	3,378,864	22,542,953	21,055,729	7,632,122	6,485,326
Total insurance benefits and expenditure	12,535,661	33,759,001	4,533,069	50,827,731	55,320,597	15,315,231	16,187,646
Deficit of income over insurance Benefit and expenditure	(1,961,178)	(14,188,793)	(1,715,386)	(17,865,357)	(29,003,447)	(8,842,439)	(9,203,895)
Net change in insurance liabilities (other than outstanding claims)	(672,876)	7,156,731	2,339	6,486,194	16,126,040	(1,673,911)	10,376,281
Deficit	(2,634,054)	(7,032,062)	(1,713,047)	(11,379,163)	(12,877,407)	(10,516,350)	1,172,386
Movement in policyholder liabilities	672,876	(7,156,731)	(2,339)	(6,486,194)	(16,126,040)	1,673,911	(10,376,281)
Transfer to or from shareholders' fund							
-Capital contribution from shareholders' fund	14,050,000	6,770,000	3,600,000	24,420,000	11,935,000	22,319,000	3,935,000
-Capital contribution to shareholders' fund	-	-	-	-	-	-	-
-Transfer of surplus to shareholders' fund	-	-	-	-	-	-	-
Net transfer to or from shareholders' fund	14,050,000	6,770,000	3,600,000	24,420,000	11,935,000	22,319,000	3,935,000
Balance of statutory fund at beginning of period	6,922,100	184,526,070	2,299,180	193,747,350	215,406,297	186,825,432	203,606,745
Balance of statutory fund at end of period	19,010,922	177,107,277	4,183,794	200,301,993	198,337,850	200,301,993	198,337,850

24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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, 2018 and December 31, 2017:

September 30, 2018 (Un-audited)		Level 1	Level 2	Level 3	Total
		Rupees			
Financial assets	Note				
Listed securities	6	7,958,567	-	-	7,958,567
Mutual Funds	9	9,884,810	-	-	9,884,810
December 31, 2017 (Audited)					
Financial assets					
Listed securities	6	280,518	-	-	280,518

24.1 Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

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

24.2 Fair value of financial assets





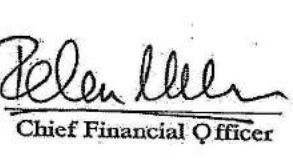
The fair value of all financial assets and financial liabilities is estimated to approximate their carrying value.

25 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information are authorised for issue on October 24, 2018 by the Board of Directors of the Company.

26 GENERAL

The figures in the financial statements may be rounded off to nearest Rupees.

 Chairman
 Chief Executive Officer
 Director
 Director
 Chief Financial Officer