



Har Ghari

ANNUALREPORT 2020



askarilife
Jee Lo Har Ghari

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Company Overview

Askari Life Assurance Co. Ltd, is part of one of the leading conglomerates in Pakistan, Army Welfare Trust (AWT). Our insurance solutions range from savings and family protection products to unit link plans and customized health and life coverages. We develop products and processes to enhance opportunities and mitigate the risk of threats to the overall financial and business objectives of our individual and corporate clients.

As a company we rely on innovation to be a key driver for future growth which allows for more customized solutions, digitization and swift product development.

A Legacy of Distinction

Askari Life Assurance Co. Ltd. comes from a legacy of distinction and integrity. The parent group (AWT), was formed in 1971 and comprises of a diversified business portfolio renowned in all major sectors of Pakistan including General Insurance, Aviation, CNG, Agriculture, Manufacturing, Sugar, Lubricants, Real Estate, Security Solutions and Information Technology.

Askari General Insurance Company Limited (AGICO), under the umbrella of AWT, has been operating since 1995 with a prominent standing in Pakistan's Insurance industry.

Askari Life Assurance Co. Ltd is a Public Limited Company with shares traded in Pakistan Stock Exchange (PSX).

Askari Life also offers Assorted Product Portfolio like Universal Life Investment Plans, Group Life Insurance, Variety of term Life products providing customized options

Askari Life has a team of highly trained professionals, dedicated to offering a client focused policy management system, through swift claim processing and settlement with a strong financial backing. Askari Life is at the forefront in providing the ultimate insurance experience by adding value to the lives of its customers.

We have designed a service strategy that is highly responsive and personalized to provide complete peace of mind to our clients.

Askari Life has sophisticated Channels of Distribution like Agency Network, Bancassurance (including Askari Bank, Silk Bank, Al Baraka Bank and Samba Bank), Corporate Sales and diverse Distribution partners like TCS, Smart Choice



Vision

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

Mission

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



Core Values

Financial Acumen

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

Customer Care

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

Ethical Conduct

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

Sustainability

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



Code of Conduct

The Askari Life's policy is to conduct business with honesty and integrity and be ethical in all its dealings, showing respect for the interest of those with whom it has relationship.

The Askari life is committed to run its business in an environment that is sound and sustainable. As a responsible corporate citizen, the company recognizes its social responsibilities, and endeavors to contribute for betterment of society as a whole.

Askari Life is an equal opportunity employer. Its employee recruitment and promotional policies are free of any gender bias, and is merit as well as excellence oriented. It believes in providing its employees safe and healthy working conditions, and in maintaining good channels of communications.

The Askari Life shall comply with all laws, and regulations with letter and in spirit which are applicable on the company. All employees are expected to familiarize themselves with laws and regulations governing their individual areas of responsibility, and not to transgress them. and in case employees become aware of the violation of any laws, it is the responsibility of the employee to report the matter to Head of Compliance and CEO.

Employees are required to comply with Anti-money laundering Laws and Company's Anti-Money Laundering (AML) Manual in order to prevent the company being used as a medium for money laundering activities and terrorism financing activities. Moreover, employees are also required to immediately notify the AML-Compliance Officer in case they found any suspicion of the Money laundering activities while dealing with the customers.

The Askari life does not support any political party nor contributes to the funds of groups whose activities promote party interests.

The Askari life is committed to provide services, which consistently offer value in terms of price and quality and satisfy customer needs and expectations.

The Askari life firmly believes and adheres to the principles of reliability and credibility in its financial reporting and in transparency of business transactions.

The Askari life expects its employees to abide by professional code of ethics whereby company information and assets are not used for any personal advantage or gain. Any conflict of interests should be avoided.

The Board ensures that the above principles are complied with, for which the Board has constituted the Risk Management & Compliance Committee and Audit committee, to be supportive of compliance.



Nayab Plan

With Askari Life Nayab & Zarkhez Plans, you can map your future as you desire. It provides you a combination of protection and investment solutions with the flexibility of customization as per your specific need.

Key Features

Packaged Solution

Keeping in view the changing economic trends, we have bundled all your financial needs (saving, investment and protection) under one solution.

Customized Plan

You can customize your plan according to your need and choose from variety of add-ons with the help of our financial planner.

Tax Benefit

You can also enjoy tax benefits through Askari Life's savings & investment plan.



Zarkhez Plan

Additional Investment Option (Top-Up Premium)

This plan provides you an option to add or withdraw amount over and above your regular premium during the course of your policy term with ease, that will provide increment to your investment.

Insurance Benefit

It provides the freedom to provide the desired financial security to your loved ones. In case of your unfortunate event of death, your nominated family member can be paid up to 200 times of the annual premium.

Optional Benefits

With the variety of exclusive features/add-ons, you can draft your plan to cater to your responsibilities with ease.

- School Fee Waiver
- Child Wedding Benefit
- Hospitalization Cover
- Major Surgery Benefit
- Accidental Death & Disability Rider
- Waiver of Premium (Death)
- Waiver of Premium (Disability)
- Monthly Income Benefit
- Level Term Rider
- Critical Illness Rider



askarilife

Jee Lo **Har Ghari**

Askari life introduces

Anmol Zindagi Plan

Healthy Life, Better Future!

**Benefits like
never Before!**



Financial Support
against Major diseases



Exclusive Protection
Against COVID-19



Hospital's Stay
Expense Covered



Get Your Hospital
Bills Reimbursed



Hospital of your
Choice!



Life Protection
Solution



Double Financial
Protection against
Accidental Fatality



Choose Package
as per your Needs



Complete Protection
for your Loved Ones



Sometimes we take life and the blessings that come with it for granted. We get so busy with just living the routine life and getting used to it that uncertainties are often ignored. Despite all this, we still desire to give the finest life to our loved ones and thus, plan our future in the best possible way. However, sometimes life gets unpredictable and pursuing our dreams while leading a stress free life, seems a little far-fetched. The recent global pandemic being COVID-19 that shook the world lately was an eye opener for many as it made people value life even more. Life became more precious while relationships strengthened more than ever.

Looking at the situations that arise due to these circumstances, Askari Life continues to be there for you always; to listen to you, to offer you advice and to create lively environments for you to thrive in. We want you to be resilient and stay put, because good times will soon arrive! So, with Askari Life, no matter what the conditions be, you will be motivated to live your life to the fullest!

Hence we introduce "Anmol Zindagi", a health and life protection plan that understands how precious your life and health are and prepares you to face any unforeseen challenges without a doubt!

Benefits like never Before!

Financial Support against Chronic diseases

Whenever there is a situation of a global pandemic, people realize the value of life more than ever. These are the times when people get closer to their loved ones and understand the importance of keeping theirs and their family's lives safe. Taking this into consideration, Askari Life realized that situations when people get affected by chronic diseases are not less than any other major threats that arise due to pandemics or unforeseen circumstances. Thus, financial planning for such conditions or preparation to face them without any difficulties is equally important!

Anmol Zindagi offers this exclusive benefit that provides you with 20% of the total sum assured amount in case you get diagnosed with any of the below mentioned chronic diseases so you can manage your hospital bills and expenses without any obstacles. This includes;

- o Heart Diseases treatment
- o Cancer treatment
- o Major Organ Transplant
- o Neurological Diseases treatment

This benefit is specifically designed to offer living benefits to our customers as depicted in our Brand's mantra of "Jeelo Har Ghari" so you and your loved ones continue living your life & enjoying every moment to the fullest!

Exclusive Protection Against COVID-19

COVID-19 is one of the biggest health concerns which is believed to have a long term impact on the lives of people. With Anmol Zindagi, you can prepare for the worst in the best possible way as we will be there to take care of you and your loved ones by providing 50% extra amount of the sum assured in case of demise due to COVID-19.

Hospital's Stay Expense Covered for up to 60 days in case of Accident

Leading a healthy lifestyle in the modern high-stress routines is challenging. Medical emergencies can arise without any intimation. At such times, treatment costs can put a huge financial burden on families. Sometimes, such huge payments can cause imbalances in your family finances.

To ensure that you are well protected against unforeseen medical expenses, Anmol Zindagi brings you a unique benefit which offers hospitalization coverage, as per which, in case of hospitalization of more than 1 day, due to accident, you will get a coverage of Rs. 5000/day, for up to 60 days, thus, a maximum coverage of

Rs. 300,000 at any hospital of your choice.

Hospital of your Choice!

The Accidental Hospitalization coverage benefit can be availed upon admission to any registered hospital in Pakistan. So, choose your own hospital for treatment and we will get you covered!

Additional Benefits

Life Protection Solution

This worldly life, no matter how desirable it might be, is temporary and everyone has to leave one day or the other. But to plan the life that we live and the life that our family will live in our absence in the most desirable way, is what every individual wants. However, a sudden demise of a bread-earner without prior financial planning can make many lives difficult. And that is why Askari Life asks you to leave all your worries with us as with our Anmol Zindagi Plan, you can ensure desired financial security for your family by choosing a lump sum amount of as much as PKR 1,000,000 which will be given to your family in case of any unpleasant incident or in your absence.

Double Financial Protection against Accidental Fatality

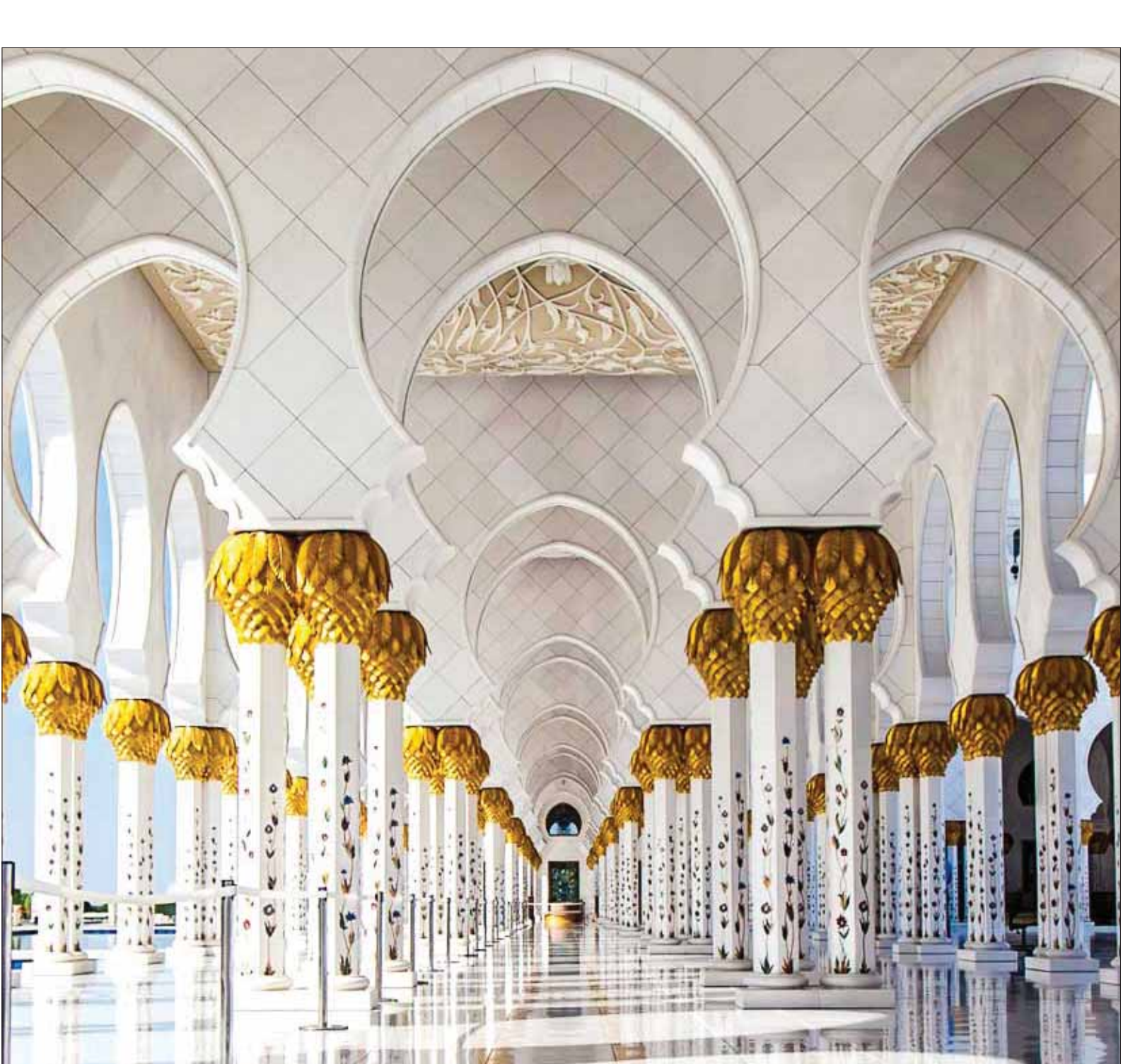
In the journey of life, you always walk an extra mile to provide better future to your family. However, this journey of life is full of uncertainties; you never know how the future will unveil. In today's scenario, with the increase in the number of instances of accidents, it is imperative to shield your family's future against such eventuality. Askari Life protection solution against accidents, offers an additional financial security of up to 2 million, to your family in the event of an accident that may result a sudden demise or permanent disability.

Free Look Period

Life insurance plan is a long-time commitment towards your goal to provide desired financial security and prosperity to yourself and your loved ones. However, in case you realize that you are not satisfied with the product offering, you need not to worry, as Askari Life offers a free look period where you can return the policy documents within 14 days and get 100% refund.

Complete Protection for your Loved Ones

Anmol Zindagi gives you the chance to protect not only your life but also the lives of those who mean the world to you! Hence, by paying a minimum additional amount, all the benefits mentioned above can be availed by your family as well.



Kanz-ul-Askari

Family Takaful Certificate



Kanz ul Askari Family Takaful is a Shariah compliant Family Takaful plan which offers Family Takaful protection and a minimum 10 year riba free investment. The Takaful system is based on shared responsibility, brotherhood, solidarity and mutual cooperation, where risk is shared collectively by a group of participants, who by paying contributions to a common fund, agree to jointly help member against loss or damage to any one of them as defined in the pact.

Key Features

Shariah Compliant Investment Package

Askari Life - Window Takaful Operations has designed a Shariah compliant Family Takaful certificate that ensures the fulfillment of your changing needs at each life cycle. This Family Takaful certificate provides a long term investment and protection plan with low but shared risks according to the Shariah guidelines.

You can be at any stage of your life and find this plan to be understanding of your needs because of its low risk profile and high returns due to the nature of its term.

Design Your Customized Solution

With Kanz ul Askari Family Takaful you can design the future you want for yourself! It provides you the flexibility to personalize your plan according to your own goals and family's unique lifestyle. There are many flexible options the plan provides, such as altering your investment and protection level. In addition to flexibility, you can also opt from various optional add-ons with the help of our certified financial advisor, who will add more benefit to your certificate.

Free Hajj Coverage

Our Family Takaful protection ensures the security of the person covered on their walk in the name of God. In case of any unforeseen instance that results in the demise of a person covered which occurs due to any accident during hajj, Askari Life - Window Takaful Operations will provide Rs. 2.5 million as sum cover to the beneficiary(ies) of the certificate.

Additional Optional Benefits

Apart from standard applicable benefits such as protection and investment, Kanz ul Askari Family Takaful also offers you additional benefits, and the liberty to choose from various optional benefits, based on your goals and financial capabilities subject to the payment of additional Waqf donation.

- School Fee Waiver
- Hospitalization Coverage
- Major Surgery Benefit
- Waiver of Contribution Supplementary Benefit (Death)
- Waiver of Contribution Supplementary Benefit (Disability); Special needs, special benefits
- Accidental Death & Disability Supplementary Benefit
- Level Term Family Takaful (Additional Coverage Option)
- Critical Illness (CI) Supplementary Benefit
- Monthly Income Benefit
- Marriage Supplementary Benefit

Additional Investment Option (Top-Up)

This feature provides additional flexibility to your existing plan. If you have any additional funds available at any stage, you can place them as investment under Kanz ul Askari Family Takaful during the course of the certificate term that will further enhance your cash value. Many people use this option to make yearly contribution payment by placing additional investment as top-up with their certificate. The minimum amount you can top up your certificate with is Rs. 10,000/- which will be allocated at a 100%.

Tax Credit

With Kanz ul Askari Family Takaful, you can also avail tax benefit, as per prevailing norms under section 62 of income tax ordinance 2001.

Protection Multiple (Cover Multiple)

A sudden unforeseen event can affect many connected lives. In that case financial security for your family is of utmost priority. With Kanz ul Askari Family Takaful, you can ensure desired financial security for your family. You can fix a significant lump sum amount as much as you anticipate from the available maximum cover that would be enough to meet your future financial needs.

Askari Value Plan



Being conscious about your changing financial needs Askari Life in collaboration with Askari Bank has designed a unique product called "**Askari Value Plan**", which not only provides comprehensive protection but also enables your savings to grow steadily over-time, giving you and your loved ones peace of mind. Hence you and your family can easily realize their dreams and truly enjoy every moment of their lives, without worrying about future uncertainties.

Key Features

Complete Package

As we go through each stage in life, our financial responsibilities change. Our perspective on life and savings changes with time. Being conscious about your changing needs, Askari Life has designed the Askari Value plan which not only provides long-term protection from unforeseen circumstances but also brings prosperity into your life. Whether you are at the beginning of your career, have just started a family, require funds for your child's education or marriage or would like to plan for your retirement, all possibilities are ensured under the Askari Value Plan.

Strengthen your Child's Future

When a child is born, a dream is born. We being a parent would want to shape that dream and bring it to reality in the best possible way. Either it's the question of providing top-quality education or making best arrangement for their marriage, we always want the best for our child. Askari Value Plan helps you in achieving all those dreams with ease, as this plan offers one of the most effective way to keep your child's future secured along-with the peace of mind through various exclusive benefits and coverage enhancement options that can be tailored as per your child's future financial needs.

Customized Plan

With Askari Value Plan, you can design the future you want for yourself! It provides you the flexibility to personalize your plan according to your own goals and family's unique lifestyle. There are many flexible options the plan provides, such as altering your investment and protection level. In addition to flexibility, you can also opt from various optional add-ons with the help of our certified financial advisor, that will add more benefit to your policy.

Additional Investment Option (Top-up)

This feature provides additional flexibility to your existing plan. If you have any additional funds available at any stage you can place them as investment under Askari Value plan during the course of the policy term that will further enhance your cash value. Many people use this option to

make yearly premium payment by placing additional investment as top-up with their policy.

Cover Multiple (Life Insurance Protection)

A sudden departure of a bread-earner can make many lives difficult. In that case financial security for your family is of utmost priority. With Askari Value Plan you can ensure desired financial security for your family. You can fix a significant lump sum amount as much as you anticipate would be enough to fulfill their future financial needs which could be set as high as 200 times of the premium amount.

Emergency Monetary Access

What do you do when you have an urgent requirement of cash? You either borrow it from some one or sell your valuables. To save you from all those hassles and to satisfy your urgent cash requirement, Askari Value Plan offers a valuable loan facility and easy access to cash (of up-to 50% of your account value).

Inflation Protection

It's an unfortunate fact that the money we have is worth a little less every day. As rising inflation erodes all our savings bit by bit, we need a plan to keep our savings intact. Askari Value Plan offers this unique feature dedicated to combat inflation with just 5% increment in the premium every year.

Tax Credit

With Askari Value Plan, you can also avail tax benefit, as per prevailing norms under section 62 of income tax ordinance 2001.

Free Look Period

Life insurance plan is a long-time commitment towards your goal to provide desired financial security and prosperity to yourself and your loved ones. However, in case you realize that you are not satisfied with the product offering, you need not to worry, as Askari Life offers a free look period where you can return the policy documents within 14 days and get 100% refund.

Optional Benefits

Apart from standard applicable benefits such as protection and investment, Askari Value also offers you additional benefits, and the liberty to choose from various optional insurance benefits, based on your goals and financial capabilities.

- School Fee Waiver
- Hospitalization Coverage
- Monthly Income Benefit
- Waiver of Premium (Disability)
- Waiver of Premium (Death)
- Accidental Death & Disability Rider
- Level Term Rider (Additional Coverage Option)
- Critical Illness Rider
- Major Surgery Benefit

Askari Zamin Plan



Askari Life's utmost belief is in securing and ensuring that their customers are taken care of and to live up to it, we introduce **Askari Zamin plan** to ensure your next moment is as secured as your present and you can surely predict happiness in future too!

Key Features

Capital Protection

Askari Zamin Plan aims to preserve your principal amount while offering better returns. Hence, even if the market sees unforeseen circumstances at any time, you can be at the peace of mind of getting back the amount you paid over the period of time considering you have remained in force for at least 10 years.

All in one Package!

As we go through each stage in life, our financial responsibilities change. Our perspective on life and savings changes with time. Being conscious about your changing needs, Askari Zamin Plan not only provides long-term protection from unforeseen circumstances but also brings prosperity into your life. Whether you are at the beginning of your career, have just started a family, require funds for your child's education or marriage or would like to plan for your retirement, all possibilities are ensured through this plan.

Strengthen your Child's Future

When a child is born, a dream is born. We, being a parent, would want to shape that dream and bring it to reality in the best possible way. Either it's the question of providing top-quality education or making best arrangement for their marriage, we always want the best for our child. Askari Zamin Plan helps you in achieving all those dreams with ease, as this plan offers one of the most effective ways to keep your child's future secured along with the peace of mind of opting for various exclusive benefits and coverage enhancement options that can be tailored as per your child's future financial needs.

Make Your Own Plan

With Askari Zamin Plan, you can design the future you want for yourself! It provides you the flexibility to personalize your plan according to your own goals and family's unique lifestyle. There are many flexible options this plan provides one of which is altering your investment and protection level. In addition to flexibility, you can also opt from various optional add-ons with the help and expert advice of our certified financial advisor that will add more benefit to your policy.

Additional Investment Option (Top-up)

This feature provides additional flexibility to your existing plan.

Optional Benefits

Apart from standard applicable benefits such as protection and investment, Askari Zamin Plan also offers you additional benefits, and the liberty to choose from various optional insurance benefits, based on your goals and financial capabilities.

- School Fee Waiver
- Financial Support against Chronic diseases
- Hospital's Stay Expense Covered for up to 60 days in case of Accident
- Hospital of your choice!
- Monthly Income Benefit
- Waiver of Premium (Disability)
- Waiver of Premium (Death)
- Accidental Death & Disability Rider
- Level Term Benefit (Additional Coverage Option)
- Critical Illness Benefit

If you have any additional funds available at any stage, you can park them as investment under Askari Zamin Plan during the course of the policy term that will further enhance your cash value. Many people use this option to make yearly premium payment by placing additional investment as top-up with their policy.

Cover Multiple (Life Insurance Protection)

A sudden demise of a bread-earner can make many lives difficult. In that case financial security for your family is of utmost priority. With Askari Zamin plan, you can ensure desired financial security for your family by fixing a significant lump sum amount, as much as you anticipate would be enough to fulfill their future financial needs, which could be set as high as 200 times of the premium amount.

Anytime Cash Access

What do you do when you have an urgent requirement of cash? You either borrow it from someone or sell your valuables. To save you from all those hassles and to fulfil your urgent cash requirement, Askari Zamin Plan offers a valuable loan facility and easy access to cash (of up-to 50% of your account value).

Inflation Protection

It's an unfortunate fact that the money we have is worth a little less every day. As rising inflation erodes all our savings bit by bit, we need a plan to keep our savings intact. Askari Zamin Plan offers this unique feature dedicated to combat inflation with just 5% increment in the premium every year.

Tax Credit

With Askari Zamin Plan, you can also avail tax benefit, as per prevailing norms under section 62 of income tax ordinance 2001.

Free Look Period

Life insurance plan is a long-time commitment towards your goal to provide desired financial security and prosperity to yourself and your loved ones. However, in case you realize that you are not satisfied with the product offering, you need not to worry, as Askari Life offers a free look period where you can return the policy documents within 14 days and get 100% refund.



Sarparast Falak and **Sarparast Mashaal Family Takaful Certificates** providing both long and short term options to Participant, with the flexibility to choose the contribution payment term and coverage term that best suit your savings needs and affordability.



Key Features

Shariah Compliant Investment Package

Askari Life-Window Takaful Operations has designed a Shariah compliant family Takaful Certificate that ensures the fulfillment of your changing needs at each life cycle. This family Takaful Certificate provides a long term investment and protection plan with low but shared risks according to the Shariah guidelines.

You can be at any stage of your life and find this plan to be understanding of your needs because of its low risk profile and high returns due to the nature of its term.

Design Your Customized Solution

With both certificates you can design the future you want for yourself! It provides you the flexibility to personalize your plan according to your own goals and family's unique lifestyle. There are many flexible options the plan provides, such as altering your investment and protection level. In addition to flexibility, you can also opt from various optional add-ons with the help of our certified financial advisor, who will add more benefit to your certificate.

Moreover, the fund structure offers a wide range of investment in; Upto 100% in Sukuks, Upto 50% in KMI 30 Equities, Upto 30% in Islamic TFCs, Upto 50% in Mutual Funds, Upto 30% in Real Estate and Upto 100% in Islamic Bank /Term Deposits.

Free Hajj Coverage

Our Family Takaful protection ensures the security of the person covered on their walk in the name of God. In case of any unforeseen instance that result in the demise of a the person covered which occurs due to any accident during Hajj, Askari Life-Window Takaful Operations will provide Rs. 2.5 million as coverage to the beneficiary(ies) of the certificate.



Sarparast Mashaal

Additional Investment Option (Top-Up)

This feature provides additional flexibility to your existing plan. If you have any additional funds available at any stage, you can place them as investment under Sarparast Falak during the course of the certificate term that will further enhance your cash value. Many people use this option to make yearly contribution payment by placing additional investment as top-up with their certificate. The minimum amount you can top up your certificate with is Rs. 10,000/- which will be allocated at a 100%.

Tax Credit

With both certificates, you can also avail tax benefit, as per prevailing norms under section 62 of income tax ordinance 2001.

Protection Multiple (Cover Multiple)

A sudden unforeseen event can affect many connected lives. In that case financial security for your family is of utmost priority. With Sarparast Falak, you can ensure desired financial security for your family. You can fix a significant lump sum amount as much as you anticipate from the available maximum cover that would be enough to meet your future financial needs.

Optional Benefits

Apart from standard applicable benefits such as protection and investment, Sarparast Falak also offers you additional benefits, and the liberty to choose from various optional benefits, based on your goals and financial capabilities subject to additional Waqf Donation.

- School Fee Waiver
- Hospitalization Coverage
- Major Surgery Benefit
- Anmol Zindagi Supplementary Benefit
- Waiver of Contribution Supplementary Benefit (Death)
- Waiver of Contribution Supplementary Benefit (Disability); Special needs, special benefits
- Accidental Death & Disability Supplementary Benefit
- Level Term Family Takaful (Additional Coverage Option)
- Critical Illness (CI) Supplementary Benefit
- Monthly Income Benefit

Samba Muhaffiz Plan



The ongoing worldwide pandemic being Covid-19 that shook the world recently was a shocker for some as it made individuals value life much more. Life became more precious while relationships strengthened more than ever.

Hence we introduce "**Samba Muhaffiz Plan**", a health and life protection plan that is specially designed considering how precious your life and health are as it prepares you to face any unforeseen challenges without a doubt!

One of its kind Benefits!

Financial Support against Chronic diseases

Whenever there is a situation of a global pandemic, people realize the value of life more than ever. These are the times when people get closer to their loved ones and understand the importance of keeping theirs and their family's lives safe. Taking this into consideration, Askari Life realized that situations when people get affected by chronic diseases are not less than any other major threats that arise due to pandemics or unforeseen circumstances. Thus, financial planning for such conditions or preparation to face them without any difficulties is equally important!

Samba Muhaffiz Plan offers this exclusive benefit that provides you with 20% of the total sum assured amount in case you undergo surgery for any of the below mentioned chronic diseases, so you can manage your hospital bills and expenses without any obstacles. This includes;

- Heart Diseases treatment
- Cancer treatment
- Major Organ Transplant
- Neurological Diseases treatment

This benefit is specifically designed to offer living benefits to our customers as depicted in our Brand's mantra of "Jee Lo Har Ghari" so you and your loved ones continue living your life & enjoying every moment to the fullest!

Exclusive Protection Against COVID-19

Covid-19 is one of the biggest health concerns which is believed to have a long term impact on the lives of people. With Samba Muhaffiz Plan, you can prepare for the worst in the best possible way as we will be there to take care of you and your loved ones by providing 50% extra amount of the sum assured in case of demise due to Covid-19.

Double Financial Protection against Accidental Fatality

In the journey of life, you always walk an extra mile to provide better future to your family. However, this journey of life is full of uncertainties; you never know how the future will unveil. In today's scenario, with the increase in the number of instances of accidents, it is imperative to shield your family's future against such eventuality. Askari Life protection solution against accidents, offers an additional financial security of up to 4 million, to your family in the event of an accident that may result a sudden demise or permanent disability.

Additional Benefits

Life Protection Solution

This worldly life, no matter how desirable it might be, is temporary and everyone has to leave one day or the other. But to plan the life that we live and the life that our family will live in our absence in the most desirable way, is what every individual wants. However, a sudden demise of a bread-earner without prior financial planning can make many lives difficult. And that is why Askari Life asks you to leave all your worries with us as with our Samba Muhaffiz Plan, you can ensure desired financial security for your family by choosing a lump sum amount of as much as PKR 2,000,000 which will be given to your family in case of any unpleasant incident or in your absence.

Complete Protection for your Loved Ones

Samba Muhaffiz Plan gives you the chance to protect not only your life but also the lives of those who mean the world to you! Hence, by paying an additional amount, all the benefits mentioned above can be availed by your family as well.

Free Look Period

Life insurance plan is a long-time commitment towards your goal to provide desired financial security and prosperity to yourself and your loved ones. However, in case you realize that you are not satisfied with the product offering, you need not to worry, as Askari Life offers a free look period where you can return the policy documents within 14 days and get 100% refund.

Anmol Family Takaful



The Takaful system is based on shared responsibility, brotherhood, solidarity and mutual cooperation, where risk is shared collectively by a group of participants, who by paying contributions to a common fund, agree to jointly help member against loss or damage to any one of them as defined in the pact.

Key Features

All in one Package!

As we go through each stage in life, our financial responsibilities, our perspective in life change with time. Being conscious about your evolving needs, Anmol Family Takaful Plan not only provides protection from unforeseen circumstances but also brings the desired peace of mind for everyone as you would be certain about your health and wellness and can live life in peace to the fullest!

Financial Support against Chronic diseases

Imagine having to worry about your finances in case of under-going a surgery. Such a calamity can create a havoc in your family. Thus, financial planning for such conditions or preparation to face them without any difficulties is equally important!

Anmol family Takaful Plan offers this exclusive benefit that provides you with an upfront financial support of up to 20% of the sum covered value you in case you undergo surgery for any of the below mentioned chronic diseases, so you can manage your hospital bills and expenses without any obstacles. This includes;

- Heart Diseases treatment
- Cancer treatment
- Major Organ Transplant
- Neurological Diseases treatment

This benefit is specifically designed to offer living benefits to our participants as depicted in our Brand's mantra of "Jeelo Har Ghari" so you and your loved ones continue living your life & enjoying every moment to the fullest!

Hospital's Stay Expense Covered for up to 60 days in case of Accident

Leading a healthy lifestyle in the modern high-stress routines is challenging. Medical emergencies can arise without any intimation. At such times, treatment costs can put a huge financial burden on families. Sometimes, such huge payments can cause imbalances in your family finances.



Tahaffuz Family Takaful

To ensure that you are well protected against unforeseen medical expenses, Anmol Family Takaful Plan brings you a unique benefit which offers hospitalization coverage (only on accidental hospitalization), as per which, in case of hospitalization due to accident, you will get a coverage of Rs.2500/day, for up to 60 days, thus, a maximum coverage of Rs.150, 000 at any hospital of your choice.

Exclusive Protection against Covid-19

Covid-19 is one of the biggest health concerns which is believed to have a long term impact on the lives of people. With Anmol Family Takaful Plan, you can prepare for the worst in the best possible way as we will be there to take care of you and your loved ones by providing 50% extra amount of the sum covered in case of demise due to Covid-19 (can be availed during the first 6 months of the certificate issuance)

Money Back Guarantee

Family Takaful Certificate is a commitment towards your goal to provide desired financial security and prosperity to yourself and your loved ones. However, in case you realize that you are not satisfied with the product offering, you need not to worry, as Askari Life-Window Takaful Operations offers a free look period where you can return the Participant's Membership documents within 14 days and get 100% refund.

Protection Benefit

How well your future may be planned? Your protection along with your loved ones protection is priceless! Our Family Takaful Protection benefit ensures the financial safety of you and your family in cases of unfortunate events. The Certificate pays the beneficiary (ies) a fixed amount.

Monthly Income Benefit

This certificate also offers monthly income benefit, through which in case of any unforeseen circumstance in the covered person's life as defined in the Provisions in this Documents, Askari Life-Window Takaful Operations will pay a monthly income up to 15 months to the beneficiary (ies) of the certificate.

Free Look Period

Family Takaful Certificate is a commitment towards your goal to provide desired financial security and prosperity to yourself and your loved ones. However, in case you realize that you are not satisfied with the product offering, you need not to worry, as Askari Life-Window Takaful Operations offer a free look period where you can return the Participant's Membership Documents (PMD) within 14 days and get a 100% refund of contribution.



CEO Message

Askari Life entered 2020 with a positive business outlook from branch network and bancassurance partners capitalizing on the strong foundations laid down in preceding years. However, year 2020 was disrupted by advent of Covid-19 and thereafter countrywide lockdowns were enforced to contain the spread of infection.

Management of the Askari Life took extraordinary measures to maintain offline services for our prestigious customers while ensuring safety of our valued staff members. Due to closure of distribution offices and Bank branches, company took necessary measures to safeguard shareholders' interest.

Despite the challenging environment, Askari Life team showed immense resilience to improve product structures and incentives to help engage new partners for distribution. Towards the last quarter, company revived business operations from branch network and increased distribution footprint by inclusion of additional Bank distribution partners.

By the grace of Almighty, Askari Life maintained its growth path by increasing individual life and corporate business. Management team is confident of competitive business results in coming years due to efficiency in operational infrastructure, adoption of technology and increased demand for Life Insurance products.

Our teams make our work meaningful and exciting, boasting a culture of transparency and collaboration allowing individuals to deliver at their best. I want to thank our customers, distributors, partners and shareholders for placing their trust in our team and brand. And I want to thank our employees for their commitment to our core values and dedication to making Askari Life a trusted financial partner.



Jehanzeb Zafar
CEO Askari Life

Company Information

Board of Directors

Lt. Gen. Naveed Mukhtar (Retd.)-Chairman

Maj. Gen. Muhammad Moazzam Ali Goraya (Retd)

Air Vice Marshal Muhammad Athar Shams (Retd)

Malik Riffat Mahmood

Javed Yunus

Ayesha Rafique

Tariq Hameed

Jehanzeb Zafar- CEO

Board Committees

Audit Committee

Tariq Hameed	Chairman
Maj. Gen. Muhammad Moazzam Ali Goraya (Retd)	Member
Malik Riffat Mahmood	Member
Syeda Haajra Nazish Jafri	Secretary

Investment Committee

Malik Riffat Mahmood	Chairman
Air Vice Marshal Muhammad Athar Shams (Retd)	Member
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Rehan Mobin	Member
Syeda Haajra Nazish Jafri	Secretary

Ethics, Human Resource Remuneration & Nomination Committee

Ayesha Rafique	Chairperson
Maj. Gen. Muhammad Moazzam Ali Goraya (Retd)	Member
Air Vice Marshal Muhammad Athar Shams (Retd)	Member
Jehanzeb Zafar	Member
Salman Ahmad Saeed	Secretary

Management Team

Noman Noor

Chief Operating Officer

Rehan Mobin

Chief Financial Officer

Salman Ahmad Saeed

Human Resource and Administration

Khalid Nazir

Corporate Sales

Sohail Siddiqui

Information Technology

Zeeshan Haider

Bancassurance

Atif Usman

Internal Audit

Syeda Haajra Nazish Jafri

Company Secretary

Sandeep Kumar Rajpal

Compliance

Management Committees

Risk Management & Compliance Committee

Air Vice Marshal Muhammad Athar Shams (Retd)	Chairman
Tariq Hameed	Member
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Rehan Mobin	Member
Sandeep Kumar Rajpal	Member & Secretary

Underwriting & Reinsurance Committee

Air Vice Marshal Muhammad Athar Shams (Retd)	Chairman
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Sumair Sarwar	Member & Secretary

Claim Settlement Committee

Maj. Gen. Muhammad Moazzam Ali Goraya (Retd)	Chairman
Jehanzeb Zafar	Member
Rehan Mobin	Member
Bushra Aftab	Member & Secretary

Appointed Actuary

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

Legal Advisor

Saiduddin & Co.

External Auditor

RSM Avais Hyder Liaquat Nauman- Chartered Accountants
(Chartered Accountants)

Registered Office

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

Head Office

Emerald Tower, Officer No 1104,
11th Floor, Plot G-19, Block 5, KDA
Improvement Scheme No. 5
Clifton Karachi, Pakistan.
Phone: +92 21 36269941-44,
021-111-225-275
Fax: +92 (021) 35630429

Website

www.askarilife.com

Email

info@askarilife.com

Share Registrar

THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial
Street 2,
D.H.A., Phase VII,
Karachi-75500
Dir: +92 (021) 021-111-000-322
Fax: +92 (021) 35310191
E-mail: secretariat@thk.com.pk
Web: www.thk.com.pk

Bankers

Askari Bank Limited
Allied Bank Limited
Summit Bank Limited
MCB Bank Limited
Habib Bank Limited
JS Bank Limited
Al Baraka Bank (Pakistan) Limited
Silk Bank Limited
Samba Bank Limited

CHAIRMAN'S REVIEW

It gives me personal pleasure to present the 28th Annual Report for the year ended December 31, 2020 to the stakeholders of Askari Life Assurance Company Limited (the Company) on the overall performance of the Board and the effectiveness of its role in achieving the objectives of the Company.

THE ECONOMY

2020 will undoubtedly go down in the annals of history as the year in which the way of life changed for the entire world due to outbreak of the Pandemic-COVID-19. Pakistan went into a complete 'lock-down' in March 2020. Fortunately, by the Grace of Allah (SWT), timely actions by the Government yielded very positive results and things began to open up by the end of August.

The year 2020 was expected to be a better year for the economy of Pakistan before COVID-19 outbreak which became a major threat to the financial markets and the global economy. The economy bounced back strongly after the 'first wave' and although the 'second wave' hit the country in December 2020 companies continue to perform well and report good results. The year was disrupted by COVID-19 pandemic becoming a human, health, and economic crisis deeply affecting the lives of many people around the world, including members of the Askari Life family, their relatives and friends. My heartfelt condolences go out to all those who have lost loved ones during this difficult time.

The pandemic has accelerated digital adoption and how organizations create value influenced by changing consumer behavior. Askari Life ensured that its valued policyholders are served despite the trying times and developed a cost-effective robust business model to facilitate the customers throughout the lockdown period. We can be proud of the way Askari Life has stood with the community during the COVID-19 crisis while building strong foundations to evolve into a leading financial services Company by creating value for our policyholders and our community.

COMPANY'S FINANCIAL PERFORMANCE

The Company's financial performance for the year 2020 was as follows:

- The gross premium written by your Company stood at Rs.449.26 million (including Takaful Contributions) as compared to the same period of 2019 which was Rs.301.96 million.
- Marketing & Administration expenses stood at Rs.180.46 million, (2019: Rs.213.34 million) and other expenses stood at Rs. 25.19 million, (2019: 10.14 million),
- The Net Claim expenses stood at Rs.126.70 million, (2019: Rs.82.13 million),
- The Company's Investment portfolio currently stood at 909.45 million, as compared to the last year for December, 2019 which was Rs 623.46 million.

In 2020, all lines of business have shown tremendous potential, the partnership for Bancassurance with Askari Bank has received an impressive response from the market. Furthermore, The Company has signed Bancassurance Partnership Agreements with Silk Bank Limited and Samba Bank in order to channelize sales through banking sector. It has become key focus of the Company to enhance profitability by expanding distribution network while carefully monitoring the cost of acquisition and management of the business. The Company Issued Right Share of Rs 400 million i.e. 40 million shares of Rs 10 each to support the growth of the Company in the future

FUTURE PROSPECTS OF THE COMPANY

In 2021 and beyond, the Company will continue to focus on development and expansion of distribution network to promote new marketing strategies and launching of competitive products which will help the Company in achieving the growth in premium amount on a long-term basis. It is aimed to deliver sustainable, profitable growth in challenging and competitive business environment in order to reach leading position in the industry.

The Company plans to deploy modern business technology to enable management to compete and operate effectively and efficiently. COVID vaccine approvals, improved treatments and effective management of pandemic precautions have uplifted hopes of a turnaround in 2021.

ACKNOWLEDGEMENT

I would like to take this opportunity to express my sincere thanks to Pakistan Stock Exchange and the Securities and Exchange Commission of Pakistan (SECP) for their continued direction and support given in managing the affairs of the Company in a prudent manner. I also wish to record my appreciation for the contribution made by the able and efficient officers, staff and sales force of the Company towards its development and count on their continued effort for 2021.

My thanks and appreciation to our shareholders, whose trust is a source of confidence for us to make Askari Life a sound financial organization and a symbol of trust for the marketplace.

May Almighty Allah bless us all (Ameen).



Lt Gen Naveed Mukhtar, (Retd)

Chairman

Karachi, March 26, 2021

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of your Company are pleased to present the Financial Statements along with the Auditors' Report for the year ended December 31, 2020. The external auditors of the Company have issued an un-qualified opinion on the financial statements.

PRINCIPAL ACTIVITY

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

Operational Review

It is our pleasure to inform you that the efforts of the Board towards rebuilding operational infrastructure of the Company to enable it to effectively compete in the market and target due share of business have started to show results and Company now has the range of competitive products and distribution strategy. To achieve competitiveness in the market, the Board of your Company has considered both short term and long-term strategy for business.

At the beginning of the year 2020, the economy of Pakistan was moving progressively towards stabilization as a result of prudent monetary and fiscal policies. However, the global spread of COVID-19 affected our country, causing health hazards for the general population, and disrupting economic activities of the country. The full brunt of the COVID-19 was felt during the second quarter of 2020 when business activities came to a virtual standstill due to a series of country-wide lock-downs which were imposed in March 2020. As a result of the pandemic, Pakistan witnessed a contraction of 0.4% in GDP and economic slowdown in the fiscal year 2020.

In year 2020, the efforts of strategic transformation have started reflecting in company's business performance. The Company has signed Banassurance Partnership Agreements with Silk Bank Limited and Samba Bank in order to channelize sale through banking sector. The management is optimistic that this will have a positive impact on the individual life business of the company. On August 26, 2020 the Company had announced Right Share Issue of Rs 400 million i.e. 40 million shares of Rs 10 each to support the growth of the Company in future.

Askari Life launched first Individual Family Takaful product in May 2020 through the agency distribution with a competitive offering in the market. Deployment of new technology and enhanced system capabilities is expected to lower costs and improve customer satisfaction. The Company is eyeing opportunities arising post Pandemic, where market will be more risk averse towards income and savings which will have a positive impact on the way customers perceive life insurance products in the long run.

The management of the Company is fully committed to board's vision for the growth of business, provide services to the highest standards to policy holders, shareholders and other stake holders of the Company.

Gross Premium:

During the year the Gross Premium written was as follows:

Statutory Funds	Gross Premium Rupees. in '000		
	2020	2019	Variance %
First Year	121,257	100,779	20%
Second Year Renewal	52,560	1,572	3244%
Subsequent Year Renewal	7,351	12,739	-42%
Single Premium	37,745	59,244	-36%
Individual Premium	218,913	174,334	26%
Group Policies without cash value	230,351	127,627	80%
Total	449,264	301,961	49%

It is our pleasure to report that even after the impact of lock down and limited economic activities your Company has shown growth of around 49% in gross premium written. The individual life business has shown steady growth, whereas, the group life business had shown remarkable growth, which shows customers trust on the service levels maintained by the Company.

The trust and confidence of our Policyholders/Takaful Participants reflected in all line of business and shown tremendous growth in business. The Company has added Silk Bank and Samba bank as new bancassurance partners. The Bancassurance products received an impressive response from the market and the Company was able to underwrite Rs.66.86 million (2019: Rs. 25.39 million) as a new bancassurance business. Further the individual business and Group life business increased by 26% and 80% respectively.

Our Sales team of individual life and group life has pursued business effectively targeting due share of business by introducing competitive products in the market as well as procuring majority of the renewals of individual life business. The Company launched its first Individual Family Takaful product during the year through the agency distribution channel. We are confident that the Company is offering innovative products for conventional and Takaful customers and it will contribute to achieve its goals in coming years.

Expenses

During the year 2020, marketing & administration expenses stood at Rs.180.46 million (2019: Rs.213.34million) the decrease is mainly due to management efforts to reduce cost and limited operational activities during lockdown. Whereas other expenses stood at Rs. 25.19 million, increase by Rs. 15.05 million from the previous year (2019: 10.14 million) the increase is due to the activity of further issue of capital done by the Company in the year 2020.

Claims:

During the year 2020, net Claim expenses stood at Rs.126.70 million, (2019: Rs. 82.13 million), that is consistent with increased in business.

Investment and other Income

The Investment and other income for the year 2020 is Rs 68.77 million as compared to the same period of 2019 of Rs 76.44 million, this is mainly due to the decrease in discount rates in the country.

The Company's Investment portfolio currently stood at 909.45 million, as compared to the last year for December, 2019 which was Rs 623.46million. The increase in investment portfolio is contributed by fund received from

right issue. The Company is constantly looking for new investment opportunities and also considering the current economic and political situation of the country.

Company's Financial performance

Moreover, your Company's net loss (before tax) for the year 2020 stood at Rs.238.35 million, a decrease of Rs. 24.02 million, (2019: Rs.262.37 million). The loss per share is PKR. 2.09 (2019 PKR 2.39)

Paid up Requirement of the Company:

The Company maintains adequate capital to support its existing and planned business activities. During the year the Company increased its Authorized Capital to Rs 2 billion and Paid-Up Capital and also offered right shares to its shareholders to support the growth of business and liquidity requirements. The Right Shares were fully subscribed, issued and raised the paid-up capital to Rs.1.502 billion. The Company's paid-up capital has met the minimum capital requirement of Rs.700 million as prescribed by SECP in section 11 of the Insurance Rule 2017.

Retirement Benefits:

The Company operates an unfunded gratuity scheme for its permanent employees. The amount of gratuity fund liability at year end has been computed by Actuary. Balance of unfunded Gratuity as at December 31, 2020 was Rs.18.15 million (2019: Rs.12.18 million) as per advise given by the actuary.

Investment in Associate Undertaking

The Company has equity investment of Rs.0.281 million (Cost) (2019: Rs. 0.281 million) in EAST West Insurance Company Limited, whereas the market value of investment as at December 31, 2020 was Rs. 0.565 million (2019: Rs. 0.408 million).

Related party transactions

At each Board meeting, the Board of Directors approves the Company's transactions made with associated companies and related parties based on the recommendations of the Audit Committee. All such transactions are executed at arm's length basis.

Risk Management & Reinsurance:

The Company's reinsurance arrangements are with the internationally recognized reinsurers, having high credit ratings.

The Company has developed the risk management policy and placed at the website of the Company required by Listed Companies (Code of Corporate Governance) Regulations, 2019. This policy provides the guidance to the Company regarding the management of risk within the Company to support the achievement of corporate objectives and ensure financial sustainability of the Company for effective decision making.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board is aware of its responsibilities as established by the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the following is stated:

- The financial statements are prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements, changes, if any, are appropriately disclosed in the financial statements and accounting estimates are based on reasonable and prudent judgment.

- International Financial Reporting Standards and International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored
- Board of Directors propose the re-appointment of M/s RSM Avais Hyder Liaquat Nauman- Chartered Accountants as recommended by the Audit Committee and recommended for shareholders' approval to hold the office of external auditors for the year ending December 31, 2021.
- The Board is ultimately responsible for the Company's system of internal control and reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve objectives, and by its nature can provide only reasonable and not absolute assurance against material misstatement or loss. Business strategies agreed to divisional level are approved by the Board. In addition, there is an annual budgeting and strategic planning process. Financial results are prepared quarterly and these strategies are reviewed during the year to reflect significant changes in the business environment.
- The principal features of control framework include:
 - Evaluation and approval procedures for major capital expenditure and other transactions.
 - Regular reporting and monitoring of financial performance of the Company as a whole, using operating developments and quarterly financial statements, which highlight key performance indicators and variance from budgets and quarterly forecasts.
 - Review of the group's health, safety, environment contingency management processes and other significant policies.
- There are no doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance.
- The key operating and financial data for the last six years is annexed.
- The statement of shareholding in the Company as December 31, 2020 is included with the Report.
- There has been no trading during the year in the shares of the Company carried out by the directors (other than those offered as Right Share), CEO (other than those offered as Right Share), COO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children.

Composition of Board of Directors and their meetings

- Total number of Directors are seven (07) which consists of
 - (a) Male: 6
 - (b) Female: 01
- The composition of Board of the Directors of the Company during the year 2020 of following

Category	Names
Independent Directors	Ayesha Rafique Tariq Hameed
Executive Director	Jehanzeb Zafar - CEO
Non-Executive Directors	Lt Gen. Naveed Mukhtar, (Retd)* Maj Gen. Muhammad Moazzam Ali Goraya, (Retd)* Air Vice Marshal Muhammad Athar Shams, (Retd)* Malik Riffat Mahmood Javed Yunus

* Lt Gen Najib Ullah Khan, (Retd), Maj Gen Imtiaz Hussain Sherazi (Retd) and Maj Gen Akhtar Iqbal (Retd) resigned on January 31, 2021. The Casual vacancy was filled by the Board on February 19, 2021. Lt Gen. Naveed Mukhtar, (Retd), Maj Gen. Muhammad Moazzam Ali Goraya, (Retd), Air Vice Marshal Muhammad Athar Shams, (Retd) replaced the outgoing Directors on the Board of the Company.

- During the year 2020, five(5) meetings of the Board of Directors were held and attendance position was as under.

Serial No	Name of Director	Number of Meetings Attended
01	Lt Gen Najib Ullah Khan, (Retd)	05 out of 05
02	Maj Gen Imtiaz Hussain Sherazi (Retd)	05 out of 05
03	Maj Gen Akhtar Iqbal (Retd)	05 out of 05
04	Malik Riffat Mahmood	05 out of 05
05	Tariq Hameed	05 out of 05
06	Javed Yunus	05 out of 05
07	Ayesha Rafique	03 out of 05
08	Jehanzeb Zafar - CEO	05 out of 05

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

Composition of Board Committees:

- The Board has formed the following Board committees:

1) Ethics, Human Resource, Remuneration and Nominations Committee:

Name of the Member	Category
Ayesha Rafique	Chairperson
Air Vice Marshal Muhammad Athar Shams, (Retd) *	Member
Maj Gen. Muhammad Moazzam Ali Goraya, (Retd)*	Member
Jehanzeb Zafar	Member
Salman Ahmad Saeed	Secretary

2) Investment Committee:

Name of the Member	Category
Malik Riffat Mahmood	Chairman
Air Vice Marshal Muhammad Athar Shams, (Retd)*	Member
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Rehan Mobin	Member
Syeda Haajra Nazish Jafri	Secretary

3) Audit Committee:

Name of the Member	Category
Tariq Hameed	Chairman
Maj Gen. Muhammad Moazzam Ali Goraya, (Retd)*	Member
Malik Riffat Mahmood	Member
Syeda Haajra Nazish Jafri	Secretary

1) **Underwriting & Reinsurance Committee:**

Name of the Member	Category
Air Vice Marshal Muhammad Athar Shams, (Retd)*	Chairman
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Sumair Sarwar	Member & Secretary

2) **Claim Settlement Committee:**

Name of the Member	Category
Maj Gen. Muhammad Moazzam Ali Goraya, (Retd)*	Chairman
Jehanzeb Zafar	Member
Rehan Mobin	Member
Bushra Aftab	Member & Secretary

3) **Risk Management & Compliance Committee**

Name of the Member	Category
Air Vice Marshal Muhammad Athar Shams, (Retd)*	Chairman
Tariq Hameed	Member
Jehanzeb Zafar	Member
Rehan Mobin	Member
Noman Noor Muhammad	Member
Sandeep Kumar	Member & Secretary

* Maj Gen. Muhammad Moazzam Ali Goraya, (Retd) replaced Maj Gen Imtiaz Hussain Sherazi (Retd) in all committees and Air Vice Marshal Muhammad Athar Shams, (Retd) replaced Maj.Gen Akhtar Iqbal (Retd) on respective Committees pursuant to the resignation of outgoing Directors on January 31,2021. The Casual vacancy was filled by the Board on February 19, 2021. As such all Board and Management Committees were reconstituted.

Remuneration policy of Non-Executive Directors:

The Board value the representation of independent directors and their expertise in the business. The remuneration policy is decided by the Board to appreciate member directors for their professional contribution towards the sustainability and growth of the Company. In addition of meeting fee, the directors are also reimbursed for travelling, boarding & lodging and ancillary expenses where needed by the respective Board members for attending the Board meetings. Board has also ensured the remuneration of independent directors shall be appropriate and commensurate with the level of expertise offered by Independent Directors. A formal Board Remuneration Policy is in place that serves as a guiding tower for establishing the remuneration of Board Members.

Challenges faced by the insurance industry:

Imposition Sales tax:

Currently, the insurance industry is facing the biggest challenge with respect of imposition of provincial sales taxes by the provincial revenue authorities.

During the year, Sindh Revenue Board (SRB) vide notification No. SRB 3-4/5/2019 dated May 8, 2019 extended the exemption on life insurance till June 30, 2019. With effect from July 1, 2019, life insurance has been made taxable at the rate of 3% on individual life and group life insurance at the rate of 13%. Further, the Punjab Revenue Authority (PRA) also withdrew the exemption on life insurance and made the same subject to Punjab

Sales Tax (PST). The Company collectively through the forum of Insurance Association of Pakistan (IAP) had filed a writ / constitutional petition in the Lahore High Court (LHC) and in the High Court of Sindh (HCS) on September 28, 2019 and November 28, 2019 against PRA and SRB respectively.

According to the opinion provided by the legal advisor, the insurance premium does not fall under definition of service rather an insurance policy is a financial arrangement, which is in the nature of contingent contract and not a service upon which sales tax can be levied (and that an insurance company is not rendering a service). The petitions filed in the Punjab and Sindh High Courts also includes the same grounds. It is also the opinion of life insurance companies that a vast majority of premium received from a policy holder, during the life of the policy, is in fact accounted for in the policyholders' investment which cannot be termed as service. In view of the above the Company has not started invoicing sales tax to its customers. The amount of sales tax involved is around Rs. 35.3 million computed on the basis of risk based premium, as per the advice of the legal advisor. Moreover, based on legal view, sales tax cannot be levied as insurance is not a service.

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

The same have been mentioned in note 25.1.3 of the of the Audited Financial statements.

Compliances of AML requirements:

Furthermore, life insurance companies are also facing the challenges in the implementation of the stringent Anti Money laundering (AML) requirements imposed by the SECP. In order for effective implementation of AML regulations, SECP arranged necessary awareness sessions for the insurance companies on AML regulations from time to time and at different sessions of the SECP, the representatives from insurance industry have raised their concerns and at length discussed the challenges in the implementation of AML regulations and Companies have also requested the SECP for providing of necessary support to Companies for an effective compliances of AML regulations in letter & spirit.

Furthermore, Companies are facing numerous challenges in the collection of customer due diligence documents regarding their source of funds and due to the lack of awareness on AML regulations.

Code of Conduct

The Board of Directors has adopted the professional standards and corporate values in conducting the business of life insurance with honesty and integrity. The roles & responsibilities of the Company & employees towards the stakeholders are mentioned the form of code of conduct as whole, the Board is taking necessary steps to disseminate the code of conduct throughout Company and is also available on the website of the Company.

FUTURE OUTLOOK

2020 has been a year of disruption and adaption. The COVID-19 pandemic effectively put the world on the reset mode, redefining life.

During 2020 the economy faced unprecedented challenges due to pandemic. The Board of Directors and the management of your Company are making every effort to strategize the ways to deal with and minimize the effect of the same on the Company's finances and seeking new opportunities arising post pandemic.

In 2021 and beyond, management of the Company will maintain focus on development of distribution network to promote new marketing strategy and yield optimum value for shareholders. The Company will continue its focus on increasing business by introducing Bancassurance partnerships and capitalise on demand for Takaful products. Our efforts to explore distribution are not limited to Bancassurance, Company will also explore and build avenues such as alternative distribution and direct sales. Alongside increase in premium growth, Company

is taking concrete steps to improve profitability by improving internal controls and operational efficiency. The Company will continue its efforts for the sustainability of the business by providing better services to its customer and building value for its shareholders.

Company is also focusing on retention and motivation of the sales team by career development and compensation programs.

Your management is certain that focus on the above objectives will result in improvement of the financial results while developing an improved corporate culture within the organization. The Company is focused on the Board's vision and strategy, which, we are confident, will be mutually beneficial for the policyholders and shareholders of the organization.

The COVID-19 pandemic has been a source of stress and adversity, the world over. Covid-19 has not been as detrimental as initially expected, and perhaps local demographics and a successful strategy by the government has been able to wither the storm. Looking forward, a resurgence in Covid-19 cases is slowing down the economy rebound but due to widespread vaccination effort, acceleration in economic activity is expected which would spur stronger growth. The first half of fiscal year 2021 had been promising as economic activities have swung up in full throttle, though challenges from Covid may continue to remain in the near term as a third wave of pandemic has now entered Pakistan due to which smart-lockdown has been enforced in many parts of the country.

STATEMENT OF CODE OF CONDUCT

The Board has adopted the statement of Code of Conduct. All employees are informed of this statement and are required to observe these rules of conduct in relation to business and regulations.

DIVIDEND

The Board of Directors suggest that no dividend shall be declared for the year ended December 31, 2020, as Company has to focus on expanding business reach while maintaining solvency.

PATTERN OF SHAREHOLDING

The pattern of shareholding, as required by section 236 of the Companies Act 2017 and Code of Corporate Governance is enclosed.

STATUTORY AUDITORS

The present Auditors, M/s RSM Avas Hyder Liaquat Nauman Chartered Accountants, (Chartered Accountants) retire after the completion of current year term. The Board of Directors hereby propose the reappointment of M/S RSM Avas Hyder Liaquat Nauman- Chartered Accountants for the financial year 2021, on the recommendation of the Audit Committee.

ACKNOWLEDGEMENT

The directors would like to take this opportunity to extend their gratitude to the Securities and Exchange Commission of Pakistan (SECP) for their continued guidance and support to the Company's management.

The board also wishes to sincerely thank the Company's loyal policyholders and corporate clients for placing their trust and confidence in our organization.

The Directors also wish to record their appreciation for the extraordinary efforts of the management staff and field force of the Company towards its development and growth. Their constant dedication to high ethical standards, client service and hard work will make your Company an important member among the private sector life insurers.

Further, the Board would like to thank the Insurance Association of Pakistan (IAP) for their guidance, support and invaluable representation of our industry.

The Board also like to thank the reinsurers and bankers of the Company for their support and efforts towards the betterment of our business processes.

Finally, thanks to 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.

For and on behalf of the Board of Directors



Director



Chief Executive Officer

Date: March 26, 2021

ڈائریکٹرز رپورٹ برائے سال ۲۰۲۰ء

کمپنی ڈائریکٹرز، ۳۱ دسمبر ۲۰۲۰ء کو ختم ہونے والے سال کیلئے، بورڈ کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی بیانات، بشمول آڈیٹرز رپورٹ، پیش کرنے میں مسرت محسوس کرتے ہیں۔ کمپنی کے خارجی آڈیٹرز نے مالیاتی بیانات پر غیر مشروط رائے دی ہے۔

اہم سرگرمی

کمپنی تندی سے بیزینس کے کاروبار میں مشغول رہی ہے۔ ہم پاکستان بھر میں لوگوں اور کمپنیوں کو انفرادی بیزینس زندگی/ ونڈ وٹکنفل گروپ / کارپوریٹ لائف/ ونڈ وٹکنفل اور حادثاتی بیزینس فراہم کرتے ہیں۔

آپریٹیشنل جائزہ

ہمیں آپ کو اطلاع دینے میں خوشی ہو رہی ہے کہ، مارکیٹ میں موثر طور پر مقابلہ کرنے اور کاروبار کے صحیح اہداف بنانے کے قابل ہونے کے لئے، کمپنی کے آپریٹیشنل انفراسٹرکچر کو دوبارہ تشکیل دینے کیلئے بورڈ کی کوششیں بار آور ثابت ہونا شروع ہو گئی ہیں اور اب کمپنی کے پاس تقابلی پروڈکٹس کی مختلف اقسام موجود ہیں اور تقسیم کاری کی حکمت عملی موجود ہے۔ مارکیٹ میں مقابلتا بہتر ہونے کیلئے، آپ کی کمپنی کے بورڈ نے کاروبار کے لئے قلیل المدت اور طویل المدت حکمت عملی پر غور کیا ہے۔

2020ء کے آغاز پر، پاکستان کی معیشت محتاط مالی اور مالیاتی پالیسیوں کے نتیجے میں استحکام کی طرف گامزن تھی۔ البتہ کووڈ 19 کی عالمگیر وبا نے، عوام الناس میں صحت کے خطرات پیدا کرنے اور معاشی سرگرمیوں میں انتشار کی وجہ سے، ہمارے ملک کو متاثر کیا۔ کووڈ 19 کی پوری شدت 2020ء کی دوسری سہ ماہی میں محسوس کی گئی جب کاروباری سرگرمیاں ملک بھر میں لاک ڈاؤن کے سلسلے کی وجہ سے ایک حقیقی توقف میں آگئیں جن کا نفاذ مارچ 2020ء میں کیا گیا تھا۔ اس عالمی وبا کے نتیجے میں، پاکستان کو جی ڈی پی کی مد میں 0.4 فیصد کا اختصار اور مالیاتی سال 2020ء میں معاشی پیش رفت میں کمی کا سامنا کرنا پڑا۔

سال 2020ء میں حکمت عملی پر مشتمل منتقلی کی کوششوں سے تبدیلی نے کمپنی کے کاروبار میں ظاہر ہونا شروع کر دیا ہے۔ کمپنی نے سلک بینک لمیٹڈ اور سامبا بینک کے ساتھ بینکنگ سیکٹر کے ذریعے فروخت کو چینیلائز کرنے کیلئے بینک سٹورنس شراکت داری معاہدوں پر دستخط کئے۔ انتظامیہ پر امید ہے کہ اس سے کمپنی کے انفرادی بیزینس حیات کے کاروبار پر ایک مثبت اثر پڑے گا۔ 26 اگست 2020ء کو کمپنی نے، مستقبل میں کمپنی کی نشوونما کو تقویت پہنچانے کیلئے 400 ملین روپے رابٹ شیئر یعنی 10 روپے فی حصص کے 40 ملین حصص کے اجراء کا اعلان کیا تھا۔

عسکری الائف نے مارکیٹ میں تقابلی پیشکش سے ایجنسی کی تقسیم کاری کے ذریعے مئی 2020ء میں پہلی انفرادی فیملی تکافل پروڈکٹ کا آغاز کیا۔ نئی ٹیکنالوجی کے استعمال اور سسٹم کی اضافی قابلیتوں سے کم تر اخراجات ہونے اور صارفین کے اطمینان کو بہتر بنانے کی امید ہے۔ کمپنی عالمی وباء کے بعد پیدا ہونے والے مواقعوں پر نظر رکھے ہوئے ہے جب آمدنی اور بچت کی طرف مارکیٹ خطرے کو بھانپے گی جو کہ ایک مثبت اثر ہوگا جس طرح صارفین آنے والے وقتوں میں بیمہ حیات کی پروڈکٹس کا تصور رکھتے ہیں۔

کمپنی کی انتظامیہ نے، کمپنی کے کاروبار کی نشوونما کیلئے، پالیسی ہولڈرز، حصص کنندگان اور کمپنی کے دیگر اسٹیک ہولڈرز کو کواعلیٰ ترین درجے کی خدمات فراہم کرنے کے بورڈ کے ویژن پر خود کو مکمل طور پر پابند کیا ہوا ہے۔

مجموعی پرییمیم

سال کے دوران، مجموعی پرییمیم کی صورت حال درج ذیل رہی:

فرق	مجموعی پرییمیم '000 روپوں میں	قانونی فنڈز
	2019	2020
پہلے سال	100,779	121,257
دوسرے سال تجدید	1,572	52,560
سال مابعد تجدید	12,739	7,351
سنگل پرییمیم	59,244	37,745
انفرادی پرییمیم	174,334	218,913
نقد قدر کے ساتھ گروپ پالیسیاں	127,627	230,335
ٹوٹل:	301,961	449,264

ہمیں بیدار پورٹ کرنے میں خوشی محسوس ہو رہی ہے کہ الاک ڈاؤن کے اثر کے بعد اور محدود معاشی سرگرمیوں کے باوجود، آپ کی کمپنی نے مجموعی پرییمیم میں 49 فیصد کے قریب نشوونما دکھائی ہے۔ انفرادی بیمہ حیات کے کاروبار میں ہلکی نشوونما ظاہر ہوئی ہے جبکہ گروپ الائف کے کاروبار نے غیر معمولی نشوونما ظاہر کی جو کمپنی کے قائم کردہ خدمت کے درجات پر صارفین کے اعتماد کو ظاہر کرتا ہے۔

ہمارے پالیسی ہولڈرز/تکافل شراکت داروں کا ہم پر اعتماد اور یقین کاروبار کی تمام مدوں میں ظاہر ہوا جس سے کاروبار میں غیر معمولی نشوونما دیکھنے میں آئی۔ کمپنی نے سلک بینک اور سامبا بینک کو نئے بینک شراکت داروں کے طور پر شامل کیا ہے۔ بینک شراکت داروں کی پروڈکٹس کو مارکیٹ سے ایک اچھا رد عمل ملا اور کمپنی کو ایک نئے بینک شراکت دار کے طور پر 66.86 ملین روپے (2019: 25.39 ملین روپے) کے کاروبار کا موقع ملا۔ مزید برآں، انفرادی کاروبار اور گروپ الائف کاروبار بالترتیب 26 فیصد اور 80 فیصد بڑھ گیا۔

انفرادی بیمہ زندگی اور گروپ الائف کی سبزیٹیم نے کاروبار کے لئے اور تقابلی مصنوعات کا آغاز کر کے مارکیٹ میں کاروبار میں مناسب حصے کے حصول کے لیا ہدف مقرر کرنے کے ساتھ ساتھ انفرادی بیمہ حیات کے کاروبار کی تجدید کی اکثریت حاصل کرنے کیلئے مستعدی سے جدوجہد کی ہے۔ کمپنی نے کمپنی نے ایجنسی تقسیم کار چینل کے ذریعے سال کیدوران پہلی انفرادی فیملی تکافل پروڈکٹ کا آغاز کیا۔ ہم پُر امید ہیں کہ کمپنی اپنے روایتی اور تکافل صارفین کیلئے اختراعی مصنوعات پیش کر رہی ہے اور آنے والے سالوں میں یہ اپنے اہداف و مقاصد حاصل کرنے میں شامل ہوگی۔

اخراجات

سال 2020 کے دوران، مارکیٹنگ اینڈ ایڈمنسٹریشن اخراجات 180.46 ملین روپے رہے (۲۰۱۹: 213.34 ملین روپے)۔ یہ کمی خاص طور سے لاک ڈاؤن کے دوران لاگت اور محدود آپریشنل سرگرمیوں کیلئے انتظامیہ کی کوششوں کے باعث ہے۔ جبکہ دیگر اخراجات 25.19 ملین روپے رہے، جن میں پچھلے سال کے مقابلے میں 15.05 ملین کا اضافہ ہوا (۲۰۱۹: 10.14 ملین روپے)۔ یہ اضافی سال 2020 میں کمپنی کی جانب سے سرمائے کے مزید اجراء کی سرگرمی کے باعث ہے۔

کلیمز

سال 2020 کے دوران، اصل کلیمز کے اخراجات 126.70 ملین روپے رہے (۲۰۱۹: 82.13 ملین روپے) جو کاروبار میں اضافے کے اعتبار سے مطابقت رکھتا ہے۔

سرمایہ کاری اور دیگر آمدن

سنہ 2020 کیلئے سرمایہ کاری اور دیگر آمدن، سنہ 2019 کے اسی دورائے کے مقابلے میں جو کہ 76.44 ملین روپے تھی، 68.77 ملین روپے رہی، یہ خاص طور پر ملک میں ڈسکاؤنٹ کی شرحات میں کمی کے باعث ہے۔

کمپنی کا سرمایہ کاری پورٹ فولیو پچھلے سال 2019 کے اسی دورائے کے لئے جو کہ 623.46 ملین روپے تھا، حالیہ طور پر 909.45 ملین روپے رہا۔ سرمایہ کاری پورٹ فولیو میں یہ اضافہ رائٹ اجراء سے حاصل فنڈ کے حصہ کے باعث ہے۔ کمپنی نے سرمایہ کاری کے نئے مواقع پر مسلسل نظر رکھی ہوئی ہے اور ملک کی موجودہ معاشی اور سیاسی صورت حال کو بھی مد نظر رکھا ہوا ہے۔

کمپنی کی مالی کارکردگی

مزید برآں، سنہ 2020 کے لئے آپ کی کمپنی کا اصل نقصان (قبل از ٹیکس) 238.35 ملین روپے رہا، جس 24.02 ملین کی کمی آئی (۲۰۱۹: 262.37 ملین روپے)۔ فی حصص نقصان 2.09 روپے رہا (۲۰۱۹: 2.39 روپے)۔

کمپنی کی پیڈ اپ ضرورت

کمپنی اپنی موجودہ اور زیر منصوبہ کاروباری سرگرمیوں کو سہارا دینے کیلئے مناسب سرمایہ برقرار رکھتی ہے۔ سال کے دوران کمپنی نیا پنا منظور شدہ سرمائے میں 2 بلین روپے کا اضافہ کر دیا اور پیڈ اپ سرمائے میں بھی اضافہ کیا اور کاروبار کی نشوونما میں اعانت کیلئے اور نقد میں تبدیل کئے جانے والے اثاثوں کی ضروریات کیلئے اپنے حصص یافتگان کو رائٹ حصص بھی پیش کئے۔ رائٹ حصص مکمل طور پر سہسکرائب کئے گئے، جاری کئے گئے اور ان سے پیڈ اپ سرمایہ 1.502 بلین روپے تک پہنچ گیا۔ کمپنی نے 700 ملین روپے کی کم از کم سرمایہ کی ضرورت کو پورا کر دیا ہے جو کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے انشورنس قوانین 2017 کی شق 11 میں مقرر کی گئی ہے۔

ریٹائرمنٹ پر فوائد

کمپنی اپنے مستقل ملازمین کیلئے ایک غیر فنڈ شدہ گریجویٹ اسکیم چلاتی ہے۔ سال کے اختتام پر گریجویٹ فنڈ کی واجب الادائیگیوں کی رقم کا حساب انکچوری کی طرف سے کیا گیا ہے۔ 31 دسمبر 2020 کو غیر فنڈ شدہ گریجویٹ کامیزان، جیسا کہ انکچوری کی طرف سے ہدایت دی گئی، 18.15 ملین روپے تھا (۲۰۱۹: 12.18 ملین روپے)

مربوط اقرار میں سرمایہ کاری

کمپنی نے ایسٹ ویسٹ انشورنس کمپنی لمیٹڈ میں 0.251 ملین روپے (لاگت) کی ایکویٹی سرمایہ کاری کی ہے (۲۰۱۹: 0.251 ملین روپے) جبکہ سرمایہ کاری کی مارکیٹ ویلیو 31 دسمبر 2020 کو 0.565 ملین روپے تھی (۲۰۱۹: 0.408 ملین روپے)۔

متعلقہ فریق سے لین دین

ہر بورڈ میٹنگ میں، بورڈ آف ڈائریکٹرز آڈٹ کمیٹی کی سفارشات پر مربوط کمپنیوں اور متعلقہ فریقین سے کئے جانے والے لین دین کی منظوری دیتے ہیں ایسے تمام لین دین آرمز لینتھ (arm's length) کی بنیاد پر کئے جاتے ہیں۔

رسک مینجمنٹ اور ری انشورنس

کمپنی کے ری انشورنس انتظامات بین الاقوامی طور پر تسلیم شدہ، اعلیٰ کریڈٹ درجات کے حامل ری انشوررز کے ساتھ ہیں۔ لیسٹیٹیو کمپنیز (کوڈ آف کارپوریٹ گورننس) قوانین، 2019 کی ضرورت کے تحت، کمپنی نے رسک مینجمنٹ پالیسی تیار کر لی ہے اور اسکو کمپنی کی ویب سائٹ پر ڈال دیا گیا ہے۔ یہ پالیسی کارپوریٹ مقاصد کے حصول میں مدد دینے کیلئے کمپنی کے اندر خطرے کی تنظیم سے متعلق کمپنی کو رہنمائی فراہم کرتی ہے اور موثر فیصلہ سازی کے لئے کمپنی کے مالی استحکام کو یقینی بناتی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

بورڈ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کی طے کردہ ذمہ داریوں سے آگاہ ہے۔ چنانچہ، درج ذیل پیش ہیں:

- کمپنی کی انتظامیہ کے تیار کردہ مالیاتی بیانات اس کے امور کو، اسکے آپریشنز کے نتائج، نقد رقوم کے بہاؤ اور ایکویٹی میں تبدیلیاں واضح طور پر پیش کرتے ہیں
- کمپنی نے تمام تر کھاتے صحیح طور پر مرتب کئے ہیں
- مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور تبدیلیاں اگر کوئی ہیں تو ان کو مالیاتی بیانات میں ظاہر کیا گیا ہے اور اکاؤنٹنگ تخمینے مناسب اور محتاط فیصلے پر مبنی ہیں
- بین الاقوامی فنانشل رپورٹنگ اسٹنڈرڈز اور بین الاقوامی اکاؤنٹنگ اسٹنڈرڈز جیسے ان کا اطلاق پاکستان میں ہوتا ہے، مالیاتی بیانات کی تیاری میں ان پر عمل کیا گیا ہے اور اگر کسی باعث کہیں ان سے اختلاف ہوا ہے تو اسکو مناسب طور پر عیاں کیا گیا ہے اور اس کی وضاحت کی گئی ہے
- داخلی کنٹرول کا سسٹم اپنے ڈھانچے کے اعتبار سے کافی متوازن ہے اور موثر طور پر اطلاق شدہ اور زیر نگرانی ہے

• بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر آریٹس ایم او ایس حیدرلیاقت نعمان چارٹرڈ اکاؤنٹنٹس کی تقرری کی تجویز دے دی ہے اور 31 دسمبر 2021 کو ختم ہونے والے سال کے لئے خارجی آڈیٹرز کا دفتر سنبھالنے کیلئے حصص کنندگان کی منظوری کے لئے اس کی سفارش کر دی ہے

• بورڈ قطعی طور پر، کمپنی کے داخلی کنٹرول اور اس کی افادیت پر نظر ثانی کرنے کا ذمہ دار ہے۔ البتہ، ایسا سٹم مقاصد حاصل کرنے میں ناکامی کے خطرے کو ختم کرنے کی یہ نسبت اس کا انتظام چلانے کے لئے تشکیل دیا گیا ہے، اور اپنی نوعیت کے اعتبار سے مادی غلط بیانی یا نقصان کے خلاف صرف مناسب نہ مکمل یقین فراہم کرتا ہے۔ ڈویژنل لیول پر منفرد کاروبار کی حکمت عملیاں بورڈ کی طرف سے منظور کی جاتی ہیں۔ اسکے علاوہ، ایک سالانہ بکنگ اور حکمت عملی کی منصوبہ بندی کا طریقہ کار بھی موجود ہے۔ مالیاتی نتائج سے مادی بنیاد پر تیار کئے جاتے ہیں اور ان حکمت عملیوں پر، کاروبار کے ماحول میں نمایاں تبدیلیوں پر غور کرنے کیلئے پورے سال کے دوران نظر ثانی کی جاتی ہے

• کنٹرول فریم ورک کے اہم فیچرز میں شامل ہیں:

- سرمائے کے بڑے اخراجات اور دیگر لین دین کے لئے تخمینے اور منظوری کا طریقہ کار
- آپریٹنگ ارتقاء اور سہ ماہی مالیاتی بیانات کے استعمال سے، منجملہ کمپنی کے مالیاتی کارکردگی کی مسلسل رپورٹنگ اور نگرانی، جو کارکردگی کے کلیدی انڈیکسز اور بجٹ سے فرق اور سہ ماہی پیشین گوئیوں کی نشاندہی کرتی ہے
- گروپ کی صحت، حفاظت، ماحول کے غیر یقینی ہونے کی صورت میں انتظام کے طریقہ ہائے اور دیگر نمایاں پالیسیاں

• کمپنی کو یہ کاروبار جاری رکھنے کے لئے اسکی قابلیت کے متعلق کوئی واضح شکوک و شبہات نہیں ہیں

• کارپوریٹ گورننس کے بہترین طریقہ ہائے کار سے کہیں بھی کوئی مادی اختلاف نہیں کیا گیا ہے

• پچھلے چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی مواد منسلک ہے

• 31 دسمبر 2020ء کو کمپنی میں شیئر ہولڈنگ کا بیان رپورٹ میں شامل ہے

• سال کے دوران، ڈائریکٹرز (رائٹ حصص کے علاوہ)، چیف ایگزیکٹو آفیسر (رائٹ حصص کے علاوہ)، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی بیکریٹری، ہیڈ آف انٹرنل آڈٹ اور انکی شریک حیات اور نابالغ بچوں کی طرف سے، کمپنی کے حصص میں کوئی تجارت نہیں ہوئی ہے

بورڈ آف ڈائریکٹرز کی ترتیب اور ان کی میٹنگس

- ڈائریکٹرز کی کل تعداد 7 ہے جن میں 6 مرد حضرات ہیں اور ایک خاتون شامل ہیں
- کمپنی کے بورڈ آف ڈائریکٹرز کی ترتیب موجودہ طور پر درج ذیل پر مشتمل ہے:

نام	عہدہ
عائشہ رفیق	انڈیپنڈنٹ ڈائریکٹرز
طارق حمید	
جہاں زیب ظفر چیف ایگزیکٹو آفیسر	ایگزیکٹو ڈائریکٹر
لیفٹنٹ جنرل نوید مختار (ریٹائرڈ) ☆	نان ایگزیکٹو ڈائریکٹر
میجر جنرل محمد معظم علی گورایا (ریٹائرڈ) ☆	
ایئر وائس مارشل محمد اطہر شمس (ریٹائرڈ) ☆	
ملک رفعت محمود	
جاوید یونس	

- ☆ لیفٹنٹ جنرل نجیب اللہ خان (ریٹائرڈ)، میجر جنرل امتیاز حسین شیرازی (ریٹائرڈ) اور میجر جنرل اختر اقبال (ریٹائرڈ) نے 31 جنوری 2021ء کو استعفیٰ دے دیا۔
19 فروری 2021ء کو بورڈ کی طرف سے وقتی آسامی پیک کی گئی۔ لیفٹنٹ جنرل نوید مختار (ریٹائرڈ)، میجر جنرل محمد معظم علی گورایا (ریٹائرڈ) اور ایئر وائس مارشل محمد اطہر شمس (ریٹائرڈ) نے سبکدوش ہونے والے ڈائریکٹرز کی جگہ کمپنی کے بورڈ میں جگہ لے لی۔

سال ۲۰۲۰ء کے دوران، بورڈ آف ڈائریکٹرز کی چھ میٹنگس ہوئیں اور ان میں شرکت کی صورت حال درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	شرکت کی گئی میٹنگس کی تعداد
1	لیفٹنٹ جنرل نجیب اللہ خان (ریٹائرڈ)	پانچ میں سے پانچ
2	میجر جنرل امتیاز حسین شیرازی (ریٹائرڈ)	پانچ میں سے پانچ
3	میجر جنرل اختر اقبال (ریٹائرڈ)	پانچ میں سے پانچ
4	ملک رفعت محمود	پانچ میں سے پانچ
5	طارق حمید	پانچ میں سے پانچ
6	جاوید یونس	پانچ میں سے پانچ
7	عائشہ رفیق	پانچ میں سے تین
8	جہاں زیب ظفر چیف ایگزیکٹو آفیسر	پانچ میں سے پانچ

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

بورڈ کمیٹیوں کی ترتیب

بورڈ نے درج ذیل بورڈ کمیٹیاں تشکیل دی ہیں:

1. انسٹیکس، ہیومن ریسورس اور ریویو نیشن اور نو مینٹیننس کمیٹی

رکن کا نام	عہدہ
عائشہ رفیق	چیئر پرسن
ایزواؤس مارشل محمد اطہر شمس (ریٹائرڈ)*	رکن
میجر جنرل محمد معظم علی گورایا (ریٹائرڈ)*	رکن
جہاں زیب ظفر	رکن
سلمان احمد سعید	سیکرٹری

2.

سرماہ کمیٹی

رکن کا نام	عہدہ
ملک رفعت محمود	چیئر مین
ایزواؤس مارشل محمد اطہر شمس (ریٹائرڈ)*	رکن
جہاں زیب ظفر	رکن
ریحان مبین	رکن
نعمان نور محمد	رکن
سیدہ حاجرہ نازش جعفری	سیکرٹری

3.

آڈٹ کمیٹی

رکن کا نام	عہدہ
طارق حمید	چیئر پرسن
میجر جنرل محمد معظم علی گورایا (ریٹائرڈ)*	رکن
ملک رفعت محمود	رکن
سیدہ حاجرہ نازش جعفری	سیکرٹری

بورڈ نے درج ذیل انتظامی کمیٹیاں بھی تشکیل دی ہوئی ہیں:

1. انڈر رائٹنگ اور ری انشورنس کمیٹی

رکن کا نام	عہدہ
ایزواؤس مارشل محمد اطہر شمس (ریٹائرڈ)*	چیئر مین
جہاں زیب ظفر	رکن
نعمان نور محمد	رکن
سمیر سرور	رکن اور سیکرٹری

	2.	کلیم تصفیہ کمیٹی
عہدہ	رکن کا نام	
چیئر مین	میجر جنرل محمد معظم علی گورایا (ریٹائرڈ)*	
رکن	جہاں زیب ظفر	
رکن	ریحان مبین	
رکن اور سیکریٹری	بشری آفتاب	

	3.	رسک مینجمنٹ اینڈ کمپلائنس کمیٹی
عہدہ	رکن کا نام	
چیئر مین	ایزواؤس مارشل محمد اطہر شمس (ریٹائرڈ)*	
رکن	طارق حمید	
رکن	جہاں زیب ظفر	
رکن	ریحان مبین	
رکن	نعمان نور محمد	
رکن اور سیکریٹری	سندھ پ کمار	

* 31 جنوری 2020ء کو سکہ وٹس ہونے والے ڈائریکٹروں کی تعین میں میجر جنرل امتیاز حسین شیرازی (ریٹائرڈ) کی جگہ، میجر جنرل محمد معظم علی گورایا (ریٹائرڈ) نے تمام کمیٹیوں میں جگہ لی اور ایزواؤس مارشل محمد اطہر شمس (ریٹائرڈ) نے میجر جنرل اختر اقبال (ریٹائرڈ) کی جگہ متعلقہ کمیٹیوں میں جگہ لی۔ 19 فروری 2021ء کو بورڈ کی طرف سے وقت آسامی رُک گئی۔ چنانچہ تمام بورڈ اور انتظامیہ کمیٹیاں دوبارہ تشکیل دی گئیں۔

نان ایگزیکٹو ڈائریکٹرز کے معاوضے کی پالیسی

بورڈ اپنے کاروبار میں انڈیپنڈنٹ ڈائریکٹرز کی نمائندگی اور ان کے تجربے کی قدر کرتا ہے۔ کمپنی کے فروغ اور استحکام کے لئے رکن ڈائریکٹرز کے پیشہ ورانہ حصے کے لئے ان کی خدمات کو سراہنے کے لئے معاوضہ پالیسی کا فیصلہ بورڈ کی جانب سے کیا جاتا ہے۔ میٹنگ فیس کے علاوہ، بورڈ میٹنگس میں شرکت کے لئے متعلقہ بورڈ ارکان کی طرف سے جب ضرورت ہو، ان ڈائریکٹرز کو سفر/قیام و طعام اور دیگر اخراجات کیلئے بازادائیگی کی جاتی ہے۔ بورڈ نے اس بات کو یقینی بنایا ہے کہ انڈیپنڈنٹ ڈائریکٹرز کا معاوضہ ان کے تجربے کے درجے کے مطابق اور مناسب ہوگا۔ ایک رکنی بورڈ ریٹیریٹیشن پالیسی بنائی گئی ہے جو بورڈ کے ارکان کے معاوضے طے کرنے کیلئے ایک رہنمائی فراہم کرنے والے بینارکام کرتی ہے۔

بیمہ صنعت کو درپیش چیلنجز

سیلز ٹیکس کا اطلاق

موجودہ طور پر، بیمہ صنعت کو سب سے بڑے چیلنج کا سامنا، صوبائی ریونیو اتھارٹیز کی جانب سے صوبائی سیلز ٹیکس کے اطلاق سے متعلق ہے۔

سال کے دوران، سندھ ریونیو بورڈ نے اپنے نوٹیفیکیشن SRB-3-4/5/2019 مورخہ 8 مئی 2019ء کے ذریعے 30 جون 2019ء تک بیمہ حیات پریسٹرنس کا اسٹیٹس دیا ہے۔ پہلی جولائی 2019ء سے، بیمہ حیات 1 فیصد کی شرح سے اور گروپ لائف بیمہ 13 فیصد کی شرح سے قابل ٹیکس کر دیا گیا ہے۔ مزید یہ کہ پنجاب ریونیو اتھارٹی نے بھی بیمہ حیات پر اسٹیٹس واپس لے لیا اور اس کو پنجاب سٹریٹس سے مشروط کر دیا۔ کمپنی نے انشورنس ایسوسی ایشن آف پاکستان کے فورم کے ذریعے اجتماعی طور پر، پنجاب ریونیو اتھارٹی اور سندھ ریونیو بورڈ کے خلاف لاہور ہائی کورٹ میں اور ہائی کورٹ آف سندھ میں بالترتیب 28 ستمبر 2019ء اور 28 نومبر 2019ء کو ایک رٹ/آئینی پیشینہ داخل کی تھی۔ اور چھوٹ سے بیمہ صنعت نے انشورنس ایسوسی ایشن آف پاکستان کے فورم کے ذریعے مجموعی طور پر پاکستان میں بیمہ کے پھیلاؤ کو بڑھانے کے لئے تکنیکی بنیادوں پر صوبائی سٹریٹس کی چھوٹ کیلئے متعلقہ اتھارٹیز سے اس مسئلے کو اٹھایا ہے۔

قانونی مشیر کی دی گئی رائے کے مطابق، بیمہ پریمیم سروس کے زمرے میں نہیں آتا بجائے اس کے بیمہ پالیسی ایک مالی انتظام ہے جو ایک مشروط معاہدہ کی شکل میں ہوتا ہے اور سروس نہیں ہے جس پر سٹریٹس کا نفاذ کیا جائے (اور یہ کہ بیمہ کمپنی ایک سروس پیش نہیں کر رہی ہے)۔ پنجاب اور سندھ کی ہائی کورٹس میں داخل کی جانے والی پیشینہ میں یہی وضاحتیں شامل ہیں۔ یہ بیمہ حیات کمپنیوں کی بھی رائے ہے کہ پالیسی کی مدت کے دوران، ایک پالیسی ہولڈر سے وصول کئے گئے پریمیم کی ایک وسیع اکثریت، درحقیقت پالیسی ہولڈرز کے سرمائے میں واضح کی جاتی ہے جس کو سروس کا نام نہیں دیا جاسکتا۔ درج بالا کی روشنی میں کمپنی نے اپنے صارفین پر سٹریٹس کی وصولی کا اطلاق شروع نہیں کیا ہے۔ قانونی مشیر کی ہدایت کے مطابق، خطرے کے احتمال پر مبنی پریمیم کی بنیاد پر حساب لگائی گئی سٹریٹس کی رقم تقریباً 35.3 ملین روپے بنتی ہے۔ مزید برآں، قانون کی روشنی میں، سٹریٹس نافذ نہیں کیا جاسکتا کیونکہ بیمہ سروس نہیں ہے۔

مزید یہ کہ پیشینہ داخل کرنے کے ساتھ ساتھ، بیمہ حیات پریمیم پر سٹریٹس سے متعلق معاملات تمام صوبائی ٹیکس اتھارٹیوں یعنی سندھ ریونیو بورڈ، پنجاب ریونیو بورڈ، بلوچستان ریونیو بورڈ اور بیمہ حیات انڈسٹری کے نمائندوں کی میٹنگ میں بھی زیر بحث آئے جہاں یہ معاملات حل کرنے کیلئے انشورنس نمائندوں کی ایک مشترکہ کمیٹی تشکیل دینے پر آمادگی ظاہر کی گئی۔ درج بالا قانونی رائے اور جاری مباحثات کی بنیاد پر، کمپنی سمجھتی ہے کہ معزز ہائی کورٹس میں داخل کی گئی آئینی پیشینہ اور رٹ پیشینہ میں میرٹ پراس کا ایک مناسب طور پر مضبوط کیس ہے۔

یہی تفصیلات آڈٹ شدہ مالیاتی بیانات کے نوٹ 25.1.3 میں پیش کی گئی ہیں۔

اینٹی منی لانڈرنگ کی ضروریات کی پاسداری

مزید برآں، بیمہ حیات کمپنیاں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے عائد کی گئی سخت اینٹی منی لانڈرنگ ضروریات کے اطلاق میں بھی چیلنجز کا سامنا کر رہی ہیں۔ اینٹی منی لانڈرنگ قوانین کے موثر اطلاق کے لئے، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان وقتاً فوقتاً اینٹی منی لانڈرنگ قوانین پر بیمہ کمپنیوں کیلئے ضروری آگاہی سیشنز کا اہتمام کیا اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مختلف سیشنز میں بیمہ صنعت کے نمائندگان نے اپنے تفلکرات کا اظہار کیا اور تفصیل سے اینٹی منی لانڈرنگ قوانین کے اطلاق میں درپیش چیلنجز پر گفتگو کی اور کمپنیوں نے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے اینٹی منی لانڈرنگ قوانین کی باضابطہ موثر عملداری کیلئے کمپنیوں کو ضروری مدد فراہم کرنے کی درخواست بھی کی ہے۔

مزید یہ کہ، کمپنیاں صارفین سے ان کے فنڈز کی دستیابی سے متعلق ان کی دستاویزات کے حصول میں اور اینٹی منی لانڈرنگ قوانین سے آگاہی نہ ہونے کے سبب کئی چیلنجز کا سامنا کر رہی ہیں۔

ضابطہ اخلاق

بورڈ آف ڈائریکٹرز نے بیمہ زندگی کا کاروبار چلانے کے لئے، ایمان داری اور دیانت داری کے ساتھ، پیشہ ورانہ اسٹینڈرڈز اور کارپوریٹ اقدار کو اپنایا ہے۔ اسٹیک ہولڈرز کے لئے کمپنی اور اس کے ملازمین کے کردار اور ذمہ داریاں مکمل طور پر ضابطہ اخلاق میں کی شکل میں پیش کی گئی ہیں۔ بورڈ اس ضابطہ اخلاق کو پوری کمپنی میں پھیلانے کے لئے ضروری اقدامات کر رہا ہے اور یہ کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

مستقبل پر نظر

2020ء انتشار اور موافقت کا سال رہا۔ کووڈ 19 کی عالمی وبا نے کو دنیا کو موثر طور پر از سر نو ترتیب کے اسلوب، زندگی کی از سر نو تشریح پر مجبور کر دیا ہے۔

2020ء میں معیشت کو اس وبا کے باعث بے مثال چیلنجز کا سامنا ہوا۔ بورڈ آف ڈائریکٹرز اور آپ کی کمپنی کی انتظامیہ کمپنی کی مالیات پر اس کے اثر سے نمٹنے اور اس کو کم کرنے کے لئے طریقوں کی حکمت عملیوں اور بعد از وبا نئے مواقع تلاش کرنے کیلئے ہر ممکن کوشش کر رہے ہیں۔

2021ء میں اور بعد ازاں، کمپنی کی انتظامیہ مارکیٹنگ کی نئی حکمت عملی کو فروغ دینے کے لئے تقسیمی میٹ ورک کی وسعت اور اسکی ترقی پر توجہ جاری رکھے گی اور حصص کنندگان کیلئے زیادہ سے زیادہ قدر پیدا کرے گی۔ کمپنی بینکیشنز کی شراکت داریاں متعارف کرا کے کاروبار بڑھانے پر توجہ جاری رکھے گی اور تکافل مصنوعات کیلئے ضرورت پر سرمایہ کاری کرے گی۔ تقسیم کاری کو پھیلانے کے لئے ہماری کوششیں صرف بینکیشنز تک محدود نہیں رہیں گی، بلکہ کمپنی اور ذرائع بھی تلاش کرے گی اور ان کو اپنائے گی جیسے کہ متبادل تقسیم کاری اور براہ راست سیلز۔ پریمنیم کی نشوونما کے اضافے کے ساتھ ساتھ، کمپنی داخلی کنٹرول اور آپریشنل صلاحیتوں اور کارکردگیوں کو مزید بہتر کر کے، منافع جات بہتر بنانے کے لئے ٹھوس اقدامات اٹھائے گی۔ اس حصول کے سلسلے میں، کمپنی اپنے صارفین کو بہتر خدمات فراہم کر کے اور حصص کنندگان کیلئے قدر بنا کر، کاروبار کے استحکام کیلئے اپنی کوششیں جاری رکھے گی۔

کمپنی نے سیلز ٹیم کو نئے کیریئر میں ترقی کے پروگرام کے علاوہ، معاوضے کے ذریعے، انکو کمپنی میں برقرار رکھنے اور حوصلہ افزائی اور ترغیب پر بھی توجہ مرکوز کی ہوئی ہے۔

آپ کی انتظامیہ کو یقین ہے کہ درج بالا اہداف پر توجہ سے بہتر مالیاتی نتائج حاصل ہونگے جبکہ یہ ادارے کے اندر ایک بہتر کارپوریٹ کلچر کو فروغ بھی دے گا۔ کمپنی بورڈ کے ویژن اور حکمت عملی پر اپنی توجہ مرکوز رکھے ہوئے ہے جو، ہمیں بھروسہ ہے کہ پالیسی ہولڈرز کے لئے اور ادارے کے حصص کنندگان کیلئے مشترکہ طور پر فائدہ مند ثابت ہوگی۔

کووڈ 19 کی وبا دنیا بھر کیلئے پریشانی اور افتاد کا سبب بنی ہے۔ کووڈ 19 اتنا ضرر رساں نہیں ہوا ہے جیسا کہ ابتدائی طور پر امید کی جارہی تھی اور شاید حکومت کی جانب سے مقامی شایعات اور ایک کامیاب حکمت عملی اس طوفان کو کم کرنے کی وجہ بنی۔ اگر آگے دیکھیں تو کووڈ 19 کیسوں کا پھر سے سراٹھانے سے معیشت کا حصول سست ہو رہا ہے لیکن بڑے پیمانے پر پھیلی ہوئی ویکسی نیشن کی کوشش سے، معاشی سرگرمی میں اسراع کی امید ہے جو مضبوط تر نشوونما کیلئے حوصلہ دے گا۔ مالیاتی سال 2021 کی پہلی ششماہی امید افزا تھا کیونکہ معاشی سرگرمیاں بھرپور طور پر چل رہی تھیں ہر چند کووڈ سے پیدا ہونے والے چیلنجز قریبی مدت میں بھی جاری رہیں کیونکہ عالمی وبا کی تیسری لہر پاکستان میں داخل ہوگئی ہے جس کی وجہ سے ملک کے کئی حصوں میں اسمارٹ لاک ڈاؤن نافذ کر دیا گیا ہے۔

ضابطہ اخلاق کا بیان

بورڈ نے ایک ضابطہ اخلاق اپنایا ہوا ہے۔ تمام ملازمین کو اس بیان سے آگاہ کر دیا گیا ہے جن کو کاروبار اور ریگولیشنز سے متعلق اخلاق کے ان قوانین پر عمل پیرا ہونے کی ضرورت ہے۔

ڈویڈنڈ

بورڈ آف ڈائریکٹرز نے تجویز دی ہے کہ ۳۱ دسمبر ۲۰۲۰ کو ختم ہونے والے سال کے لئے کسی ڈویڈنڈ کا اعلان نہیں کیا جائے گا کیونکہ کمپنی ادائے قرض کی صلاحیت کو برقرار رکھتے ہوئے کاروبار کو وسعت دینے پر توجہ مرکوز رکھنا چاہتی ہے۔

شیر ہولڈنگ کا نمونہ

کمپنیز ایکٹ 2017 کی شق 236 اور کوڈ آف گورننس کے تحت درکار، شیر ہولڈنگ کا نمونہ منسلک ہے۔

قانونی آڈیٹرز

موجودہ آڈیٹرز، میسرز آرائس ایم او ایس حیدرلیاقت نعمان چارٹرڈ اکاؤنٹنٹس (چارٹرڈ اکاؤنٹنٹس) موجودہ سال کی مدت کی تکمیل پر ریٹائر ہو رہے ہیں۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر مالیاتی سال 2021 گئے لئے میسرز آرائس ایم او ایس حیدرلیاقت نعمان چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی تجویز دے دی ہے۔

اظہار شکر

ڈائریکٹرز کمپنی کی انتظامیہ کی حمایت اور مسلسل رہنمائی کیلئے سیکرٹریز اینڈ ایگزیکٹو کمیشن آف پاکستان کے مشکور ہیں۔

بورڈ کمپنی کے خیر خواہ پالیسی ہولڈرز اور کارپوریٹ صارفین کا بھی خلوص دل سے شکر یہ ادا کرنا چاہتا ہے جنہوں نے ہمارے ادارے میں اپنا اعتماد اور اعتبار قائم رکھا۔


ڈائریکٹرز کمپنی کے انتظامی عملے اور فیلڈ فورس کی معمول سے بہت کر کاوشوں کو جو انہوں نے کمپنی کی ترقی اور نشوونما میں پیش کیں، خراج تحسین پیش کرتے ہیں۔ اعلیٰ اخلاقی اسٹینڈرڈز کیلئے، صارف کو پیش کی جانے والی خدمات اور جانفشانی سے کام کرنے کے لئے، ان کی مسلسل وابستگی آپ کی کمپنی کو کئی شعبے میں بے زبرد گیر کا کاروبار کرنے والوں میں ایک اہم رکن بنائے گی۔


مزید برآں، بورڈ، انشورنس ایسوسی ایشن آف پاکستان کا بھی، اگلی رہنمائی، تعاون اور ہماری صنعت کی قابل قدر نمائندگی کیلئے شکر یہ ادا کرنا چاہے گا۔

بورڈ، ری انشورنس اور کمپنی کے بینکرز کا بھی، ہماری کارروباری طریقہ جات کے بہتری کے لئے انکے تعاون اور کوششوں کا بھی شکر یہ ادا کرنا چاہے گا۔

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

بورڈ آف ڈائریکٹرز کی جانب سے


چیف ایگزیکٹو آفیسر


ڈائریکٹر

۲۶ مارچ ۲۰۲۱ء

KEY FINANCIAL DATA FOR THE LAST SIX YEAR DATA

2020	2019	2018	2017	2016	2015
281,371	219,535	25,661	16,758	20,081	31,584
68,769	76,437	32,811	25,622	40,209	32,379
350,140	295,972	58,472	42,380	60,290	63,963
126,702	82,127	50,083	37,332	49,516	73,712
195,752	178,998	11,222	3,399	4,010	7,675
205,650	223,482	114,271	42,473	48,674	47,355
60,390	73,735	(4,366)	(5,751)	(19,959)	(33,651)
(238,354)	(262,370)	(112,738)	(35,073)	(21,951)	(31,128)
(447)	(510)	(255)	(589)	(166)	(1,085)
(238,801)	(262,880)	(112,993)	(35,662)	(22,117)	(32,213)
822,950	510,611	714,005	423,768	359,808	305,099
163,855	159,548	123,985	86,070	97,455	218,421
63,367	99,749	5,383	17,129	19,291	21,302
1,050,172	769,908	843,373	526,967	476,554	544,822
1,501,720	1,101,720	1,101,720	601,720	601,720	594,292
	-	-	100,000	-	-
(1,072,628)	(828,874)	(563,359)	(448,752)	(411,596)	(391,462)
335,091	264,125	186,713	189,445	193,747	215,406
285,989	232,937	118,299	84,554	92,683	126,586
1,050,172	769,908	843,373	526,967	476,554	544,822

پچھلے چھ سال کا کلیدی معلوماتی مواد

2015	2016	2017	2018	2019	2020	
000 روپے میں	000 روپے میں	000 روپے میں	000 روپے میں	000 روپے میں	000 روپے میں	
						آمدنی اکاؤنٹ
31,584	20,081	16,758	25,661	219,535	281,731	پریمیئم - ری انشورنس کا کل مجموعہ
<u>32,379</u>	<u>40,209</u>	<u>25,622</u>	<u>32,811</u>	<u>76,437</u>	<u>68,769</u>	سود اور دیگر آمدنی
<u>63,963</u>	<u>60,290</u>	<u>42,380</u>	<u>58,472</u>	<u>295,972</u>	<u>350,140</u>	
73,712	49,516	37,332	50,083	82,127	126,702	کلیم منفی ری انشورنس
7,675	4,010	3,399	11,222	178,998	195,752	کمیشن اور حصول کی لاگت
47,355	48,674	42,473	114,271	223,482	205,650	دیگر انتظامی اخراجات
<u>(33,651)</u>	<u>(19,959)</u>	<u>(5,751)</u>	<u>(4,366)</u>	<u>73,735</u>	<u>60,390</u>	پالیسی ہولڈرز کی ذمہ داریوں میں تحریک
<u>(31,128)</u>	<u>(21,951)</u>	<u>(35,073)</u>	<u>(112,738)</u>	<u>(262,370)</u>	<u>(238,354)</u>	نفع/(نقصان) قبل از ٹیکس
<u>(1,085)</u>	<u>(166)</u>	<u>(589)</u>	<u>(255)</u>	<u>(510)</u>	<u>(447)</u>	ٹیکس
<u>(32,213)</u>	<u>(22,117)</u>	<u>(35,662)</u>	<u>(112,993)</u>	<u>(262,880)</u>	<u>(238,801)</u>	نفع/(نقصان) بعد از ٹیکس

2015	2016	2017	2018	2019	2020	
000 روپے میں	000 روپے میں	000 روپے میں	000 روپے میں	000 روپے میں	000 روپے میں	
						بیلنس شیٹ
305,099	359,808	423,768	714,005	510,611	822,950	سرمایہ کاری
218,421	97,455	86,070	123,985	159,548	163,855	دیگر اثاثہ جات
<u>21,302</u>	<u>19,291</u>	<u>17,129</u>	<u>5,383</u>	<u>99,749</u>	<u>63,367</u>	مستقل اثاثہ جات
<u>544,822</u>	<u>476,554</u>	<u>526,967</u>	<u>843,373</u>	<u>769,908</u>	<u>1,050,172</u>	
594,292	601,720	601,720	1,101,720	1,101,720	1,501,720	جاری کردہ، اقراری اور پیڈ اپ سرمایہ
-	-	100,000	-	-	-	ایکویٹی کے بدلے میں ایڈوانس
<u>(391,462)</u>	<u>(411,596)</u>	<u>(448,752)</u>	<u>(563,359)</u>	<u>(828,874)</u>	<u>(1,072,628)</u>	مجموعی زائد از ضرورت (نقصان)
215,406	193,747	189,445	186,713	264,125	335,091	قانونی فنڈ کا بقایا
<u>126,587</u>	<u>92,683</u>	<u>84,554</u>	<u>118,299</u>	<u>232,937</u>	<u>285,989</u>	دیگر واجب الادائیگیاں
<u>544,822</u>	<u>476,554</u>	<u>526,967</u>	<u>843,373</u>	<u>769,908</u>	<u>1,050,172</u>	

Independent Auditor's Review Report

To the members of Askari Life Assurance Company Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 and Code of Corporate Governance for Insurers, 2016

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Code of Corporate Governance for Insurers, 2016 (both herein referred to as 'the Regulations') prepared by the Board of Directors of Askari Life Assurance Company Limited ('the Company') for the year ended December 31, 2020 in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and provisions of the Code of Corporate Governance for Insurers, 2016.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2020.



Chartered Accountants

Karachi

Dated: April 01, 2021

Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 & Listed Companies (Code of Corporate Governance) Regulations, 2019 for the Yearended December 31, 2020

Askari Life Assurance Company Limited

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 and Listed Companies (Code of Corporate Governance) Regulations 2019, for the purpose of establishing a framework of good Governance, whereby the Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The total number of directors are 7 as per the following,-
 - a. Male: 6
 - b. Female: 1
2. The Company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Directors	Ayesha Rafique Tariq Hameed
Executive Director	Jehanzeb Zafar- CEO
Non-Executive Directors	Lt Gen Najib Ullah Khan, (Retd) Maj Gen Imtiaz Hussain Sherazi (Retd) Maj Gen Akhtar Iqbal (Retd) Malik Riffat Mahmood Javed Yunus
Female Director	Ayesha Rafique

All the independent Directors meet the criteria of independence as laid down under the Code of Corporate Governance for Insurer, 2016 and Listed Companies (Code of Corporate Governance) Regulations 2019.

3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
4. All the resident directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a Banking Company, A Development Financial Institution (DFI) or Non-Banking Financial Institution or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
5. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with supporting policies and procedures.
6. The Board has developed a vision /mission statement, overall Corporate Strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers, have been taken by the Board as empowered by the relevant provisions of the Act and Code of Corporate Governance 2019 regulations.

8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers were circulated at least seven (07) days before the meeting. The minutes of the meeting were appropriately recorded and circulated. The Board has complied with the requirements of the act and regulations with respect to frequency, recording and circulating minutes of the Board meeting.
9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code according to the provided timeline.
10. The Company has undertaken the process of orientation course for its Directors.
11. Three of the Board members have undertaken Directors' Training Program. More members are encouraged to carry out the program by June 30, 2021.
12. The Directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance for Insurers, 2016, Listed Companies Code of Corporate Governance 2019 and fully describes the salient matters required to be disclosed.
13. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
14. The financial statements of the Company were duly endorsed by the Chief Executive Officer and Chief Financial Officer before approval of the Board.
15. The Directors, Chief Executive Officer and other executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.
16. The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016.
17. The Board has formed the following Management Committees:

1) Underwriting & Reinsurance Committee:

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

2) Claim Settlement Committee:

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

3) Risk Management & Compliance Committee

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

18. The Board has formed the following Board committees:

1) Ethics, Human Resource, Remuneration and Nominations Committee:

Name of the Member	Category
Ayesha Rafique	Chairperson
Maj.Gen Akhtar Iqbal (Retd)	Member
Maj Gen Imtiaz Hussain Sherazi (Retd)	Member
Jehanzeb Zafar	Member
Salman Ahmad Saeed	Secretary

2) Investment Committee:

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

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

Audit Committee:	
Name of the Member	Category
Tariq Hameed	Chairman
Maj Gen Imtiaz Hussain Sherazi (Retd)	Member
Malik Riffat Mahmood	Member
Syeda Haajra Nazish Jafri	Secretary

20. The meeting of the Investment Committee was held at least once every quarter. The meeting of Audit Committee was held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code of Corporate Governance for Insurers, 2016. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

21. An effective internal Audit function is in place which is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

22. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code of Corporate Governance for Insurers, 2016. The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the persons heading the underwriting, claim, reinsurance, risk management and grievance functions/departments possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000);

Name of the Person	Designation
Mr. Jehanzeb Zafar	Chief Executive Officer
Mr. Rehan Mobin	Chief Financial Officer
Mr. Noman Muhammad	Chief Operating Officer/Actuary/Head of Risk Management
Mr. Sandeep Kumar	Head of Compliance
Ms. Syeda Haajra Nazish Jafri	Company Secretary
Mr. Atif Usman	Head Internal Audit
Mr. Sumair Sarwar	Head of Underwriting
Ms. Bushra Aftab	Head of Claims
Mr. Mohib ul Haq	Head of Reinsurance
Mr. Azfar Khan	Head of Grievance

23. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No, XXXIX of 2000). The statutory auditors have confirmed that they have been given as at is factory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

24. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

25. The Appointed Actuary by the Company has confirmed that neither he nor his spouse and minor children hold shares of the Company.

26. The Board ensures that the Appointed Actuary complies with the requirements set out for him in the Code of Corporate Governance for Insurers, 2016.

27. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code of Corporate Governance for Insurers, 2016.

28. The Board ensures that the Risk management system of the Company is in place as per there quirement of the Code of Corporate Governance for Insurers, 2016.

29. The Company has set up a risk management function, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016.

30. The Board has developed a mechanism for the annual evaluation of the board's own performance, members of board and of its committees. The Board evaluation was carried out during the year.

31. The Company has been awarded an 'A minus' rating with stable outlook by PACRA.
32. The Board has setup a grievance department/function as per the requirement of the Code of Corporate Governance for Insurers, 2016.
33. The Company has not obtained any exemptions from the Securities and Exchange Commission of Pakistan in respect of the requirements of the Code of Corporate Governance for Insurers, 2016.
34. We confirm that all requirements of regulation 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with.

By order of the Board



Jehanzeb Zafar
Chief Executive Officer

Date: March 26, 2021

Shariah Advisor Review Report to the Board of Directors Year ended December 31, 2020

الحمد لله رب العلمين والصلاة والسلام على سيد الأنبياء والمرسلين
محمد النبي الأمي وعلى آله وصحابه أجمعين ، وبعد!

The Company was licensed by SECP and commenced its Window Takaful Operations in 2019. By the grace of Almighty Allah, the year under review was the second year having the Company offered its services for 12 months reporting period. The dedicated and sincere efforts of Management, Development Staff, support and guidance of Board of Directors are applaudable that enable the Company to underwrite a progressive number in a 2nd year of its WTO Operations.

I have examined the accompanying financial statements, Takaful Products and Investment Policy of Askari Life Assurance Company Limited - Window Takaful Operations (hereafter referred to as "the Window Takaful") for the year ended 31 December, 2020.

I acknowledge that as the Shariah Advisor of the Window Takaful, it is my responsibility to ensure that the financial arrangements, contracts and transactions entered into by the Window Takaful with its participants and stakeholders are in compliance with the requirements of Shariah rules and principles. It is the responsibility of the Window Takaful's management to ensure that the rules, principles and guidelines set by the Shariah Advisor are complied with, and that all policies and services being offered are duly approved by the Shariah Advisor.

The primary scope of Shariah Audit is to review the Window Takaful's compliance with Shariah Guidelines, and includes the examination of the appropriate evidence of transactions undertaken by the Window Takaful during the year 2020.

It is the responsibility of the Shariah Advisor to express his opinion on the submitted financial statements. In my opinion, and to the best of my understanding based on the provided information and explanations, below are the findings:

- (i) Financial transactions undertaken by the Window Takaful for the year ended December, 31 2020 were in accordance with guidelines issued by Shariah Advisor as well as the requirements of Takaful Rules 2012.
- (ii) The guidance has been provided regarding development of new products and review of investment policy in compliance of Statutory and Shariah Laws. Furthermore, the management of the Window Takaful has been advised to strictly follow Shariah compliance and contact for clarification when required, if any.
- (iii) Training Session has been conducted for management, development and operational staff for understanding the Takaful Principles and basis of Products. I hope that these learning sessions will continue in future for new entrants and update the change in business environments.
- (iv) Consequently, we have found that the Window Takaful is in accordance with the Shariah principles in all transactional aspects.

In conclusion, I pray to Almighty Allah to strengthen us to face the challenges in current COVID-19 crises and give patience to those who lost their loved ones and safe us in future from such epidemic. In addition, Allah Subhana Taala guide us the Sirat-e-Mustaqeem, enable us to overcome every hindrance/weaknesses and bring financial prosperity to Askari Life Window Takaful Operations and all its stakeholders and meet the expectation of our Takaful Participants' confidence and trust with our competitive services and returns.



Mufti Zubair Usmani
Shariah Advisor

Management's Statement of Compliance with the Shariah Principles Year ended December 31, 2020

الحمد لله رب العلمين والصلاة والسلام على سيد الأنبياء والمرسلين
محمد النبي الأمي وعلى آله وصحابه أجمعين ، وبعد:

The financial arrangements, contracts and transactions, entered into by Askari Life Assurance Company Limited – Window Takaful Operations (the Company) for the year ended December 31, 2020 are in compliance with the Takaful Rules, 2012.

Further we confirm that:

- The Company has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations with zero tolerance. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the Board of Directors have been implemented;
- All the products and policies have been approved by Shariah Advisor and the financial arrangements including policies, contracts and transactions, entered into by Window Takaful Operations are in accordance as approved by Shariah Advisor.
- The assets and liabilities of Window Takaful Operations (Participant Takaful Fund and Operator's Sub Fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.

This has been duly confirmed by the Shariah Advisor of the Company.



Jehanzeb Zafar
Chief Executive Officer

INDEPENDENT REASONABLE ASSURANCE REPORT

TO THE BOARD OF DIRECTORS OF ASKARI LIFE ASSURANCE COMPANY LIMITED

REPORT ON THE STATEMENT OF MANAGEMENT'S ASSESSMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

We were engaged by the Board of Directors of Askari Life Assurance Company Limited (the Company) to report on the management's assessment of compliance of the Window Takaful Operations (Takaful Operations) of the Company, as set out in the annexed statement prepared by the management for the year ended December 31, 2020, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of compliance of the Operations with the Takaful Rules, 2012, in all material respects.

Applicable Criteria

The criteria against which the subject matter information (the Statement) is assessed comprise of the provisions of Takaful Rules, 2012.

Responsibilities of the Management

The Board of Directors / management of the Company are responsible for designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012.

The Board of Directors / management of the Company are also responsible for preventing and detecting fraud and for identifying and ensuring that the Takaful Operations comply with laws and regulations applicable to its activities. They are also responsible for ensuring that the management, where appropriate, those charged with governance, and personnel involved with the Takaful Operations compliance with the Takaful Rules, 2012 are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Takaful Operations compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012. Reasonable assurance is less than absolute assurance.

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed included:

- Evaluate the systems, procedures and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah advisor's guidelines;
- Evaluating the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the board of directors;
- Test for a sample of transactions relating to Takaful operations to ensure that these are carried out in accordance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012; and
- Review the statement of management's assessment of compliance of the Takaful transactions for the year ended 31 December 2020 with the Takaful Rules, 2012.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the annexed statement, for the year ended 31 December 2020, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.



Chartered Accountants
Karachi

Date: April 01, 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASKARI LIFE ASSURANCE COMPANY LIMITED

Report on the audit of the financial statements

Opinion

We have audited the annexed financial statements of Askari Life Assurance Company Limited (the Company), which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, the statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of comprehensive income, the statement of changes in equity and cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2020 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 26.13 to the financial statements, which describes that the Company has challenged the scope and applicability of the provincial sales tax on services on the premium from life insurance business.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

Key Audit Matters	How Our Audit Addressed the Key Audit Matters
<p>Valuation of insurance liabilities</p> <p>Refer note 20 to the financial statements.</p> <p>The Company has significant Insurance liabilities representing 71.4% of the Company's total liabilities. This is an area that involves significant judgement over uncertain future outcomes, mainly the ultimate total settlement value of long-term policyholder liabilities. Economic assumptions, including</p>	<p>Our audit procedures included the following:</p> <p>Obtained an understanding from the management, of the actuarial assumption and methodologies used for estimating the policyholder's liabilities as at December 31, 2020.</p> <p>Tested the relevance and reasonableness of those assumptions and methods.</p>

<p>investment return, and associated discount rates, and operating assumptions including mortality, morbidity, expenses and persistency (including consideration of policyholder behavior) are the key inputs used to estimate these long-term liabilities.</p>	<p>Tested the relevance, completeness, and accuracy of that source data used for the valuation.</p> <p>Tested the valuation for accuracy and determining whether the assumptions were consistently applied in the valuation. Recomputed on a test basis, the effect of unearned premium.</p> <p>Assessed the relevant disclosures made in the financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.</p> <p>Assessed the relevant disclosures made in the financial statements to determine whether they complied with the accounting and reporting standards as applicable in Pakistan.</p>
<p>Revenue Recognition</p> <p>Refer to note 27 to financial statements for Insurance Premiums / Contributions Revenue and 28 for investment income.</p> <p>The Company receives its revenue primarily from two main sources namely; premiums/ contributions and investments income.</p> <p>We identified revenue recognition as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be recognized in the appropriate period. Further there is significant increase in revenue from the last year.</p>	<p>Our audit procedures included the following:</p> <p>Obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of information related to premiums and investment income.</p> <p>For a risk-based sample of policies of non-unit linked business where premium is outstanding at the year end, compared receivable recorded with the terms of policy.</p> <p>Recalculated reinsurance premium based on the rates given in reinsurance treaty.</p> <p>Selected sample-based policies and traced them back to accounting records.</p> <p>For a sample of investment income transactions, tested that investment income is recorded based on the effective interest method or where right to receive the dividend is established.</p>

Information Other Than the Financial Statements and Auditor's Report Thereon

The management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of Insurance Ordinance, 2000 and Companies Act 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act 2017 (XIX of 2017), and are in agreement with the books of account;
- c) the apportionment of assets, liabilities, revenue and expenses between two or more funds has been performed in accordance with the advice of the appointed actuary;
- d) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; and
- e) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

The financial statements of the Company for the year ended December 31, 2019 were audited by another auditor whose report dated April 30, 2020 expressed unmodified opinion thereon.

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

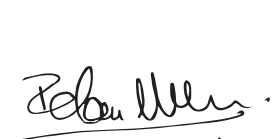


Chartered Accountants
Karachi
Date: April 01, 2021

**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020**

	Note	2020 ------(Rupees in '000)-----	2019
ASSETS			
Property and equipment	8	30,467	40,806
Right of use assets	9	31,568	56,727
Intangible assets	10	1,332	2,216
Investments			
Equity securities	11	10,640	6,819
Government securities	12	772,472	492,725
Mutual funds	13	39,838	11,067
Loans secured against life insurance policies		6,612	6,651
Insurance / reinsurance receivables	14	38,412	11,213
Other loans and receivables	15	12,279	14,222
Taxation - payments less provision		17,082	13,650
Prepayments	16	2,967	968
Cash and Bank	17	86,503	112,844
TOTAL ASSETS		1,050,172	769,908
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO COMPANY'S EQUITY HOLDERS			
Share capital	18	1,501,720	1,101,720
Money ceded to Waqf Fund		500	500
Ledger account D		(971,482)	(732,558)
Unrealised gain on available-for-sale financial assets		2,373	800
Accumulated loss		(82,242)	(86,415)
TOTAL EQUITY		450,869	284,047
LIABILITIES			
Insurance liabilities	19	428,241	345,874
Retirement benefit obligations	21	18,151	12,177
Premium received in advance		9,677	9,575
Insurance / reinsurance payables	22	63,478	27,917
Other creditors and accruals	23	43,291	31,360
Lease liability against right of use assets	24	36,465	58,958
TOTAL LIABILITIES		599,303	485,861
TOTAL EQUITY AND LIABILITIES		1,050,172	769,908
CONTINGENCIES AND COMMITMENTS			
	25		

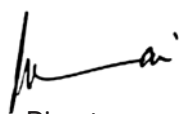
The annexed notes from 1 to 50 form an integral part of these financial statements



Chief Financial Officer



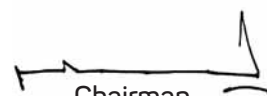
Chief Executive Officer



Director



Director




Chairman

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
Note	----- (Rupees in '000) -----	
Premium revenue	449,264	301,961
Premium ceded to reinsurers	(167,893)	(82,426)
Net premium revenue	281,371	219,535
Investment income	56,671	68,124
Net realised fair value (losses) / gains on financial assets	3	147
Net fair value gains on financial assets at fair value	2,148	49
Other income	9,947	8,117
	68,769	76,437
Net income	350,140	295,972
Insurance benefits	328,175	176,873
Recoveries from reinsurers	(201,473)	(94,746)
Net insurance benefits	126,702	82,127
Net change in insurance liabilities (other than outstanding claims)	60,390	73,735
Acquisition expenses	195,752	178,998
Marketing and administration expenses	180,462	213,343
Other expenses	25,188	10,139
Total expenses	461,792	476,215
Results of operating activities	(238,354)	(262,370)
Loss before tax	(238,354)	(262,370)
Income tax expense	(447)	(510)
Loss for the year	(238,801)	(262,880)
Other comprehensive income:		
Change in unrealised loss on available-for-sale financial assets	1,573	543
Actuarial gain on defined benefit obligation	4,050	-
	5,623	543
Total comprehensive income for the year	(233,178)	(262,337)
Loss per share - Rupees	(2.09)	(2.39)

The annexed notes from 1 to 50 form an integral part of these financial statements


Chief Financial Officer


Chief Executive Officer


Director

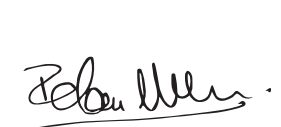

Director


Chairman

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020 ------(Rupees in '000)-----	2019
Operating Cashflows			
(a) Underwriting activities			
Insurance premium received		422,401	290,257
Reinsurance premium received		-	3,059
Claims paid		(237,290)	(137,379)
Commission paid		(74,145)	(49,356)
Marketing and administrative expenses paid		(293,113)	(314,784)
Net cash used in underwriting activities		(182,147)	(208,203)
(b) Other operating activities			
Income tax paid		(3,879)	(2,849)
Other operating payments		(879)	(5,432)
Gratuity paid		(2,791)	(1,002)
Other operating receipts		4,031	23,762
Loans secured against life insurance policies - repayments received		39	210
Net cash flow (used in) / generated from other operating activities		(3,479)	14,689
Total cash used in operating activities		(185,626)	(193,514)
Investment activities			
Profit received		67,155	73,436
Dividend received		1,406	738
Payment for investments		(2,987,184)	(3,073,392)
Proceeds from investments		2,678,569	3,277,378
Addition to property and equipment		(6,884)	(44,085)
Addition to intangible assets		(105)	(2,901)
Proceeds from sale of property and equipment		6,328	803
Total cash flow (used in) / generated from investing activities		(240,715)	231,977
Financing activities			
Proceeds from issuance of shares		400,000	-
Money ceded to waqf		-	500
Total cash generated from financing activities		400,000	500
Net increase in cash and cash equivalents		(26,341)	38,963
Cash and cash equivalents at beginning of year		112,844	73,881
Cash and cash equivalents at end of year	17	86,503	112,844
Reconciliation to profit and loss account			
Operating cash flows		(185,626)	(193,514)
Depreciation expense		(12,371)	(8,484)
Depreciation expense on intangible assets		(989)	(676)
Depreciation expense on right of use asset		(16,906)	(16,520)
Profit on disposal of property and equipment		2,044	624
Loss on disposal of intangible assets		-	(9)
Profit on disposal of investments		3	147
Dividend and other investment income		64,574	75,626
Increase in assets other than cash		90,674	93,476
Increase in liabilities other than borrowings		(182,352)	(213,599)
Net fair value losses on financial assets at fair value through profit or loss		2,148	49
Loss after taxation		(238,801)	(262,880)

The annexed notes from 1 to 50 form an integral part of these financial statements


Chief Financial Officer


Chief Executive Officer


Director

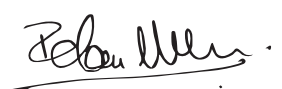

Director


Chairman

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020

	Revenue reserves				Unrealised loss on available-for-sale financial assets	Total
	Share Capital	Unappropriated profit / (Accumulated loss)	Ledger Account D	Money Ceded to Waqf Fund		
------(Rupees in '000)-----						
Balance as at January 1, 2019	1,101,720	(103,858)	(452,235)	-	257	141,992
Total comprehensive loss for the year	-	(262,880)	-	-	-	(262,880)
Money ceded to Waqf fund	-	-	-	500	-	500
Change in fair value of Available for sale investments	-	-	-	-	543	543
Deficit for the year in statutory funds	-	280,323	(280,323)	-	-	-
Balance as at December 31, 2019	<u>1,101,720</u>	<u>(86,415)</u>	<u>(732,558)</u>	<u>500</u>	<u>800</u>	<u>284,047</u>
Balance as at January 1, 2020	1,101,720	(86,415)	(732,558)	-	800	284,047
Transactions with owners						
Issue of right shares at Rs.10 each	400,000	-	-	-	-	400,000
Total comprehensive loss for the year	-	(238,801)	-	-	-	(238,801)
Other comprehensive income	-	4,050	-	-	-	4,050
Change in fair value of Available for sale investments	-	-	-	-	1,573	1,573
Deficit for the year in statutory funds	-	238,924	(238,924)	-	-	-
Balance as at December 31, 2020	<u>1,501,720</u>	<u>(82,242)</u>	<u>(971,482)</u>	<u>500</u>	<u>2,373</u>	<u>450,869</u>

The annexed notes from 1 to 50 form an integral part of these financial statements


Chief Financial Officer


Chief Executive Officer


Director


Director


Chairman

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

1. LEGAL, STATUS AND NATURE OF BUSINESS

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

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

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

Army Welfare Trust as a Holding Company holds 66.65% (2019: 54.54%) shares of the Company.

1.2 The Company is engaged in life insurance and window family takafull 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

The Company has also established 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 Universal Family Takaful and Group Family Takaful Funds.

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

2 BASIS FOR PRESENTATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

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

3 Standards, interpretations of and amendments to existing accounting standards that have become effective during the year

The new standards, interpretations and amendments to accounting and reporting standards which are mandatory for accounting periods which began on January 1, 2020. However, these do not have any significant impact on the Company's financial statements.

3.1 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective

The new standards, certain amendments and interpretation that are mandatory for the accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or will not have any significant effect on the company's operations and therefore not stated in these financial statements.

3.2 Standards, interpretations and amendments to accounting standards that are effective but not relevant

There are certain other amendments in standard and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2020 but are considered not to be relevant or will not have any significant effects on the Company's operations and therefore not stated in these financial statements.

3.3 Temporary exemption from application of IFRS 9

IFRS 9 'Financial Instruments' and amendment (effective for period ending on or after June 30, 2019) replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It has also carried forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Further, IFRS 4 provides two alternative options in relation to application of IFRS 9 for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from the effective date to remove from the profit and loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The Company has adopted the temporary exemption which allows the Company to defer the application of IFRS 9 until December 31, 2022.

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by the International Standards Board (IASB) for entities whose activities are predominantly connected with insurance.

4 BASIS OF MEASUREMENT

These financial statements 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.

5 FUNCTIONAL AND PRESENTATION CURRENCY

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

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented except as stated otherwise.

6.1 Statutory funds

The Company maintains statutory funds for Ordinary Life, Universal Life and Accident and Health. Assets, liabilities, revenues and expenses are recorded in the fund, if referable or, on the basis of actuarial advice if not referable. Other assets, liabilities, revenue and expenses are allocated to shareholders' funds. Policyholders' liabilities have been included in statutory funds on the basis of actuarial valuation carried out by the appointed actuary of the Company on the financial position date as required by Section 50 of the Insurance Ordinance, 2000. A capital transfer provided to statutory funds by the shareholders' funds is recorded as a reduction in the shareholders' equity.

6.2 Property and equipment

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is calculated on the straight line method at rates mentioned in note 8.

Depreciation on all assets available for use during the year is charged from the month of acquisition / addition to and no depreciation will be charged in the month of disposal / deletion. When parts of an item of asset have different useful lives, they are accounted for as separate items in property and equipment.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to profit and loss account as and when incurred. However, major repairs and renewals are capitalized.

Depreciation rates and method are reviewed at financial position date and adjusted, if required.

Gains or losses on disposal of property and equipment are determined by comparing proceeds with the carrying amount. These are included in the profit and loss account.

6.3 Intangible asset

Intangible assets are stated at cost less accumulated amortization and any impairment losses. Amortization is charged over the estimated useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 10 to the financial statements. The estimate of useful life and amortization method are reviewed at the end of each financial year with the effect of any changes in estimate being accounted for prospectively.

The amortization is charged from the month in which asset is available for use and no amortization is charged in which that asset is disposed off.

6.4 Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets 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. The right of use asset is depreciated on straight line method over the lease term as this method most closely reflects the expected pattern of consumption of the future economic benefits less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

6.5 Lease Liability

The lease liability is initially measured at 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 that rate cannot be readily determined, the Kibor rate applied.

6.6 Types of Insurance contracts/Window Takaful Operations

6.6.1 Insurance contracts

Insurance contracts represent contracts with policy holders and reinsurers.

Those contracts where the Company (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Those insurance contracts that are issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant are reinsurance contracts.

The Company enters into insurance contracts with policyholders which are divided into following two major categories:

Group Insurance contracts

The Company offers group life and group health to its clients. The risk underwritten is mainly death, hospitalization and disability. The group insurance contracts are issued typically on yearly renewable term basis.

Individual Insurance Contracts

Individual life investment linked policies are regular life policies, where policy value is determined as per the underlying assets' value. Various types of riders (Accidental Death, Family Income Benefit, etc.) are also sold along with the basic policies.

6.6.2 Family Takaful Contracts

The Company offers Family Takaful Contracts. Family Takaful Contract is an arrangement which rests on key Shariah principles of mutual cooperation, solidarity and well being of a community, and is based on the principles of Wakala Waqf Model. Under a Takaful arrangement, individuals come together and contribute towards the common objective of protecting each other against financial losses by sharing the risk on the basis of mutual assistance. The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In case there is a deficit in the Waqf Fund, the Window Takaful Operator shall grant an interest free loan (Qard-e-Hasna) to make good the deficit. The loan shall be repayable from the future surpluses generated in the Waqf Fund, without any excess of the actual amount given to it. Repayment of Qard-e-Hasna shall receive priority over surplus distribution to Participants from the Waqf Fund. The detailed disclosures of window takaful operations are presented in note 40.

Group family takaful

The Group Family Takaful contracts are issued typically on yearly renewable term basis. The Company offers group term life and group credit plans to its participants.

Universal family takaful contracts

The Company offers Individual Takaful Plans which provide Shariah Compliant financial protection and investment vehicle to individual participants. These plans carry cash value to the participants to direct their investment related contributions based on their risk / return objectives. The investment risk is borne by the participants.

6.7 Policyholders' liabilities / Technical Reserves

Policyholders' liabilities including IBNR are stated at a value determined by the appointed actuary through an actuarial valuation / advice carried out at each financial position date, in accordance with section 50 of the Insurance Ordinance, 2000. In determining the value both acquired policy values as well as estimated values which will be payable against risks which the Company underwrites are considered. The basis used are applied consistently from year to year. Calculation for premium deficiency reserve and claims incurred but not reported (IBNR) is calculated by the appointed actuary on the basis of assumptions that the claim pattern will follow the historical trend experience.

6.7.1 Mortality, Morbidity and Interest Bases adopted

SECP vide its circular 17/2013 dated September 13, 2013 has stipulated that SLIC (2001-05) Individual Life Mortality Table published by Pakistan Society of Actuaries be used as the minimum valuation basis prescribed under SECP's notification S.R.O 16(1)/2012. A test was previously conducted to compare the existing valuation basis i.e. EFU (1961-66) mortality table with the minimum valuation basis SLIC (2001-05) for the relevant reserves. The test revealed that the existing valuation basis was more prudent than the minimum valuation basis and therefore it was considered to be more appropriate to continue with the existing valuation basis.

The rate of discount was taken as 3.75% in line with the requirements under SECP's notification S.R.O 16(1)/2012, for determining reserves of traditional products and supplementary coverage. Any differential between the assumed rate and the actual rate is intended to be available to the Company for meeting its administrative expenses.

The general principles adopted in the actuarial valuation to estimate policyholders' liabilities as at December 31, 2020 are as follows:

- a) **Universal Policies:** The liability for universal life business was calculated by summing up individual mathematical reserves of the policies. The mathematical reserves as at the valuation date were calculated individually in accordance with the basis outlined in the policy document. LIC (1994-96) Mortality table is used as the basis of deducting mortality charges. Suitable provision were made for the unexpired mortality charges, expense charges, unexpired link charges and investment income to be credited on each policy account in respect of the policy anniversary date of the said calendar year upto the valuation date.
- b) **Group Policies:** The liability in respect of group life insurance and riders of all types, was set using the unearned premium method. Unearned premium reserve is held for that portion of premium which has not yet accrued at the balance sheet date. Due provision was made for the claims incurred but not reported (IBNR).
- c) **Individual Conventional Life Policies:** The liability under individual conventional life assurances was calculated by deducting from the present value of the sums assured, ninety percent of the present value of the net premiums. Net premiums were calculated under the modified preliminary term method, to be the level net premiums on the valuation basis plus adjustments to allow for the first year expenses at 5% of net premiums for each year of the premium paying term (e.g. 50% for the term of 10 years), limited to 100% for a term of 20 years or more, SLIC (2001-05) Mortality Table and valuation interest rate of 3.75% were used for valuation of liabilities. As at the balance sheet date (valuation date), all conventional policies are either paid-up or are in benefit stage where the premiums have been ceased.
- d) For universal life policies unearned premium reserves has been calculated for mortality charges only.
- e) **Technical Reserves-Takaful:** Technical Reserves are valued at a value determined by the appointed actuary through an actuarial valuation carried out at the statement of Financial Position date, in accordance with section 50 of the Insurance Ordinance 2000.

6.7.2 Claims provision & IBNR

- a) Provisions have been made in respect of all intimated claims. Most claims require lump sum payments, and reserves have been maintained in each Statutory Fund, where applicable.
- b) Adequate reserves have also been maintained for Incurred But Not Reported (IBNR) claims. The IBNR is determined based on chain ladder method that analyses the time lag between the claim occurrence date and claim reported date from the Company's own experience.

6.7.3 Premium deficiency reserve

The Company is required as per Insurance Rules, 2017 and IFRS-4, to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after the financial position date in respect of policies in that class of business at the financial position date. The movement in the premium deficiency reserve is recorded as an expense and the same shall be recognized as a liability.

6.8 Liability adequacy test

At each financial position date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities. Any deficiency is immediately charged to profit and loss account initially by writing off the deferred policy acquisition costs, if any, and by subsequently establishing a provision for losses arising from liability adequacy tests.

6.9 Reinsurance/Retakaful contracts held

6.9.1 Conventional

Reinsurance premiums are recognized at the same time when the premium income is recognized. It is measured in line with the terms and condition of the reinsurance treaties.

Reinsurance liabilities represent balances due to reinsurance companies. Reinsurance liabilities are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies which are stated on the basis of amounts receivable under the respective contract after considering any impairment in the value of such assets.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contract are not offset against expenses or income from related insurance assets as required by Insurance Ordinance, 2000.

6.9.2 Retakaful

Retakaful contribution

These contracts are entered into by the Company with retakaful operator under which the "Waqf Fund" cedes the takaful risk assumed during normal course of its business and according to which Waqf is compensated for losses on contracts issued by it are classified as retakaful contracts held.

Retakaful contribution is recorded at the time the retakaful is ceded. Surplus from retakaful operator is recognised in the profit and loss account.

Retakaful expenses

Retakaful expenses are recognized as a liability in accordance with the pattern of recognition of related contribution.

Retakaful assets and liabilities

Retakaful assets represent balances due from retakaful operator. Recoverable amounts are estimated in a manner consistent with the associated retakaful treaties.

Retakaful liabilities represent balances due to retakaful operator. Amounts payable are calculated in a manner consistent with the associated retakaful treaties.

Retakaful assets are not offset against related Retakaful liabilities. Income or expenses from retakaful contract are not offset against expenses or income from related Retakaful contracts as required by the Insurance Ordinance, 2000. Retakaful assets and liabilities are derecognized when the contractual rights are extinguished or expired.

6.10 Receivables and payables related to insurance contract/Takaful contracts

Insurance

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

Takaful

Receivables under Family takaful contracts are recognized when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognizes it as impairment loss.

6.11 Loan secured against life insurance policies

Cash loan

The Company provides loans to their policyholders on the basis of payment of premium for three consecutive years. The maximum limit of disbursement is 90 percent of the surrender value and carries a mark-up rate determined by the Company from time to time.

Auto paid-up loan

These non-interest bearing loans are available to policyholders of the Company to the extent of cash value built in their policies.

6.12 Segment reporting

Insurance

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Company accounts for segment reporting using the classes or sub classes of business (statutory funds) as specified under the Insurance Ordinance, 2000 and Insurance Rules, 2017.

Based on its classification of Insurance contracts issued, the Company has three business segments for reporting purposes namely universal life business, ordinary life business and accident and health business.

The Company maintains Statutory Funds in respect of each class of its life insurance business. Assets, liabilities, revenues and expenses of the Company are referable to respective Statutory Funds, however, wherever, these are not referable to Statutory Funds, they are allocated to the Shareholders' Fund.

Apportionment of assets, liabilities, revenues and expenses, wherever required, between the funds are made on a fair and equitable basis and in accordance with the written advice of the Appointed Actuary.

Family Takaful

The individual family takaful business Segment provides family takaful coverage to individuals Participants.

The Group Family Takaful business segments provides Group family takaful coverage to members/ employees of business enterprises, corporate entities and common interest groups under group family takaful scheme operated by the Company.

Actuarial valuation of life insurance business is required to be carried out annually at the balance sheet date. Policyholders' liabilities included in the statutory funds are based on the actuarial valuation carried out by the Appointed Actuary as at December 31, 2020.

The Company reviews the basis of estimation used in respect of allocation of assets, liabilities, income and expenses not referable to specific fund with the consultation of Company's appointed actuary.

6.13 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consists of cash in hand, stamps in hand and deposits with banks in current and other accounts.

6.14 Revenue recognition

Premiums

-First year individual life premiums are recognized once the related policy have been issued and premiums received.

-Renewal premiums are recognized upon receipt of premium provided the policy is still in force.

-Premiums for group life, group health business are recognized as and when due. Receivables under insurance contracts are recognized when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognizes it as impairment loss.

Investment income

-Mark-up / interest income on bank deposits and government securities is recognized on time proportion basis, using effective yield method.

-Interest on fixed income securities is recognized on time proportion basis using effective yield method.

-Gain or loss on sale of investments is included in profit and loss account for investments relating to shareholders fund and statutory funds.

-Revaluation gain/loss on investment held 'at fair value through profit and loss' is recognized as income/expense in the comprehensive income.

-Revaluation gain/loss on investment held 'at available for sale' is recognized as income/expense in the other comprehensive income.

Dividend income

Dividend income is recognized when the Company's right to receive the payment is established.

Commission from re-insurer

Commission from re-insurer is recognized where such commission has contractually fallen due. When the commission has not fallen due the amount accrued may still be recognized, being calculated as if the contractual period for its determination ended on the financial position date.

Contributions

Individual Life Family Takaful

First year, renewal and single contributions are recognized once the related policies are issued/renewed against receipt of contribution. Subsequent contributions falling due under the certificate are recognised if received and processed. Single contributions and top-up contributions are recognised once the related Certificates are issued against the receipt of contribution.

Group Life Family Takaful

Group Family contributions are recognized as and when due.

6.15 Claims

Conventional Business

Claim expenses are recognized on the date the insured event is intimated.

A liability for outstanding claims is recognized in respect of all claims incurred up to the financial position date, as soon as reliable estimates of the claim amount can be made. The provision for claims "Incurred But Not Reported"(IBNR) is included in policyholders' liabilities.

Claim recoveries

Claims recoveries receivable from reinsurers are recognized as assets at the same time when the corresponding claims are recorded in accordance with the terms of the re-insurance contracts.

Family Takaful Business

Claims expense include all claims occurring during the year, whether reported or not, internal and external claim handling costs that are directly related to the processing and settlement of claims and other recoveries, and any adjustments to claims outstanding from previous years.

The outstanding claims liability includes amounts relating to unpaid reported claims and expected claims settlement costs. Full provision is made for the estimated cost of claims incurred to the reporting date. The liability for claims expenses relating to "Incurred But Not Reported"(IBNR) is included in technical reserves.

6.16 Investments

All investments are initially recognized at cost, being the fair value of the consideration given and includes transaction costs except for investments designated at fair value through profit and loss.

Held to maturity

Investments with fixed or determinable payments and fixed maturity, where the Company has positive intent and ability to hold to maturity, are classified as Held-to-Maturity. Subsequently, these are measured at amortized cost using the effective interest method and taking any discount or premium on acquisition.

Available-for-sale

Investments which are intended to be held for an indefinite period but may be sold in response to the need for liquidity are classified as available-for-sale. Subsequently these investments are carried at fair value. Surplus / (deficit) on revaluation from one reporting date to other is taken to other comprehensive income in the statement of comprehensive income. On derecognition or impairment of available-for-sale investments, the cumulative gain or loss previously reported in other comprehensive income is transferred to profit and loss for period within statement of comprehensive income.

Investments at fair value through profit and loss account

Investments which are acquired principally for the purposes of generating profit from short term fluctuation in price are classified as held-for-trading. Subsequent to initial recognition, these are remeasured at fair value. Gains or losses on investments on remeasurement of these investments are recognized in profit and loss account.

6.17 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and / or services received, whether or not billed to the Company.

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each financial position date and adjusted to reflect the current estimate.

6.18 Taxation

Current

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account rebates and tax credits available, if any in accordance with the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the financial position date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

6.19 Staff retirement benefits

Defined benefit plan

The Company operates an unfunded gratuity scheme for its permanent employees. Employees who have completed six month of service are eligible for the scheme. The amount of liability of each employee at year end is computed by Actuary. The person who have completed six month of service in a year is entitled to one month gross salary.

Accumulated compensated absences

The Company makes provision in the financial statements for its liabilities towards vested compensated absences accumulated by its employees, estimated on the basis of actuarial valuation carried out by the Company's actuary.

6.20 Impairment of assets

Financial assets

The Company assesses at each reporting date whether there is objective evidence that the financial asset is impaired. In case of equity securities, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the security is impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Non-financial assets

The Company assesses at each financial position date whether there is any indication that assets except deferred tax assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

6.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved.

6.22 Acquisition cost

These comprise commission and other costs incurred in acquiring insurance policies and include without limitation all forms of remuneration paid to insurance agents.

These are recognized as an expense in the earlier of the financial year in which they are paid and financial year in which they become due and payable, except those which are directly referable to the acquisition or renewal of specific contracts that are recognised not later than the period in which the premium to which they refer is recognized as revenue.

6.23 Management expenses

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

6.24 Takaful Operator's Fee

The shareholders of the Company manage the Window Takaful operations for the participants. Accordingly, the Company is entitled to Takaful Operator's Fee for the management of Window Takaful Operations under the Waqf Fund, to meet its general and administrative expenses. The Takaful Operator's fee, termed as Wakala Fee, is recognized up front.

6.25 Related party transactions

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

6.26 Financial instruments

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual right to future cash flows from the asset expire or is transferred along with the risks and rewards of the asset. Financial liabilities are de-recognised when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial assets and liabilities is recognised in the statement of comprehensive income of the current period. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

6.27 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial position, if the Company has a legally enforceable right to set-off and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

6.28 Foreign currencies

Transactions in foreign currencies are accounted for in Pak Rupees (functional currency) at the rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Rupees at the rates of exchange prevailing at the financial position date.

7 CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

7.1 Use of critical accounting judgments and estimates

The preparation of financial statements in conformity with the requirements of approved accounting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and any future periods affected.

Significant areas where assumptions and estimates were exercised in application of accounting policies, otherwise that are disclosed in these financial statements, relate to:

	Note
Property and equipment	6.2
Policy holders' liabilities / Technical Reserves	6.7
Taxation	6.18
Staff retirement benefits	6.19
Impairment of financial and non financial assets	6.20

8 PROPERTY AND EQUIPMENT

2020

Description	Cost			Accumulated Depreciation				Written down value As at December 31, 2020	Rate %	
	As at January 01, 2020	Additions	Disposals	As at December 31, 2020	As at January 01, 2020	Charge for the year	Disposals			As at December 31, 2020
Rupees in '000										
Furniture and fixture	9,192	363	-	9,555	1,206	1,881	-	3,087	6,468	20
Office and electrical equipme	6,355	258	(724)	5,889	1,447	1,156	(621)	1,982	3,907	20
Computer equipment	14,134	1,713	(786)	15,061	4,328	5,048	(587)	8,789	6,272	33.33-50
Motor vehicles	4,296	4,550	(5,525)	3,321	2,390	541	(975)	1,956	1,365	20
Lease improvements	18,724	-	-	18,724	2,524	3,745	-	6,269	12,455	20
	<u>52,701</u>	<u>6,884</u>	<u>(7,035)</u>	<u>52,550</u>	<u>11,895</u>	<u>12,371</u>	<u>(2,183)</u>	<u>22,083</u>	<u>30,467</u>	

2019

Description	Cost			Accumulated Depreciation				Written down value As at December 31, 2019	Rate %	
	As at January 01, 2019	Additions	Disposals	As at December 31, 2019	As at January 01, 2019	Charge for the year	Disposals			As at December 31, 2019
Rupees in '000										
Furniture and fixture	-	9,192	-	9,192	-	1,206	-	1,206	7,986	10-20
Office and electrical equipme	778	5,664	(87)	6,355	696	838	(87)	1,447	4,908	20
Computer equipment	3,883	10,455	(204)	14,134	972	3,382	(26)	4,328	9,806	33.33-50
Motor vehicles	5,445	50	(1,199)	4,296	3,055	534	(1,199)	2,390	1,906	10-20
Lease improvements	-	18,724	-	18,724	-	2,524	-	2,524	16,200	
	<u>10,106</u>	<u>44,085</u>	<u>(1,490)</u>	<u>52,701</u>	<u>4,723</u>	<u>8,484</u>	<u>(1,312)</u>	<u>11,895</u>	<u>40,806</u>	

8.1 Depreciation charge has been allocated as

	Note	2020	2019
-----Rupees in '000-----			
Acquisition expenses	32	3,964	2,625
Marketing and administration expenses	33	8,407	5,859
		<u>12,371</u>	<u>8,484</u>

8.2 DETAIL OF DISPOSAL OF PROPERTY AND EQUIPMENT

Property and equipment exceeding aggregate book value of Rs. 50,000 and assets sold to a Director or an Executive.

2020						
Description of Asset	Cost	Book Value	Sale Proceed	Gain	Buyer	Mode of disposal
-----Rupees in '000-----						
HP Elitebook G1	65	51	51	-	Wajih Nasim (Ex Employee)	Negotiations
HP Notebook 250G6	64	58	50	(8)	Insurance Claim	Insurance Claim
Samsung LED 55"	136	102	90	(12)	Insurance Claim	Insurance Claim
Honda Civic 1.8 Oriol	2,589	2,589	2,698	109	Kaleem Abbas (Ex Employee)	As per policy
Toyota Corolla XLI	1,961	1,961	2,200	239	Syed Tanzeef Ullah Shah	Negotiations
	<u>4,815</u>	<u>4,761</u>	<u>5,089</u>	<u>328</u>		

During the year 2019 no assets exceeding book value of Rs. 50,000 or more were disposed off , furthermore no disposals were made to any Directors or Executives of the Company.

Assets having written down value less than Rs.50,000

2020						
Description of Asset	Cost	Book Value	Sale Proceed	Gain	Buyer	Mode of disposal
Various	2,220	91	1,240	1,149	Various	
	<u>2,220</u>	<u>91</u>	<u>1,240</u>	<u>1,149</u>		

Assets having written down value less than Rs.50,000

2019						
Description of Asset	Cost	Book Value	Sale Proceed	Gain	Buyer	Mode of disposal
Various	1,490	178	802	624	Various	
	<u>1,490</u>	<u>178</u>	<u>802</u>	<u>624</u>		

9 RIGHT OF USE ASSETS

2020

Description	Cost			Accumulated Depreciation				Written down value As at December 31, 2020	Rate %	
	As at January 01, 2020	Additions	Disposals	As at December 31, 2020	As at January 01, 2020	Charge for the year	Disposals			As at December 31, 2020
----- Rupees in '000 -----										
Right to use assets	<u>73,247</u>	<u>44</u>	<u>(9,798)</u>	<u>63,493</u>	<u>16,520</u>	<u>16,906</u>	<u>(1,501)</u>	<u>31,925</u>	<u>31,568</u>	<u>20-33.33</u>

2019

Description	Cost			Accumulated Depreciation				Written down value As at December 31, 2019	Rate %	
	As at January 01, 2019	Additions	Disposals	As at December 31, 2019	As at January 01, 2019	Charge for the year	Disposals			As at December 31, 2019
----- Rupees in '000 -----										
Right to use assets	<u>-</u>	<u>73,247</u>	<u>-</u>	<u>73,247</u>	<u>-</u>	<u>16,520</u>	<u>-</u>	<u>16,520</u>	<u>56,727</u>	<u>20-33.33</u>

9.1 Disclosure relating to right of use assets

	Number of right of use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with termination option
Office Building	4	3-4 years	3 years	4	4

9.2 Depreciation charge has been allocated as follows:

	Note	2020	2019
-----Rupees '000-----			
Acquisition expenses	32	7,184	6,766
Marketing and administration expenses	33	9,722	9,754
		<u>16,906</u>	<u>16,520</u>

10 INTANGIBLE ASSETS

2020

Description	Cost			Accumulated Depreciation				Written down value As at December 31, 2020	Rate %	
	As at January 01, 2020	Additions	Disposals	As at December 31, 2020	As at January 01, 2020	Charge for the year	Disposals			As at December 31, 2020
----- Rupees in '000 -----										
Softwares	<u>2,891</u>	<u>105</u>	<u>-</u>	<u>2,996</u>	<u>675</u>	<u>989</u>	<u>-</u>	<u>1,664</u>	<u>1,332</u>	<u>33.33</u>

2019

Description	Cost			Accumulated Depreciation				Written down value As at December 31, 2019	Rate %	
	As at January 01, 2019	Additions	Disposals	As at December 31, 2019	As at January 01, 2019	Charge for the year	Disposals			As at December 31, 2019
----- Rupees in '000 -----										
Softwares	<u>-</u>	<u>2,901</u>	<u>(10)</u>	<u>2,891</u>	<u>-</u>	<u>676</u>	<u>(1)</u>	<u>675</u>	<u>2,216</u>	<u>33.33</u>

11 INVESTMENTS IN EQUITY SECURITIES

	2020				2019			
	Cost	Revaluation Surplus / (Deficit)	Impairment	Fair Value	Cost	Revaluation Surplus / (Deficit)	Impairment	Fair Value
----- Rupees in '000 -----								
AVAILABLE FOR SALE								
Related parties								
Listed Shares								
East West Insurance Company Limited	281	284	-	565	281	127	-	408
Others								
Listed Shares								
Kohat Cement Company Limited	340	230	-	570	340	-	(139)	201
D. G. Khan Cement Company Limited	512	-	(168)	344	512	-	(289)	223
Habib Bank Limited	1,351	-	(425)	926	1,351	-	(249)	1,102
Ghandhara Industries Limited	1,633	-	(327)	1,306	1,633	-	(1,100)	533
Millat Tractor Limited	744	-	(55)	689	744	-	(300)	444
Bifo Industries Limited	350	-	(82)	268	350	-	(99)	251
Descon Oxychem Limited	101	109	-	210	101	17	-	118
Packages Limited	2,221	167	-	2,388	2,221	-	(626)	1,595
Al-Shaheer Corporation	78	-	(39)	39	78	-	(43)	35
Frieslandcampina Engro Pakistan Limited	323	-	(76)	247	323	-	(85)	238
Ferozsons Laboratories Limited	1,958	1,016	-	2,974	1,958	-	(386)	1,572
AGP Limited	103	11	-	114	103	-	(4)	99
	9,995	1,817	(1,172)	10,640	9,995	144	(3,320)	6,819

11 Movement in accumulated impairment losses on available for sale investments

	31-Dec-20	31-Dec-19
	Rupees in '000	
Opening balance	(3,320)	(3,369)
Reversal for the year	2,148	49
Closing balance	<u>(1,172)</u>	<u>(3,320)</u>

12 INVESTMENTS IN GOVERNMENT SECURITIES

Maturity Year	2020			2019		
	Effective Yield (%)	Amortized Cost	Principal Repayment	Carrying Value	Effective Yield (%)	Carrying Value
----- Rupees in '000 -----						
HELD TO MATURITY						
10 year Pakistan Investment Bonds	22-Jul-20	12.00%	-	on Maturity	-	5,176
10 year Pakistan Investment Bonds	18-Aug-21	12.37%	15,964	on Maturity	15,964	15,912
10 year Pakistan Investment Bonds	19-Jul-22	12.63%	10,407	on Maturity	10,407	10,356
10 year Pakistan Investment Bonds	19-Jul-22	12.52%	8,140	on Maturity	8,140	8,107
10 year Pakistan Investment Bonds	21-Apr-26	9.19%	9,815	on Maturity	9,815	9,789
10 year Pakistan Investment Bonds	21-Apr-26	8.07%	23,157	on Maturity	23,157	23,253
10 year Pakistan Investment Bonds	21-Feb-29	11.21%	39,386	on Maturity	39,386	39,400
10 year Pakistan Investment Bonds	09-Dec-30	7.81%	40,216	on Maturity	40,216	-
03 Months Treasury Bills	12-Mar-20	-	-	on Maturity	-	69,471
06 Months Treasury Bills	09-Apr-20	-	-	on Maturity	-	193,112
12 Months Treasury Bills	08-Oct-20	-	-	on Maturity	-	118,149
03 Months Treasury Bills	14-Jan-21	7.16%	36,590	on Maturity	36,590	-
03 Months Treasury Bills	11-Feb-21	7.14%	55,449	on Maturity	55,449	-
03 Months Treasury Bills	11-Feb-21	7.10%	40,767	on Maturity	40,767	-
03 Months Treasury Bills	25-Feb-21	7.13%	70,380	on Maturity	70,380	-
03 Months Treasury Bills	25-Mar-21	7.11%	320,492	on Maturity	320,492	-
06 Months Treasury Bills	03-Jun-21	7.18%	70,115	on Maturity	70,115	-
12 Months Treasury Bills	06-May-21	7.25%	5,385	on Maturity	5,385	-
5 Years GOP Sukuks	09-Dec-25	7.07%	26,209	on Maturity	26,209	-
			772,472		772,472	492,725

13 INVESTMENTS IN MUTUAL FUNDS

	2020			2019		
	Cost	Revaluation Surplus	Carrying Value	Cost	Revaluation Surplus	Carrying Value
----- Rupees in '000 -----						
AVAILABLE FOR SALE						
NBP islamic money market fund	114	3	117	104	5	109
NBP income opportunity fund	11,459	547	12,006	10,307	651	10,958
Alhamra islamic money market fund	5,543	-	5,543	-	-	-
ABL islamic cash fund	5,541	-	5,541	-	-	-
Alfalah islamic rozana amdani fund	5,543	-	5,543	-	-	-
Faysal halal amdani fund	5,540	6	5,546	-	-	-
NBP islamic daily dividend fund	5,542	-	5,542	-	-	-
	39,282	556	39,838	10,411	656	11,067

	Note	2020	2019
		----- Rupees in '000 -----	
14 INSURANCE / REINSURANCE RECEIVABLES			
Due from insurance contract holders	14.1	<u>38,412</u>	<u>11,213</u>
		<u>38,412</u>	<u>11,213</u>
14.1 Due from related parties			
Holding company			
Army Welfare Trust		236	188
Associate			
Askari Guards Limited Head Office Staff		1,626	-
MEDASK		2	-
AWT Housing Scheme Karachi (AWT HS Khi)		2	-
Askari Fuels		11	2
Askari Woolen Mills		-	3
Askari Development Holding Pvt Limited		-	32
Askari General Insurance Company Limited		-	21
AWT Investment		21	14
Askari Chartered Aviation Services (ACS)		2	2
Fauji Security Services		-	1
Askari Shoes		14	-
AWT Units		6,470	-
Mobil Askari Pakistan Ltd		10	10
		<u>8,394</u>	<u>273</u>

14.2 Maximum amount outstanding at any time during the year

Name of related party		
Army Welfare Trust	516	188
Askari Fuels	275	30
Askari Woolen Mills	239	3
Askari Development Holding Pvt Limited	154	32
Askari General Insurance Company Limited	1,282	21
AWT Investment	449	14
Askari Chartered Aviation Services (ACS)	26	2
Fauji Security Services	742	1,221
Mobil Askari Pakistan Ltd	306	10
AWT Units	6,470	-
MEDASK	296	-
Askari Guards	2,071	-
AWT Housing Scheme (Karachi)	65	-
Askari Shoes	50	-

14.3 Age analysis of insurance receivables from related parties

Name of related party	Amount past due		
	Past due 0-90 days	Past due 90 days	Total gross amount due
Army Welfare Trust	15	221	236
Askari Guards Limited Head Office Staff	1,626	-	1,626
MEDASK	-	2	2
AWT Housing Scheme Karachi (AWT HS Khi)	-	2	2
Askari Fuels	8	3	11
AWT Investment	1	20	21
Askari Chartered Aviation Services (ACS)	-	2	2
Askari Shoes	5	9	14
AWT Units	6,470	-	6,470
Mobil Askari Pakistan Ltd	-	10	10
	<u>8,125</u>	<u>269</u>	<u>8,394</u>

	Note	2020 ----- Rupees in '000 -----	2019 ----- Rupees in '000 -----
15 OTHER LOANS AND RECEIVABLES			
Accrued investment income		4,244	4,181
Security deposit		6,552	7,436
Advance to vendors		937	2,085
Loans to employees	15.1	546	520
		<u>12,279</u>	<u>14,222</u>
15.1 This represent interest free loans provided to employees repayable within 12 months.			
16 PREPAYMENTS			
Prepaid expenses		2,967	968
		<u>2,967</u>	<u>968</u>
17 CASH AND BANK			
- Stamps in hand		234	49
Cash and bank			
- Current account		11,788	552
- Saving account	17.2	74,481	112,243
		<u>86,503</u>	<u>112,844</u>
17.1 Cash and cash equivalents			
Cash and bank		<u>86,503</u>	<u>112,844</u>

17.2 It carries mark-up / interest at the rate of 2.5% to 11.25% per annum (2019: 8% to 11.25% per annum).

18 SHARE CAPITAL

18.1 AUTHORIZED SHARE CAPITAL

2020	2019		2020	2019
Number of shares			----- Rupees in '000 -----	
125,000,000	125,000,000	Ordinary shares of Rs. 10 each	1,250,000	1,250,000
75,000,000	-	As at beginning of the year	750,000	-
<u>200,000,000</u>	<u>125,000,000</u>	Increased during the year	<u>2,000,000</u>	<u>1,250,000</u>
		As at end of the year		

18.2 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2020	2019		2020	2019
Number of shares			----- Rupees in '000 -----	
110,172,014	110,172,014	Ordinary shares of Rs.10 each issued for	1,101,720	1,101,720
40,000,000	-	As at beginning of the year	400,000	-
<u>150,172,014</u>	<u>110,172,014</u>	Issued during the year	<u>1,501,720</u>	<u>1,101,720</u>
		As at end of the year		

As at December 31, 2020, 100.083 million shares - 66.65% shares (December 31, 2019: 60.087 million shares - 54.54% shares) were held by Trustees of Army Welfare Trust.

	Note	2020 ----- Rupees in '000 -----	2019 ----- Rupees in '000 -----
19 INSURANCE LIABILITIES			
Reported outstanding claims (including claims in payment)	19.1	114,927	92,950
Incurring but not reported claims (IBNR)	19.2	1,967	1,960
Investment component of account value policies / certificates	19.3	284,028	222,044
Liabilities under individual conventional insurance / takaful contracts	19.4	2,926	2,897
Liabilities under group insurance / group family takaful contracts (other than investment linked)	19.5	5,196	8,682
Other insurance / family takaful liabilities	19.6	19,197	17,341
		<u>313,314</u>	<u>252,924</u>
		<u>428,241</u>	<u>345,874</u>
19.1 Reported outstanding claims			
Gross of Reinsurance / Re takaful			
Payable within one year		203,812	113,712
Payable over a period of time exceeding one year		11,172	10,387
		<u>214,984</u>	<u>124,099</u>
Recoverable from Reinsurance / Re takaful			
Receivable within one year		(90,109)	(21,437)
Receivable over a period of time exceeding one year		(9,948)	(9,712)
		<u>(100,057)</u>	<u>(31,149)</u>
Net reported outstanding claims		<u>114,927</u>	<u>92,950</u>
19.2 Incurred but not reported claims			
Gross of reinsurance		9,582	4,746
Reinsurance recoveries		(7,615)	(2,786)
Net of reinsurance		<u>1,967</u>	<u>1,960</u>
19.3 Investment component of universal life and account value policies / certificates			
Investment component of account value policies		<u>284,028</u>	<u>222,044</u>
19.4 Liabilities under individual conventional insurance / takaful contracts			
Gross of reinsurance		2,941	2,897
Reinsurance credit		(15)	-
Net of reinsurance		<u>2,926</u>	<u>2,897</u>
19.5 Liabilities under Group Insurance / Group Family Takaful Contracts (other than Investment linked)			
Gross of reinsurance		55,296	26,769
Reinsurance credit		(50,100)	(18,087)
Net of reinsurance		<u>5,196</u>	<u>8,682</u>
19.6 Other insurance liabilities			
Gross of reinsurance		20,492	17,837
Reinsurance recoveries		(1,295)	(496)
		<u>19,197</u>	<u>17,341</u>

20 UNCLAIMED INSURANCE BENEFITS

Dec-20	1 to 6 Months	7 to 12 Months	13 to 24 Months	25 to 36 Months	Beyond 36 Months	Total
Unclaimed maturity benefits	13,241	5,960	5,825	2,715	28,375	56,116
Unclaimed death benefits	291	335	157	107	12,278	13,168
Claims Not Encashed	2,615	211	268	171	573	3,838
Other unclaimed benefits	3834	1053	2820	869	10984	19,560
Total	19,981	7,559	9,070	3,862	52,210	92,682

Dec-19	1 to 6 Months	7 to 12 Months	13 to 24 Months	25 to 36 Months	Beyond 36 Months	Total
Unclaimed maturity benefits	12,597	2,967	3,312	3,779	26,312	48,967
Unclaimed death benefits	28	219	278	1,571	10,946	13,042
Claims Not Encashed	3,872	287	246	150	398	4,953
Other unclaimed benefits	2924	2062	1409	1292	10089	17,776
Total	19,421	5,535	5,245	6,792	47,745	84,738

21 RETIREMENT BENEFIT OBLIGATIONS

The Company operates an unfunded gratuity scheme for its permanent employees. Employees who have completed six month of service are eligible for the scheme. The amount of liability of each employee at year end is computed by Actuary. The person who have completed six month of service in a year is entitled to one annual gross salary.

	Note	2020 ----- Rupees in '000 -----	2019
Gratuity- unfunded		18,151	12,177
21.1 Movement in liability recognised in Statement financial position			
Present value of defined benefit obligation		18,151	12,177
Fair value of plan assets		-	-
Net Liability in Statement of Financial Position		18,151	12,177
21.2 Movement in liability recognised in Statement of financial position			
At the beginning of year		12,177	86
Add: charge for the year		13,742	13,093
Less: payment to outgoing employees		(2,791)	(1,002)
Less: payable to outgoing employees		(927)	
Less: total amount of reimeasurements recognised in OCI		(4,050)	
At the end of the year		18,151	12,177
21.3 Charge has been allocated as follows:			
Acquisition expenses		1,230	305
Marketing and administration expenses		8,462	12,788
Other comprehensive income		4,050	
		13,742	13,093
21.4 Analysis of present value of defined benefit obligation			
Split by vested/ non vested			
Vested Benefits		18,151	12,177
Split by benefits earned to date			
Accumulated benefit obligation		6,203	4,016
Amounts attributable to future salary increases		11,948	8,161
		18,151	12,177

Note 2020 2019
----- Rupees in '000 -----

Expected distribution of timing of benefit payments time in years

Distribution of timing of benefit payments (time in the periods)		
Within first year from the end of financial year	<u>1,279</u>	<u>1,159</u>
Within second year from the end of financial year	<u>1,729</u>	<u>1,621</u>
Within third year from the end of financial year	<u>2,254</u>	<u>2,188</u>
Within fourth year from the end of financial year	<u>2,801</u>	<u>2,855</u>
Within fifth year from the end of financial year	<u>3,346</u>	<u>3,513</u>
Within sixth to ten years from the end of financial year	<u>33,690</u>	<u>55,568</u>

Sensitivity analysis on significant actuarial assumptions on present value of defined benefit obligation

Discount rate +0.50%	<u>17,076</u>	<u>11,504</u>
Discount rate -0.50%	<u>19,327</u>	<u>12,911</u>
Long term salary increases +0.50%	<u>19,365</u>	<u>12,937</u>
Long term salary increases -0.50%	<u>17,033</u>	<u>11,475</u>

Maturity Profile of present value of defined benefit obligation

Weighted average duration of the present value of defined benefit obligation (time in years)	<u>12.37</u>	<u>11.52</u>
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21.5 Details of employees valued

Total number of employees	<u>85</u>	<u>94</u>
Total monthly salary	<u>9,044</u>	<u>10,802</u>

21.6 Principal actuarial assumptions

The following significant assumptions were used in the valuation carried out at the statement of financial position date :

Estimated rate of increase in salary of the employees	<u>10.25%</u>	<u>11.75%</u>
Discount rate	<u>10.25%</u>	<u>11.75%</u>
Rates of employee turnover	<u>Moderate</u>	<u>Moderate</u>

Demographic Assumptions

Mortality rates (for death in service)	<u>SLIC (2001-05)-1</u>	<u>-</u>
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The mortality rates are provided by the State Life Insurance Corporation of Pakistan (SLIC).

21.7 Profit and Loss for the year December 31, 2021

	Rupees in 000
Service cost	
Current service cost	<u>9,700</u>
Past service cost	<u>-</u>
	<u>9,700</u>
Net interest cost	
Interest cost on defined benefit obligation	<u>2,282</u>
Interest income on planned assets	<u>-</u>
	<u>2,282</u>
Cost recognised in profit and loss for the year	<u>11,982</u>

	Note	2020 ----- Rupees in '000 -----	2019 ----- Rupees in '000 -----
22 INSURANCE / REINSURANCE PAYABLES			
Due to other insurers / reinsurers		62,858	27,527
Due to other insurance contract holders		620	390
		<u>63,478</u>	<u>27,917</u>
23 OTHER CREDITORS AND ACCRUALS			
Agent commission payable		17,046	10,911
Workers welfare fund		676	676
Accrued expenses		16,743	8,856
Tax liabilities		1,898	1,892
Other liabilities		3,585	2,059
Compensated absence payable	23.1	3,343	6,966
		<u>43,291</u>	<u>31,360</u>
23.1 This includes provision made against accumulated compensation absences on the basis of actuarial assumptions taken by Company's actuary. The main assumptions used for actuarial valuation are as under :			
		2020	2019
Principal Actuarial Assumption			
Discount factor used per annum		10.25%	11.75%
Expected increase in eligible pay per annum		10.25%	11.75%
		2020	2019
Movement in Payable to Accumulated Compensation Absences		----- Rupees in '000 -----	----- Rupees in '000 -----
Opening Balance		6,966	781
(Reversal) / addition during the year		(3,623)	6,185
Closing Balance		<u>3,343</u>	<u>6,966</u>
24 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS			
Lease liability represented by:			
Non current portion		18,468	20,270
Current portion		17,997	38,688
		<u>36,465</u>	<u>58,958</u>
25 CONTINGENCIES AND COMMITMENTS			
25.1 Contingencies			
25.1.1 There is pending adjudication bearing No 125/2012 before the Session Court, South, Karachi in respect of a employee who was previously working on contract basis at company's Hyderabad branch and committed fraud. As the company is taken over by AWT (the buyer) it was agreed with the previous management (the seller) that if any stage the Company or any of its director(s) become party and as such any liability is imposed by any court on the company or its director(s) in this regard, the accrued liability would be paid by the sellers to the company for onward payment to the affectees at earliest. The company will accordingly ensure timely and fair payment of liability. That to guarantee the covenants made by the seller above and to fully indemnify the Buyer against any liability/loss the Sellers have furnished in favor of the buyer an irrevocable and unconditional Insurance Guarantee from a AA+ rated insurance company, East West Insurance Company Limited bearing number EWL/HO/PB-009/01/2017 to an amount of PKR 118.467 million. Further to this effect a duly executed and notarized undertaking dated 13-01-2017 has also been furnished by the Sellers to the Federal Insurance Ombudsman.			
25.1.2 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.			

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

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

In view of the above the Company has not started invoicing sales tax to its customers. The amount of sales tax involved is around Rs. 35.3 million (2019: 10.8 million) computed on the basis of risk based premium, as per the advice of the legal advisor. Moreover, based on legal view, sales tax cannot be levied as insurance is not a service.

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

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

25.1.5 Before acquisition of the East and West Life Assurance Company (the "EWLA") by Army Welfare Trust (AWT), SECP had imposed penalty of Rs.120,000/- and Rs. 200,000/- on the EWLA vide order No: EMD/Enf/EWLA/2016/4299 and order No: ID/Enf/EWLA/2017/8348 respectively. The appeals on the said orders were filed before the Appellate bench of SECP by EWLA which are pending and the outcome is awaited. The appeals shall be contested by Askari Life Assurance Company Limited (the "Company").

25.1.6 There is a case filed by the Nobel Hospital against the EWLA in learned court, Lahore for the recovery of health insurance bill amounting to Rs. 1.6 million (approx.). After the acquisition, the Company is in coordination with the relevant parties for the possible resolution of the case.

25.1.7 There is outstanding petition filed by the Punjab Employees Social Security Institution (PESSI) against EWLA in Insurance Tribunal, Lahore for the recovery of the group claims of their employees amounting to Rs.11.8 million (approx.). After the acquisition, the Company is in co-ordination with the relevant parties for the possible resolution of the case.

25.2 Commitments***Ijara Commitment***

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

2020	2019
----- Rupees in '000 -----	
5,394	5,947
18,623	20,557
24,017	26,504

26 NET INSURANCE PREMIUM REVENUE**Gross Premiums / Contributions**

Regular Premium / Contributions Individual Policies*

First year	121,257	100,779
Second year renewal	52,560	1,572
Subsequent year renewal	7,351	12,739
Single premium / Contribution individual policies	37,745	59,244
Group policies without cash value	230,351	127,627
Total Gross Premiums	449,264	301,961
Less: Reinsurance Premiums Ceded		
On individual life First year business	2,488	3,006
On individual life second year business	2,337	32
On individual life renewal business	494	(3,446)
On group policies	162,594	82,845
less : Reinsurance commission on risk premium	(20)	(11)
	167,893	82,426
Net Premiums	281,371	219,535

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

27 INVESTMENT INCOME**Income from equity securities*****Available for Sale***

- Dividend income

1,407	738
-------	-----

Income from debt securities***Held to Maturity***

- Return on government securities

55,264	67,386
56,671	68,124

28 NET REALISED FAIR VALUE GAINS ON FINANCIAL ASSETS**Available for sale****Realised gains on:**

- Equity Security

-	43
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- Mutual funds

3	104
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Total

3	147
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29 NET FAIR VALUE GAINS ON FINANCIAL ASSETS AT FAIR VALUE

Impairment in value of available for sale securities

2,148	49
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	2020	2019
	----- Rupees in '000 -----	
30 OTHER INCOME		
Return on bank balances	7,884	7,213
Gain on sale of property and equipment	2,044	624
Loss on disposal of intangible assets	-	(9)
Miscellaneous	19	289
	<u>9,947</u>	<u>8,117</u>
31 NET INSURANCE BENEFITS		
Gross Claims		
Claims under individual policies		
by death	1,890	2,984
by maturity	33,820	29,041
by surrender	30,084	14,078
Total gross individual policy claims	<u>65,794</u>	<u>46,103</u>
Claims under group policies		
by death	255,605	124,407
by insured event other than death	6,776	6,363
Total gross group policy claims	<u>262,381</u>	<u>130,770</u>
Total gross claims	<u>328,175</u>	<u>176,873</u>
Less: Reinsurance recoveries		
On Group life claims	(201,473)	(94,746)
Net insurance benefit expense	<u>126,702</u>	<u>82,127</u>

31 Claim Development

INDIVIDUAL

Accident Year

2016 2017 2018 2019 2020 T total

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

Estimate of ultimate claims costs:

At end of accident year	11,579	1,263	1,561	295	1,434	16,132
One year later	1,410	150	200	405	-	2,165
Two years later	34	-	200	-	-	234
Three years later	200	49	-	-	-	249
Four years later	-	-	-	-	-	-
Current estimate of cumulative claims	<u>13,223</u>	<u>1,462</u>	<u>1,961</u>	<u>700</u>	<u>1,434</u>	<u>18,780</u>
Cumulative payments to date	(1,907)	(1,001)	(1,660)	(294)	-	(4,862)
Liability recognised in the statement of financial position	<u>11,316</u>	<u>461</u>	<u>301</u>	<u>406</u>	<u>1,434</u>	<u>13,918</u>

GROUP

Accident Year

2016 2017 2018 2019 2020 Total

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

Estimate of ultimate claims costs:

At end of accident year	2,165	200	16,746	131,455	245,091	395,657
One year later	-	-	3,864	11,976	-	15,840
Two years later	-	-	-	-	-	-
Three years later	-	-	-	-	-	-
Four years later	-	-	-	-	-	-
Current estimate of cumulative claims	<u>2,165</u>	<u>200</u>	<u>20,610</u>	<u>143,431</u>	<u>245,091</u>	<u>411,497</u>
Cumulative payments to date	-	-	(18,671)	(129,032)	(139,441)	(287,144)
Liability recognised in the statement of financial position	<u>2,165</u>	<u>200</u>	<u>1,939</u>	<u>14,399</u>	<u>105,650</u>	<u>124,353</u>

32 ACQUISITION EXPENSES	Note	2020 ----- Rupees in '000 -----	2019 ----- Rupees in '000 -----
Remuneration to insurance intermediaries on individual policies:			
- Commission to agent on first year premiums		57,413	44,485
- Commission to agent on second year premiums		4,718	170
- Commission to agent on subsequent renewal premiums		25	129
		<u>62,156</u>	<u>44,784</u>
Remuneration to insurance intermediaries on group policies:			
- Commission		18,122	12,560
Other acquisition costs			
Stamp duty		1,575	1,301
Employee benefit cost		72,192	83,348
Depreciation on right of use assets	9.2	7,184	6,766
Depreciation	8.1	3,964	2,625
Travel and conveyance		4,168	4,550
Advertisements and sales promotion		7,359	5,437
Printing and stationery		879	1,628
Rent, rates and taxes		78	1,213
Electricity, gas and water		1,686	1,721
Fees, subscription and periodicals		-	92
Entertainment		1,533	1,512
Vehicle running expenses		4,240	3,411
Repair and maintenance		2,433	2,557
Bank charges		13	29
Legal and professional charges		-	30
Postage, telegrams and telephone		2,371	1,805
Insurance		1,574	146
Finance charges		1,186	1,764
Ijara rental		2,959	1,716
Internet		-	-
Miscellaneous		80	3
		<u>115,474</u>	<u>121,654</u>
		<u>195,752</u>	<u>178,998</u>
32.1 Employee benefit cost			
Salaries, allowances and other benefits		70,962	83,348
Charges for post employment benefit		1,230	-
		<u>72,192</u>	<u>83,348</u>
33 MARKETING AND ADMINISTRATION EXPENSES			
Employee benefit cost	33.1	109,811	125,362
Travel and conveyance		1,978	7,210
Advertisements and sales promotion		2,417	20,623
Printing and stationery		3,528	4,227
Depreciation on right of use assets	9.2	9,722	9,754
Depreciation	8.1	8,407	5,859
Amortisation		988	676
Rent, rates and taxes		87	1,942
Electricity, gas and water		1,892	1,972
Entertainment		1,999	2,248
Vehicle running expenses		5,459	9,241
Repair and maintenance		16,187	8,478
Money ceded to Waqf Fund		-	500
Annual Supervision fee SECP		100	100
Bank charges		217	300
Postage, telegrams and telephone		5,145	5,024
Ijara Rental		3,055	2,120
Finance Charges		3,993	4,016
Fees, subscription and periodicals		815	1,062
Insurance		4,056	1,793
Miscellaneous		606	836
		<u>180,462</u>	<u>213,343</u>

	Note	2020 ----- Rupees in '000 -----	2019
33.1 Employee benefit cost			
Salaries, allowances and other benefits		101,349	112,574
Charges for post employment benefit		8,462	12,788
		<u>109,811</u>	<u>125,362</u>
34 OTHER EXPENSES			
Legal and professional charges		16,580	3,369
Appointed actuary fees		4,068	2,556
Shariah Advisor Fee		1,950	875
Auditors' remuneration	34.1	1,580	2,444
Director fee		1,010	895
		<u>25,188</u>	<u>10,139</u>
34.1 Auditors' remuneration			
Annual audit fee		505	558
Interim review		137	280
Taxation services		119	843
Review of code of corporate governance		63	58
Other Certifications		394	331
Out-of pocket expenses		232	294
Shariah audit fee		130	80
		<u>1,580</u>	<u>2,444</u>
35 TAXATION			
Current		349	518
Prior		98	(8)
		<u>447</u>	<u>510</u>

35.1 The Company computes provision for taxation in accordance with Income Tax Ordinance 2001 to ensure that the sufficient provision for the purpose of taxation is available which can be analyzed as follows:

	2019	2018	2017
	-----Rs in '000-----		
Tax provision as per financial statements	518	205	129
Tax payable / paid as per tax return	616	197	178

The deferred tax assets of Rs.14.280 million (December 31, 2019: Rs.10.237 million) is not recognized in these financial statements as management views that the benefit arising from carry forward losses will be recognized when future profitability is consistently demonstrated.

36 LOSS PER SHARE			
Loss (after tax) for the year		<u>(238,801)</u>	<u>(262,880)</u>
Weighted average number of ordinary shares		<u>114,336</u>	<u>110,172</u>
Loss per share		<u>(2.09)</u>	<u>(2.39)</u>

37 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive*		Directors		Executives*	
	2020	2019	2020	2019	2020	2019
	-----Rs in '000-----					
Fees	-	-	1,010	895	-	-
Managerial remuneration	7,713	7,713	-	-	15,236	18,713
House rent allowance	3,471	3,471	-	-	6,856	8,794
Utilities	4,242	4,242	-	-	8,380	9,919
Bonus	-	1,800	-	-	-	800
Medical	180	180	-	-	581	702
Car allowance	-	-	-	-	628	2,249
Others	1,828	1,919	-	-	4,650	4,543
Retirement benefits	-	-	-	-	1,596	320
	17,434	19,325	1,010	895	37,927	46,040
Number of persons	1	1	7	7	7	7

*Chief Executive and some of the executives have been provided with Company maintained cars

38 SEGMENTAL INFORMATION

38.1 Revenue Account by Statutory Fund

For the year ended December 31, 2020	Statutory funds					2020
	Ordinary Life	Universal Life	Accident & Health	Family Takaful	Group Family Takaful	
	-----Rs in '000-----					
Income						
Premium / Contributions less reinsurances	65,480	183,662	-	29,535	2,694	281,371
Net investment income	8,112	32,306	634	82	177	41,311
Total net income	73,592	215,968	634	29,617	2,871	322,682
Insurance benefits and expenditure						
Insurance benefits including bonuses, net of reinsurance recoveries	59,834	65,367	-	-	1,501	126,702
Management expenses less recoveries	130,301	227,779	-	13,254	3,180	374,514
Total insurance benefits and expenditure	190,135	293,146	-	13,254	4,681	501,216
Deficit of income over claims and expenditure	(116,543)	(77,178)	634	16,363	(1,810)	(178,534)
Add: Policyholders' liabilities at beginning of the year	12,994	239,584	-	-	346	252,924
Less: Policyholders' liabilities at end of the year	9,310	287,432	-	15,842	730	313,314
(Deficit) / Excess	(112,859)	(125,026)	634	521	(2,194)	(238,924)
Movement in policyholders' liabilities	(3,684)	47,848	-	15,842	384	60,390
Transfers from shareholders' fund						
- Capital contributions from shareholders' fund	118,500	128,500	-	-	2,500	249,500
- Money ceded to Waqf	-	-	-	-	-	-
Balance of statutory fund at beginning of the year	17,374	240,340	5,593	-	818	264,125
Balance of statutory fund at end of the year	19,331	291,662	6,227	16,363	1,508	335,091
Represented by:						
Capital contributed by shareholders' fund	434,183	538,208	17,868	-	2,500	992,759
Money ceded to Waqf	-	-	-	-	500	500
Policyholders' liabilities	9,310	287,432	-	15,842	730	313,314
Retained earnings on other than participating business	(424,162)	(533,978)	(11,641)	521	(2,222)	(971,482)
Balance of statutory fund at end of the year	19,331	291,662	6,227	16,363	1,508	335,091

For the year ended December 31, 2019	Statutory funds					2019
	Ordinary Life	Universal Life	Accident & health	Universal Family	Group Family	
	----- Rs in '000 -----					
Income						
Premium less reinsurances	44,251	174,753	-	-	531	219,535
Net investment income	6,245	27,467	604	-	10	34,326
Total net income	50,496	202,220	604	-	541	253,861
Claims and expenditure						
Claims, including bonuses, net of reinsurance recoveries	37,999	44,128	-	-	-	82,127
Management expenses less recoveries	104,498	273,601	-	-	223	378,322
Total claims and expenditure	142,497	317,729	-	-	223	460,449
Deficit of income over claims and expenditure	(92,001)	(115,509)	604	-	318	(206,588)
Add: Policyholders' liabilities at beginning of the year	9,549	169,640	-	-	-	179,189
Less: Policyholders' liabilities at end of the year	12,994	239,584	-	-	346	252,924
Deficit	(95,446)	(185,453)	604	-	(28)	(280,323)
Movement in policyholders' liabilities	3,445	69,944	-	-	346	73,735
Transfers from shareholders' fund						
- Capital contributions from shareholders' fund	98,500	185,000	-	-	-	283,500
- Money ceded to Waqf	-	-	-	-	500	500
Balance of statutory fund at beginning of the year	10,875	170,849	4,989	-	-	186,713
Balance of statutory fund at end of the year	17,374	240,340	5,593	-	818	264,125
Represented by:						
Capital contributed by shareholders' fund	315,683	409,708	17,868	-	-	743,259
Money ceded to Waqf	-	-	-	-	500	500
Policyholders' liabilities	12,994	239,584	-	-	346	252,924
Retained earnings on other than participating business	(311,303)	(408,952)	(12,275)	-	(28)	(732,558)
Balance of statutory fund at end of the year	17,374	240,340	5,593	-	818	264,125

38.2 Segment results by line of business

For the year ended December 31, 2020	Statutory funds					2020
	Ordinary Life	Universal Life	Accident & health business	Universal Family Takaful	Group Family Takaful	
	Rs in '000					
Income						
Gross premiums / contributions						
First year	438	102,702	53	18,064	-	121,257
Second year renewal premium	-	52,560	-	-	-	52,560
Subsequent year renewal premium	-	7,351	-	-	-	7,351
Single premium / Contribution individual policies	-	25,790	-	11,955	-	37,745
Group Premiums / Contributions	220,121	-	-	-	10,230	230,351
Total gross premiums	220,559	188,403	53	30,019	10,230	449,264
Reinsurance premiums						
- Individual premiums	21	4,761	53	484	-	5,319
- Group premiums	155,058	-	-	-	7,536	162,594
- Reinsurance commission on risk premium	-	(20)	-	-	-	(20)
Total reinsurance premiums	155,079	4,741	53	484	7,536	167,893
Net premium revenues	65,480	183,662	-	29,535	2,694	281,371
Net investment income	8,112	32,306	634	82	177	41,311
Net income	73,592	215,968	634	29,617	2,871	322,682
Insurance benefits and expenditures						
Insurance benefits, including bonuses, net of reinsurance	59,834	65,367	-	-	1,501	126,702
Management expenses less recoveries	130,301	227,779	-	13,254	3,180	374,514
Total insurance benefits and expenditures	190,135	293,146	-	13,254	4,681	501,216
(Deficit) / Excess of income over insurance benefits	(116,543)	(77,178)	634	16,363	(1,810)	(178,534)
Add: Policyholders' liabilities at beginning of the year	12,994	239,584	-	-	346	252,924
Less: Policyholders' liabilities at end of the year	9,310	287,432	-	15,842	730	313,314
Surplus / (deficit) before tax	(112,859)	(125,026)	634	521	(2,194)	(238,924)

For the year ended December 31, 2019	Statutory funds					2019
	Ordinary Life	Universal Life	Accident & health	Universal Family	Group Family	
----- Rs in '000 -----						
Income						
Gross premiums / contributions						
First year	-	100,779	-	-	-	100,779
Second year renewal premium	-	1,572	-	-	-	1,572
Subsequent year renewal premium	-	12,739	-	-	-	12,739
Single premium / Contribution individual policies	-	59,244	-	-	-	59,244
Group Premiums / Contributions	126,141	-	-	-	1,486	127,627
Total gross premiums	126,141	174,334	-	-	1,486	301,961
Reinsurance premiums						
- Individual premiums	-	(408)	-	-	-	(408)
- Group premiums	81,890	-	-	-	955	82,845
- Reinsurance commission on risk premium	-	(11)	-	-	-	(11)
Total reinsurance premiums	81,890	(419)	-	-	955	82,426
Net premium revenues	44,251	174,753	-	-	531	219,535
Other income	-	-	-	-	-	-
Net investment income	6,245	27,467	604	-	10	34,326
Net income	50,496	202,220	604	-	541	253,861
Insurance benefits and expenditures						
Insurance benefits, including bonuses, net of reinsurance	37,999	44,128	-	-	-	82,127
Management expenses less recoveries	104,498	273,601	-	-	223	378,322
Total insurance benefits and expenditures	142,497	317,729	-	-	223	460,449
Excess of income over insurance benefits	(92,001)	(115,509)	604	-	318	(206,588)
Add: Policyholders' liabilities at beginning of the year	9,549	169,640	-	-	-	179,189
Less: Policyholders' liabilities at end of the year	12,994	239,584	-	-	346	252,924
Deficit before tax	(95,446)	(185,453)	604	-	(28)	(280,323)

38.3 Segment Statement of financial position

	Shareholders' fund	Statutory funds				2020	2019	
		Ordinary Life	Universal Life	Accident & health business	Universal Family Takaful			Group Family Takaful
		-----Rs in '000-----						
Property and equipment	30,467	-	-	-	-	30,467	40,806	
Right of use assets	31,568	-	-	-	-	31,568	56,727	
Intangible assets	1,332	-	-	-	-	1,332	2,216	
Investments								
Equity securities	10,640	-	-	-	-	10,640	6,819	
Government securities	334,529	76,081	351,390	7,252	2,306	772,472	492,725	
Mutual funds	20,128	-	12,006	-	5,703	39,838	11,067	
Loans secured against life insurance policies	-	1,487	5,125	-	-	6,612	6,651	
Insurance / reinsurance receivables	-	38,010	-	376	-	38,412	11,213	
Other loans and receivables	9,827	889	300	1,195	53	12,279	14,222	
Taxation - payments less provision	17,082	-	-	-	-	17,082	13,650	
Prepayments	2,967	-	-	-	-	2,967	968	
Cash and Bank	47,757	3,977	16,115	1,056	11,677	86,503	112,844	
Total assets	506,297	120,444	384,936	9,879	19,739	1,050,172	769,908	
Insurance liabilities	-	57,453	349,927	3,599	15,842	428,241	345,874	
Retirement benefit obligations	18,151	-	-	-	-	18,151	12,177	
Premium received in advance	-	1,010	8,463	-	154	9,677	9,575	
Insurance / reinsurance payables	-	48,345	8,105	53	484	63,478	27,917	
Other creditors and accruals	22,585	3,614	14,216	-	2,737	43,291	31,360	
Lease liability against right of use assets	36,465	-	-	-	-	36,465	58,958	
Total Liabilities	77,201	110,422	380,711	3,652	19,217	599,303	485,861	

39 MOVEMENT IN INVESTMENTS

	Held to Maturity	Available for Sale	Total
	-----Rs in '000-----		
At beginning of previous year	492,725	17,886	510,611
Additions	2,958,316	28,868	2,987,184
Disposals (sale and redemptions)	(2,678,569)	-	(2,678,569)
Realised fair value gain	-	3	3
Unrealised fair value loss	-	1,573	1,573
Impairment	-	2,148	2,148
	772,472	50,478	822,950

40 WINDOW TAKAFUL OPERATIONS

The statement of financial position of Window Takaful Operations as at December 31, 2020 and its financial performance for the period ended December 31, 2020 is as follows:

40.1 Statement of Financial Position As at December 31, 2020

Operator's Sub Fund	Statutory funds		Aggregate	Aggregate
	Universal Life Family Takaful	Group Family Takaful	December 31, 2020	December 31, 2019
-----Rupees in '000-----				
Share capital and reserves				
Funds received from Shareholders' Fund	-	-	-	-
Capital returned to Shareholders' Fund	-	-	-	-
Accumulated Surplus / (Deficit)	2,712	-	2,712	12
Qard-e-Hasna contributed by the Window Takaful Operator	-	-	-	-
Net shareholders' equity	2,712	-	2,712	12
Balance of statutory fund (including Technical reserves Rs. 16.572 million (December 31, 2019: Rs.0.346 million)	-	14,961	199	15,160
Deferred liabilities				
Staff retirement benefits	-	-	-	-
Creditors and accruals				
Outstanding claims	-	-	690	690
Contributions received in advance	-	154	50	204
Amount due to takaful / re-takaful operators	-	484	6,491	6,975
Amounts due to agents	2,628	-	-	2,628
Accrued expenses	-	-	-	-
Other creditors and accruals	247	-	-	247
	<u>2,875</u>	<u>638</u>	<u>7,231</u>	<u>10,744</u>
Total liabilities	2,875	15,599	7,430	25,904
Commitments	-	-	-	-
Total equity and liabilities	5,587	15,599	7,430	28,616

	Statutory funds		Aggregate	Aggregate	
	Operator's Sub Fund	Universal Life Family Takaful	Group Family Takaful	December 31, 2020	December 31, 2019
-----Rupees in '000-----					
Cash and bank deposits					
Cash and others	-	-	-	-	-
Current and other accounts	5,154	6,890	5,554	17,598	1,951
Deposits maturing within 12 months	-	-	-	-	-
	<u>5,154</u>	<u>6,890</u>	<u>5,554</u>	<u>17,598</u>	<u>1,951</u>
Unsecured loans to employees					
		-	-	-	-
Investments					
Government securities	914	2,306	-	3,220	-
Listed securities	-	-	-	-	-
Open end mutual funds	-	5,703	2,001	7,704	-
Provision for diminution in value	-	-	-	-	-
	<u>914</u>	<u>8,009</u>	<u>2,001</u>	<u>10,924</u>	<u>-</u>
Current assets - others					
Contributions due but unpaid	-	-	26	26	-
Amount due from takaful / re-takaful operators	-	-	-	-	-
Sundry receivables	-	-	-	-	-
Investment income accrued	-	53	15	68	-
Advances and deposits	-	-	-	-	-
Prepayments	-	-	-	-	-
Taxation - payments less provision	-	-	-	-	-
Inter fund balance	(481)	647	(166)	-	(86)
	<u>(481)</u>	<u>700</u>	<u>(125)</u>	<u>94</u>	<u>(86)</u>
Fixed assets					
Tangible assets					
Furniture & fixture, office equipments	-	-	-	-	-
Motor vehicles	-	-	-	-	-
Right of use	-	-	-	-	-
Computer equipments	-	-	-	-	-
Intangible assets					
Softwares	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>5,587</u></u>	<u><u>15,599</u></u>	<u><u>7,430</u></u>	<u><u>28,616</u></u>	<u><u>1,865</u></u>

40.2 Revenue Account
For the year ended December 31, 2020

Statutory Funds		----Aggregate----	
Universal Life Family Takaful	Group Family Takaful	December 31, 2020	December 31, 2019

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

40.2.1 Participants' Investment Fund (PIF)

Income

Allocated contribution
Investment income
Total net income

15,512	-	15,512	-
43	-	43	-
15,555	-	15,555	-

Less: Claims and Expenditure

Claims
Takaful operator fee

-	-	-	-
448	-	448	-
448	-	448	-

Excess of Income over Claims and expenditure

15,107	-	15,107	-
--------	---	--------	---

Add : Technical reserves at the beginning of the period

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

Less : Technical reserves at the end of the period

15,105	-	15,105	-
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Income retained in PIF

2	-	2	-
---	---	---	---

Movement in technical reserves

(15,107)	-	(15,107)	-
----------	---	----------	---

Surplus before distribution

Movement in technical reserves

15,107	-	15,107	-
--------	---	--------	---

Transfers from

Qard-e-Hasna contributed by Window Takaful Operator
Money ceded to Waqf
Balance of PIF at the beginning of the period

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

Balance of PIF at the end of the period

15,107	-	15,107	-
--------	---	--------	---

40.3 Revenue Account
For the year ended December 31, 2020

Statutory Funds		----Aggregate----	
Universal Life Family Takaful	Group Family Takaful	December 31, 2020	December 31, 2019

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

40.3.1 Participants' Takaful Fund (PTF)

Income

Contribution net of retakaful
Net investment income
Other income

14,023	2,695	16,718	531
1	164	165	10
-	-	-	-
14,024	2,859	16,883	541

Less: Claims and Expenditure

Claims
Takaful operator fee

-	1,501	1,501	-
14,170	1,965	16,135	235
14,170	3,466	17,636	235

Excess / (Deficit) of Income over Claims and
expenditure

(146)	(607)	(753)	306
-------	-------	-------	-----

Add : Technical reserves at the beginning of the period

-	346	346	-
---	-----	-----	---

Less : Technical reserves at the end of the period

737	730	1,467	346
-----	-----	-------	-----

Surplus / (deficit) retained in PTF

(883)	(991)	(1,874)	(40)
-------	-------	---------	------

Movement in technical reserves

146	607	753	(306)
-----	-----	-----	-------

Surplus before distribution

Movement in technical reserves

(146)	(607)	(753)	306
-------	-------	-------	-----

Transfers from

Qard-e-Hasna contributed by Window Takaful Operator
Money ceded to Waqf
Balance of PTF at the beginning of the period

-	-	-	-
-	-	-	500
-	806	806	-

Balance of PTF at the end of the period

(146)	199	53	806
-------	-----	----	-----

40.3.2 Operators' Sub Fund (OSF)

	Statutory Funds		Aggregate	
	Universal Life Family Takaful	Group Family Takaful	December 31, 2020	December 31, 2019
-----Rupees in '000'-----				
Income				
Allocation fee	818	-	818	-
Investment income	38	13	51	-
Takaful operator fee	13,732	1,965	15,697	235
Certificate admin fee	38	-	38	-
Wakalat-ul-Istismar	30	-	30	-
	14,656	1,978	16,634	235
Less: Expenses				
Acquisition cost	12,352	2,577	14,929	136
Administration expenses	902	603	1,505	87
Total management cost	13,254	3,180	16,434	223
Excess of (expenditure)/over income				
Add : Technical reserves at the beginning of the period	-	-	-	-
Less : Technical reserves at the end of the period	-	-	-	-
Surplus / (Deficit)	1,402	(1,202)	200	12
Movement in technical reserves	-	-	-	-
Capital Contribution during the period	-	2,500	2,500	-
Qard-e-Hasna contributed to the Participants Takaful Fund	-	-	-	-
Balance of OSF at the beginning of the period	-	12	12	-
Balance of OSF at the end of the period	1,402	1,310	2,712	12

40.4 Statement of Contribution
For the year ended December 31, 2020

	Statutory Funds		Aggregate	
	Universal Life Family Takaful	Group Family Takaful	December 31, 2020	December 31, 2019
-----'Rupees in '000-----				
Gross Contributions				
Regular contributions individual family takaful*				
- First year	18,064	-	18,064	-
- Second year	-	-	-	-
- Subsequent year renewal	-	-	-	-
Single Contribution individual family takaful	11,955	-	11,955	-
Group family takaful contribution without cash value	-	10,231	10,231	1,486
Total Gross Contributions	30,019	10,231	40,250	1,486
Participants' Investment Fund				
Allocated regular contribution	4,155	-	4,155	-
Allocated single contribution	11,357	-	11,357	-
	15,512	-	15,512	-
Participant's Takaful Fund (PTF)				
Gross contribution	14,507	10,231	24,738	1,486
Less: Retakaful Contribution Ceded				
On individual first year business	484	-	484	-
On individual second year business	-	-	-	-
On individual renewal business	-	-	-	-
On group family takaful	-	7,536	7,536	955
Net Contributions	14,023	2,695	16,718	531

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

40.5 **Statement of Claims**
For the year ended December 31, 2020

	Statutory Funds		Aggregate	
	Universal Life Family Takaful	Group Family Takaful	December 31, 2020	December 31, 2019
-----Rupees in '000'-----				
Gross claims				
Claims under individual family takaful				
- by death	-	-	-	-
- by covered event other than death	-	-	-	-
- by maturity	-	-	-	-
- by surrender	-	-	-	-
Total gross individual family takaful claims	-	-	-	-
Claims under group family takaful				
- by death	-	5,350	5,350	-
- by covered event other than death	-	831	831	-
Total group family takaful claims	-	6,181	6,181	-
Total Gross Claims	-	6,181	6,181	-
Participants' Investment Fund (PIF)				
Claims under individual family takaful				
- by death	-	-	-	-
- by covered event other than death	-	-	-	-
- by maturity	-	-	-	-
- by surrender	-	-	-	-
Total gross individual family takaful claims	-	-	-	-
Participants' Takaful Fund (PTF)				
Claims under individual family takaful				
- by death	-	-	-	-
- by covered event other than death	-	-	-	-
- by maturity	-	-	-	-
- by surrender	-	-	-	-
Total gross individual family takaful claims	-	-	-	-
Claims under group family takaful				
- by death	-	5,350	5,350	-
- by covered event other than death	-	831	831	-
Total group family takaful claims	-	6,181	6,181	-
Less: Retakaful recoveries				
On individual family takaful first year claims	-	-	-	-
On individual family takaful second year claims	-	-	-	-
On individual family takaful renewal claims	-	-	-	-
On group takaful claims	-	4,680	4,680	-
Net Claims	-	1,501	1,501	-

40.6 Statement of Expenses
For the year ended December 31, 2020

Operators' Sub Fund

Statutory Funds		Aggregate	
Universal Life Family Takaful	Group Family Takaful	December 31, 2020	December 31, 2019

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

Acquisition costs

Remuneration to takaful intermediaries on individual family takaful:

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

9,182	-	9,182	-
-	-	-	-
-	-	-	-
-	-	-	-
9,182	-	9,182	-

Remuneration to takaful intermediaries on group family takaful:

Commission

-	1,661	1,661	135
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Other acquisition costs:

Employee benefit cost
 Depreciation
 Travel and conveyance
 Advertisements and sales promotion
 Printing and stationery
 Electricity, gas and water
 Rent, rates and taxes
 Vehicle running expenses
 Repair and maintenance
 Postage, telegrams and telephone
 Finance charges
 Ijara rental
 Miscellaneous
 Stamp duty

1,628	559	2,187	-
257	301	558	-
204	4	208	-
107	-	107	-
44	-	44	-
84	-	84	-
4	-	4	-
176	36	212	-
122	-	122	-
108	10	118	-
59	-	59	-
148	-	148	-
4	-	4	-
225	6	231	1
3,170	916	4,086	1
12,352	2,577	14,929	136

Total acquisition cost

Administration expenses

Shariah Advisor Fee
 Employee benefit cost
 Vehicle running expenses
 Miscellaneous
 Printing and stationery
 Fees, subscription and periodicals
 Rent, rates and taxes
 Depreciation on property and equipment
 Bank charges
 Postage, telegrams and telephone
 Entertainment
 Advertisements and sales promotion
 Fees, subscription and periodicals
 Auditors' remuneration

234	156	390	20
545	363	908	60
40	27	67	6
3	2	5	-
47	31	78	-
1	1	2	-
2	1	3	-
1	1	2	-
4	3	7	-
8	6	14	-
1	1	2	-
3	2	5	-
1	1	2	-
12	8	20	1
902	603	1,505	87
13,254	3,180	16,434	223

Gross management expenses

40.7 Statement of Investment Income
For the year ended December 31, 2020

Statutory Funds		Aggregate	
Universal Life Family Takaful	Group Family Takaful	December 31, 2020	December 31, 2019

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

Participants' Investment Fund (PIF)

On government securities	10	-	10	-
On other fixed income securities and deposits	31	-	31	-
Dividend income	2	-	2	-
Amortization of discount relative to par	-	-	-	-
(Loss)/ gain on sale of investments	-	-	-	-
Unrealised (loss) / gain on investments	-	-	-	-
Net investment income of PIF	43	-	43	-

a

Participants' Takaful Fund (PTF)

On government securities	-	-	-	-
On other fixed income securities and deposits	1	163	164	10
Dividend income	-	1	1	-
Amortization of discount/(premium)	-	-	-	-
(Loss)/ gain on sale of investments	-	-	-	-
Unrealised (loss) / gain on investments	-	-	-	-
Net investment income of PTF	1	164	165	10

b

Operators' Sub Fund (OSF)

On government securities	-	-	-	-
On other fixed income securities and deposits	38	13	51	-
Dividend income	-	-	-	-
Amortization of discount/(premium)	-	-	-	-
(Loss)/ gain on sale of investments	-	-	-	-
Unrealised (loss) / gain on investments	-	-	-	-
Net investment income of OSF	38	13	51	-

c

Net investment income	(a+b+c)	82	177	259	10
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41 Management of insurance and financial risk

The Company's overall risk management seeks to minimize potential adverse effects on the Company's financial performance of such risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. There are Board Committees and Management Committees for developing risk management policies and its monitoring.

The risks involved with financial instruments and the Company's approach to managing such risks are discussed below.

41.1 Insurance risk

The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The principal risk that the Company faces under such contracts is that the occurrence of the insured events and the severity of reported claims. The Company's risk profile is improved by diversification of these risks of losses to a large portfolio of contracts as a diversified portfolio is less likely to be affected by an unexpected event in single subset.

41.1.1 Universal Life

The risk underwritten is mainly death and sometimes disability and/or critical illness. The risk of death and disability will vary from region to region. The Company may get exposed to poor risks due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The Company may also face the risk of poor investment return, inflation of business expenses and liquidity issues on monies invested in the fund. The Company faces the risk of under-pricing particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency may result in the Company being unable to recover expenses incurred at policy acquisition.

The Company manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Company has a well defined medical under-writing policy and avoids selling policies to high risk individuals. This puts a check on anti-selection. Profit testing is conducted on an annual basis to ensure reasonableness of premiums charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure on any one policyholder. To avoid poor persistency the Company applies quality controls on the standard of service provided to policyholders and has placed checks to curb mis-selling and improvement in standard of service provided to the policyholders. For this, a regular monitoring of lapsation rates is conducted. On the claims handling side, the Company has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The Company maintains adequate liquidity in each unit fund to cater for potentially sudden and high cash requirement. The Company reserves the right to review the charges deductible under the contracts, thus limiting the risk of under-pricing.

a) Frequency and severity of claims

The Company charges for mortality risk on a monthly basis for all insurance contracts. It has the right to alter these charges based on its mortality experience and hence minimizes its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may reduce its mitigating effect. The Company manages these risks through its underwriting strategy and reinsurance arrangements.

b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long – universal life insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in policyholder’s behavior.

c) Process used to decide on assumptions

For long-term universal life insurance contracts, assumptions are made in two stages. At inception of the contract, the Company determines assumptions on future mortality, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies.

d) Changes in assumptions

There has been no change in assumptions during the year.

e) Sensitivity analysis

	Comprehensive Income		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	------(Rupees in '000)-----		------(Rupees in '000)-----	
Cash flow sensitivity	<u>8,470</u>	<u>(8,470)</u>	<u>8,470</u>	<u>(8,470)</u>
31 December 2019				
Cash flow sensitivity	<u>6,050</u>	<u>(6,050)</u>	<u>6,050</u>	<u>(6,050)</u>

41.1.2 Ordinary Life

The main risk written by the Company is mortality. The Company may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, difficulty of verification of claims, fraudulent claims or a catastrophe. The Company also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of premium in due time. There also exists a potential risk of asset liability term mismatch due to liabilities being very short term in nature.

The Company manages these risks through underwriting, reinsurance, effective claims handling and other related controls. The Company has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done in line with the actual experience of the Company. The premium charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The rates are certified by the appointed actuary for large groups. The Company also maintains an MIS to track the adequacy of the premium charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure to any life. At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor claim experience. Writing business of known hazardous groups is also avoided. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. For this, a claims committee reviews all large claims for verification. Strict monitoring is in place in order to keep the outstanding balances of premium at a minimum, especially the ones that are overdue. The bulk of the assets held against liabilities of this line of business have a short duration, thus mitigating the risk of asset value deterioration.

a) Frequency and severity of claims

The risk is affected by several factors e.g. age, occupation, benefit structure and life style. The Company attempts to manage this risk through its underwriting, claims handling and reinsurance policy. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country.

b) Sources of uncertainty in the estimation of future benefits payments and premium receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate mortality for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

Statistical methods are used to adjust the rates to a best estimate of mortality. Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

d) Changes in assumptions

There has been no change in assumptions during the year.

e) Sensitivity Analysis

	Comprehensive Income		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	------(Rupees in '000)-----		------(Rupees in '000)-----	
Cash flow sensitivity	<u>8,470</u>	<u>(8,470)</u>	<u>8,470</u>	<u>(8,470)</u>
31 December 2019				
Cash flow sensitivity	<u>6,050</u>	<u>(6,050)</u>	<u>6,050</u>	<u>(6,050)</u>

41.2 Financial risk

41.2.1 Market risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market.

Maturity profile of financial assets and liabilities

On balance sheet financial instruments	31 December, 2020					31 December 2019				
	Maturity upto one year	Maturity after one year	Sub-Total	Non-interest / profit bearing financial instruments	Total	Maturity upto one year	Maturity after one year	Sub Total	Non-interest bearing financial instruments	Total
----- (Rupees in '000) -----										
Financial assets										
Investments	599,178	173,294	772,472	50,478	822,950	385,908	106,817	492,725	17,886	510,611
Loans secured against life insurance policies	-	-	-	6,612	6,612	-	-	-	6,651	6,651
Insurance / reinsurance receivable	-	-	-	38,412	38,412	-	-	-	11,213	11,213
Other loans and receivables	-	-	-	12,279	12,279	-	-	-	14,222	14,222
Prepayments	-	-	-	2,967	2,967	-	-	-	-	-
Cash & Bank	74,481	-	74,481	12,022	86,503	112,243	-	112,243	601	112,844
	673,659	173,294	846,953	122,770	969,723	498,151	106,817	604,968	50,573	655,541
Financial liabilities										
Insurance Liabilities	-	-	-	428,241	428,241	-	-	-	345,874	345,874
Retirement benefit obligations	-	-	-	18,151	18,151	-	-	-	12,177	12,177
Premium received in advance	-	-	-	9,677	9,677	-	-	-	9,575	9,575
Insurance / reinsurance payables	-	-	-	63,478	63,478	-	-	-	27,917	27,917
Other creditors and accruals	-	-	-	43,291	43,291	-	-	-	31,360	31,360
	-	-	-	562,838	562,838	-	-	-	426,903	426,903
On balance sheet gap	673,659	173,294	846,953	(440,068)	406,885	498,151	106,817	604,968	(376,330)	228,638

(a) Interest rate risk exposure

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

(b) Equity Price Risk

The Company's investment in listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Company manages equity price risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity market. The Company is exposed to equity price risk with respect to its investments in quoted securities. Change of 10% in equity prices (NAV in case of mutual fund) will result in change in prices of respective equity instruments by Rs. 5.048 million (2019: Rs. 1.788 million).

41.2.2 Operational risk

The Company's operational cash flows and financial conditions could be negatively affected by the following:

- a) If employees are quarantined as the result of exposure to COVID-19, this could result in disruption of operations and impact economic activity.
- b) Similarly, operational issues resulting from the rapid spread of COVID-19 in Pakistan may have a material effect on our business and results of operations.

However the Company manages above risks with well-defined Disaster Recovery (DR) and Business Continuity Plan (BCP). The staff is sufficiently trained and aware of their job responsibilities in case of any calamity which may prevent employees to use office of the Company or any other joint working space. The BCP also provides remote access to the resources for employees to fulfil their job responsibilities and service clients while ensuring utmost security of the Company's information system.

41.2.3 Credit risk

Credit risk is the risk that the counter party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulator requirements.

The maximum exposure to credit risk before any credit enhancements as at December 31, 2020 is the carrying amount of the financial assets as set out below:

	2020	2019
	------(Rupees in '000)-----	
Financial Assets		
Insurance / reinsurance receivables	38,412	11,213
Other loans and receivables	12,279	14,222
Cash and Bank	86,503	112,844
	137,194	138,279
Bank balances		

The Company maintained its funds with banks having strong credit rating. Currently the funds are kept with banks having rating ranging from AAA+ to A-.

December 31, 2020	AAA	AA+	AA	AA-	A	A-	Suspended	Total
	-----Rupees in '000-----							
Bank Balances	2,087	74,852	56	4,831	3	4,439	1	86,269
December 31, 2019								
Bank Balances	1,541	32,710	-	33,513	-	45,030	1	112,795

Concentration of credit risk

Concentration is the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

Concentration of risks arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company manages such risk by diversifying its portfolio and entering into transactions with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

41.2.4 Capital risk managements

The Company's objective when managing capital is to safe guard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development its businesses. The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

Currently the Company has a paid up capital of Rs. 1,501.72 million against the minimum required paid-up capital of Rs. 700 million set by the SECP for the life insurance companies for the year ended December 31, 2020.

42 MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

The Company is responsible for managing contracts that result in the transfer of Takaful and Financial Risk from the Participant to the PTF. This section summarizes the risks and the way the Company manages them, as part of the Company's Window Takaful Operations.

Takaful Risk

The PTF issues Takaful contracts that are classified in the following segments:

- Individual Family Takaful
- Group Family Takaful"

Individual Family Takaful

These risks are managed along similar lines as explained for universal life business.

a) Frequency and severity of claims

Concentration of risk is not a factor of concern due to spread of risks across various parts of the country. However, undue concentration by amounts could have an impact on the severity of benefit payments

on a portfolio basis. However, a risk of concentration of risk on any one Participant of the PTF still exists. The Company caters to this risk by entering into suitable Retakaful arrangements. For the basic life The Company charges for mortality risk/Waqf Donation (credited to the PTF) on a monthly basis for all Takaful contracts without fixed term.

Moreover, the Company manages these risks through its underwriting strategy and the results are revised quarterly by the Underwriting and Reinsurance Committee.

b) Source of uncertainty in the estimate of future benefits payments and contributions receipts
Uncertainty in the estimation of future benefit payments and contribution receipts for long term takaful contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in participants' behaviour (this primarily impacts persistency).

c) Process used to decide on assumptions

- Mortality: The expected mortality is assumed as mentioned in note 5.8.1.
- Persistency: A periodic analysis of the Company's recent and historic experience is performed and persistency is calculated every month. Persistency rates vary by products and more importantly the sales distribution channel.
- Expense levels and inflation: A periodic study is conducted on the Company's current business expenses and future projections to calculate per membership expenses. Expense inflation is assumed in line with assumed investment return.
- Investment returns: The investment returns assumptions are based on the assets backing the portfolio.

d) Change in assumptions

There has been no change in assumptions.

Group Family Takaful

The main risk written by the Company is mortality. The Company may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, and difficulty of verification of claims, fraudulent claims or a catastrophe. The Company also faces risk such as that of underpricing to acquire business in a competitive environment and of non-receipt of model contribution in due time.

The Company manages these risks through its:

a) Pricing and Underwriting:

All products of this nature are prepared by the Group Underwriting Department along with input from relevant sales team members which is then reviewed by the Appointed Actuary.

Pricing is done in line with the actual experience of the Company. The contribution charged takes into account the actual experience of the Group Participant and the nature of mortality exposure the group faces.

At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure.

Furthermore, the Company also maintains various MIS that are shared with relevant management to track the adequacy of the contribution charged.

Also, Underwriting & Reinsurance Committee reviews the underwriting performance of the Company on a quarterly basis.

b) Retakaful:

Retakaful agreements are in place to limit the mortality exposure. Underwriting & Reinsurance Committee reviews every quarter the performance of the treaties to ensure that adequate retakaful coverage is in place.

c) Claims handling policy:

The Company has procedures in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and apparently doubtful claims is conducted. Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims department's performance and to make sure that adequate claims controls are in place.

d) Sources of uncertainty in the estimation of future benefits payments and contribution receipts:

Other than conducting a liability adequacy for unearned contribution reserve, there is no need to estimate mortality for future years because of the short duration of the contracts.

e) Process used to decide on assumptions

Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

f) Change in assumptions

There has been no material change in assumptions.

42.1 Concentration of Takaful Risk

A concentration of risk may arise from a single Family Takaful Contract issued to a particular type of Participant, within a geographical location or to types of commercial business. The Company minimizes its exposure to significant losses by obtaining re-takaful from foreign Re-Takaful Operator.

To optimize benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance.

There are a number of parameters which are significant in assessing the accumulation of risks e.g. financial underwriting ensuring a reasonable relationship between the income and Family Takaful coverage amount of person covered, determination of Family Takaful Coverage amount through some mechanism which precludes individual choices and anti-selection.

43 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 3

"- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable"

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

	31 December 2020			
	Fair value measurement using			
	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----			
Government securities	-	772,472	-	772,472
Listed securities	10,640	-	-	10,640
Open end mutual funds	39,838	-	-	39,838
Term deposits receipts	-	-	-	-
	50,478	772,472	-	822,950

	31 December 2019			
	Fair value measurement using			
	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----			
Government securities	-	492,725	-	492,725
Listed securities	6,819	-	-	6,819
Open end mutual funds	11,067	-	-	11,067
Term deposits receipts	-	-	-	-
	17,886	492,725	-	510,611

44 STATEMENT OF SOLVENCY

	Shareholders Fund	Ordinary Life	Universal Life	Accident and Health	Universal Family	Group Family Takaful	December 31, 2020	December 31, 2019	
	-----Rupees in '000-----								
Assets									
Property and equipment	30,467	-	-	-	-	-	30,467	40,806	
Intangible assets	1,332	-	-	-	-	-	1,332	2,216	
Investments									
Equity securities	10,640	-	-	-	-	-	10,640	6,819	
Government securities	334,529	76,081	351,390	7,252	2,306	914	772,472	492,725	
Term deposits receipts	-	-	-	-	-	-	-	-	
Mutual funds	20,128	-	12,006	-	5,703	2,001	39,838	11,067	
Loans secured against life insurance policies	-	1,487	5,125	-	-	-	6,612	6,651	
Insurance / reinsurance receivables	-	38,010	-	376	-	26	38,412	11,213	
Other loans and receivables	9,827	889	300	1,195	53	15	12,279	14,222	
Taxation - payments less provision	17,082	-	-	-	-	-	17,082	13,650	
Prepayments	5,028	-	-	-	-	-	5,028	3,490	
Cash and Bank	47,757	3,977	16,115	1,056	11,677	5,921	86,503	112,844	
Interfund Balances	(7,066)	5,082	1,974	-	(184)	194	-	-	
Total Assets (A)	469,724	125,526	386,910	9,879	19,555	9,071	1,020,665	715,703	

Inadmissible Assets

Property and equipment	30,467	-	-	-	-	-	30,467	40,806
Intangible assets	1,332	-	-	-	-	-	1,332	2,216
Investments								
Equity securities	565	-	-	-	-	-	565	408
Insurance / reinsurance receivables	-	13,211	-	376	-	-	13,587	2,893
Other loans and receivables	546	869	-	-	-	-	1,415	1,389
Total of In-admissible assets (B)	32,910	14,080	-	376	-	-	47,366	47,712

Total Admissible Assets (C=A-B)

436,814	111,446	386,910	9,503	19,555	9,071	973,299	667,991
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Total Liabilities

Insurance liabilities	-	57,453	349,927	3,599	15,842	1,420	428,241	345,874
Retirement benefit obligations	18,151	-	-	-	-	-	18,151	12,177
Premium received in advance	-	1,010	8,463	-	154	50	9,677	9,575
Insurance / reinsurance payables	-	48,345	8,105	53	484	6,491	63,478	27,917
Other creditors and accruals	-	3,614	14,216	-	2,737	139	20,706	31,360
Total Liabilities (D)	18,151	110,422	380,711	3,652	19,217	8,100	540,253	426,903

Total Net Admissible Assets (E=C-D)

418,663	1,024	6,199	5,851	338	971	433,046	241,088
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Minimum Solvency Requirement

Shareholders fund	165,000	165,000
Ordinary Life	37,995	22,266
Universal Life	6,709	5,550
Accident and Health	720	720
Universal Family Takaful	425	-
Group Family Takaful	2,445	372
Total solvency margin required	213,294	193,908
Excess in Net Admissible Assets over Minimum Requirements	219,752	47,180

45 RELATED PARTY RELATIONSHIPS

Name of related parties	Relationship
Askari Development & Holdings Private Limited	Associated undertaking
AWT Investments Limited (Primus Investment)	Associated undertaking
Askari Life Assurance Company Limited	Associated undertaking
Askari General Insurance company Limited	Associated undertaking
Askari Siddiqsons Development Company Limited	Associated undertaking
Askari Chartered Services	Associated undertaking
Askari Airport Services	Associated undertaking
Askari Travels Agencies	Associated undertaking
Askari Travels and Tours	Associated undertaking
Services Travels	Associated undertaking
Blue Lagoon	Associated undertaking
Askari Lagoon Faisalabad	Associated undertaking
Askari Fuels	Associated undertaking
Army Welfare Sugar Mills	Associated undertaking
Askari Woolen Mills	Associated undertaking
Askari Shoe Project	Associated undertaking
AWT Plaza Rawalpindi	Associated undertaking
AWT Plaza Karachi	Associated undertaking
RE-Rawalpindi	Associated undertaking
RE-Lahore	Associated undertaking
RE-Peshawar	Associated undertaking
Army Farms Khoski	Associated undertaking
Farms Boyel Gung	Associated undertaking
Farms Probynabad	Associated undertaking
Farms - RB	Associated undertaking
Askari Seeds	Associated undertaking
MAL Pakistan Limited	Associated undertaking
Askari Securities Limited	Associated undertaking
Askari Aviation (Private) Limited	Associated undertaking
Askari Guards (Private) Limited	Associated undertaking
Askari Enterprises (Private) Limited	Associated undertaking
Fauji Securities Services (Private) Limited	Associated undertaking
MedASK (Private) Limited	Associated undertaking
Askari Air Pakistan (Private) Limited	Associated undertaking
Army Welfare Trust	Holding company

46 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:

		2020	2019
		----- (Rupees in '000) -----	
Relationship	Transactions		
Holding company	Premium revenue	<u>564</u>	<u>97</u>
Holding company	Insurance benefits	<u>600</u>	<u>-</u>
Holding company	Advance against equity	<u>165,000</u>	<u>-</u>
Holding company	Repayment of advance against equity	<u>165,000</u>	<u>-</u>
Associated undertaking	Premium revenue	<u>30,362</u>	<u>17,311</u>
Associated undertaking	Insurance benefits	<u>31,410</u>	<u>23,430</u>
Associated undertaking	Expenses and acquisition cost	<u>8,692</u>	<u>6,308</u>
Chief Executive Officer	Premium revenue	<u>50</u>	<u>50</u>
Contribution	Staff Provident Fund	<u>-</u>	<u>-</u>
Key Management Personnel	Remuneration	<u>55,361</u>	<u>64,955</u>
Directors	Fee	<u>1,010</u>	<u>895</u>
Related Party	Balances		
Holding Company			
Army Welfare Trust	Due from insurance contract holders	<u>236</u>	<u>188</u>
	Advance against equity	<u>-</u>	<u>-</u>
Associated undertakings			
Askari Guards Limited	Due from insurance contract holders	<u>1,626</u>	<u>-</u>
Mobil Askari Pakistan Limited	Due from insurance contract holders	<u>10</u>	<u>6</u>
Askari Fuels	Due from insurance contract holders	<u>11</u>	<u>2</u>
Askari Woolen Mills	Due from insurance contract holders	<u>-</u>	<u>3</u>
Askari Development Holding Pvt Limited	Due from insurance contract holders	<u>-</u>	<u>32</u>
Askari General Insurance Company Limited	Due from insurance contract holders	<u>-</u>	<u>21</u>
AWT Investment	Due from insurance contract holders	<u>21</u>	<u>14</u>
Askari Chartered Aviation Services (ACS)	Due from insurance contract holders	<u>2</u>	<u>2</u>
Fauji Security Services	Due from insurance contract holders	<u>-</u>	<u>1</u>
MEDASK	Due from insurance contract holders	<u>2</u>	<u>-</u>
Real Estate (Head Office)	Due from insurance contract holders	<u>-</u>	<u>-</u>
AWT Housing Scheme Lahore	Due from insurance contract holders	<u>-</u>	<u>-</u>
AWT Housing Scheme Peshawar	Due from insurance contract holders	<u>-</u>	<u>-</u>
AWT Housing Scheme Sang Jani	Due from insurance contract holders	<u>-</u>	<u>-</u>

AWT Housing Scheme Karachi	Due from insurance contract holders	2	-
AWT Units	Due from insurance contract holders	6,470	
Askari Shoes	Due from insurance contract holders	14	
Askari General Insurance Company Limited	Due to insurance contract holders	19	-
AWT Housing Scheme - Lahore	Due to insurance contract holders	1	-
Army Welfare Shugar Mills	Due to insurance contract holders	19	102
Blue Lagoon	Due to insurance contract holders	2	25
Askari Farms & Seeds Products	Due to insurance contract holders	24	26
Askari Flying Academy	Due to insurance contract holders	2	2
Askari Guards Limited	Outstanding claims	3,604	3,056
Fauji Security Services	Outstanding claims	900	1,000
Army Welfare Sugar Mills	Outstanding claims	500	1,100
AWT Investment	Outstanding claims	8,000	-
Askari Fuel	Outstanding claims	-	15
AWT Housing Scheme Lahore	Outstanding claims	-	600
Askari Travel & Tours	Accrued expenses	180	457
Askari General Insurance Company Limited	Accrued expenses	2,418	-
Gratuity payable to staff	Staff retirement benefits	18,151	12,177
East West Insurance Company Limited	Equity investments	565	408

47 GENERAL

Figures have been rounded off to the nearest thousands.

48 CORRESPONDING FIGURE

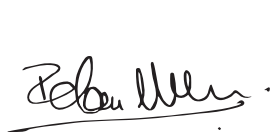
Corresponding figures have been re-arranged and re-classified, wherever necessary for the purpose of comparison. However, there were no significant reclassifications to report.

49 NUMBER OF EMPLOYEES

	2020	2019
The details of number of employees are as follows:		
Number of employees as at year end	85	94
Average Number of employees during the year	90	78

50 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on March 26, 2021.


Chief Financial Officer


Chief Executive Officer


Director


Director


Chairman

STATEMENT OF DIRECTORS UNDER INSURANCE ORDINANCE 2000

(As per the requirement of section 46(6) and section 52(2) of the Insurance Ordinance 2000)
Section 46(6)

- a) In our opinion the annual statutory accounts of the Company set out in the forms attached to the statement have been drawn up in accordance with the Ordinance and any rule made there under;
- b) The Company has at all times in the year complied with the provision with the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements; and
- c) As at December 31, 2019 the Company continues to be in compliance with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements.

Section 52(2)

- d) In our opinion the statutory fund of the Company complies with the solvency requirements of the Insurance Ordinance, 2000.



Chairman



Chief Executive Officer



Director



Director

**Statement by the Appointed Actuary
Required under Section 52(2) (a) and (b) of the Insurance Ordinance, 2000**

I, Shujat Siddiqui of Akhtar & Hasan (Private) Limited, being an Actuary duly qualified under the terms of the Insurance Ordinance 2000, and being the Appointed Actuary of Askari Life Assurance Company Limited, do hereby state that in my opinion:

- (a) The policyholders' liabilities included in the balance sheet of Askari Life Assurance Company Limited as at 31st December 2020 hve been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
- (b) The Shareholders' Fund and the Statutory Funds of the Company meet the solvency requirements of the Insurance Ordinance, 2000 as at 31st December 2020 in aggregate.



Shujat Siddiqui, MA, FIA, FPSA
Appointed Actuary

Pattern of Shareholding as at December 31, 2020

No of Shareholders	From	To	Total Shares hold	Percentage
66	1	100	1,506	0%
122	101	500	53,585	0%
81	501	1000	73,606	0%
147	1001	5000	405,896	0%
56	5001	10000	422,548	0%
19	10001	15000	242,785	0%
12	15001	20000	217,735	0%
11	20001	25000	259,150	0%
7	25001	30000	199,634	0%
2	30001	35000	64,530	0%
5	35001	40000	189,946	0%
2	40001	45000	83,500	0%
4	45001	50000	196,000	0%
5	50001	55000	267,433	0%
6	55001	60000	351,309	0%
2	60001	65000	127,000	0%
1	65001	70000	68,500	0%
2	85001	90000	174,000	0%
3	95001	100000	299,000	0%
2	105001	110000	219,500	0%
1	115001	120000	120,000	0%
1	120001	125000	123,299	0%
2	125001	130000	258,544	0%
1	135001	140000	136,562	0%
1	165001	170000	167,500	0%
1	175001	180000	177,119	0%
1	200001	205000	205,000	0%
1	205001	210000	208,000	0%
1	225001	230000	226,466	0%
1	240001	245000	244,500	0%
1	275001	280000	279,730	0%
1	340001	345000	340,105	0%
1	375001	380000	378,268	0%
1	395001	400000	400,000	0%
1	405001	410000	405,162	0%
2	500001	505000	1,004,461	1%
1	595001	600000	596,217	0%
1	735001	740000	736,465	0%
1	755001	760000	759,345	1%
1	990001	995000	991,500	1%
1	1215001	1220000	1,218,096	1%
1	1290001	1295000	1,294,841	1%
1	1345001	1350000	1,349,000	1%
1	1410001	1415000	1,411,000	1%
1	1660001	1665000	1,662,091	1%
1	3065001	3070000	3,066,753	2%
1	28410001	28415000	28,411,824	19%
1	1E+08	100085000	100,083,003	67%
585			150,172,014	100%

No of Shareholders

S.No.	Name of the Director	No of Shareholders	Shares held	Percentage
1	CEO, Directors and their spouses and minor childrens	5	14,828	0.0099%
2	Executive	1	4,000	0.0027%
3	Associated Companies, Undertakings & related parties	2	128,494,827	85.5651%
4	NIT and ICP	-	-	0.0000%
5	Public Sector Companies & Corporations	-	-	0.0000%
6	Others	13	4,511,119	3.0040%
7	Banks, Development Finance Insitutions, Non-Banking Finance Institution, Insurers, Modaraba & Mutual funds	1	1,000	0.0007%
8	Individuals	563	17,146,240	11.4177%
Total		585	150,172,014	100%

Categories of Shareholdes

CEO, Directors and their spouses and minor childrens		5	14,828	0.0099%
1	Jehanzeb Zafar - CEO		3,407	0.0023%
2	Ayesha Rafique - Director		3,407	0.0023%
3	Miss. Uroj Javed Yunus		1,200	0.0008%
4	Tariq Hameed		3,407	0.0023%
5	Javed Yunus		3,407	0.0023%
Executive		1	4,000	0.0027%
Associated Companies, Undertakings & related parties and Shareholders holding five percent or more		2	128,494,827	85.5651%
1	East West Insurance Co.Ltd		28,411,824	18.9195%
2	Army Welfare Trust		100,083,003	66.6456%
Banks, Development Finance Insitutions, Non-Banking Finance Institution, Insurers, Modaraba & Mutual funds		1	1,000	0.0007%
Others		13	4,511,119	3.0040%
Individuals		563	17,146,240	11.4177%
Total		585	150,172,014	100%

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 28th Annual General Meeting of the shareholders of Askari Life Assurance Company Limited will be held Via video Conferencing on Monday April 26, 2021 at 11:00am.

As per the current reports Covid-19 is once again surging in Pakistan and it is becoming difficult to manage large group of people, therefore, keeping in view the SECP Circular No.6 of 2021 dated March 03, 2021 and to adopt a cautious approach for all the respected participants, it has been decided that the Annual General Meeting will be held through Zoom Video Link only. The meeting will be convened on "Zoom Cloud Meetings" which can be downloaded from Google PlayStore or Apple App Store. The interested shareholders are requested to download the app before the meeting to avoid any inconvenience. On the day of the AGM the shareholders will be able to login and participate in the meeting through smartphones or computers devices from any convenient location.

The entitled shareholders whose name appear on the Books of the Company by Close of Business on April 19, 2021 will be treated 'in time' for the purpose of attending the meeting and who are interested to attend AGM through online platform are requested to get themselves registered at the Company Secretary's office through provision of the following information at the earliest but not later than 24 hours before the meeting (i.e. before 10:30am on April 25, 2021) at company.secretary@askarilife.com:

Name of Shareholder	CNIC No.	Folio Number/CDC Number	Mobile Number	Email Address

Upon receipt of the aforementioned information from the interested shareholders, the company will send the login details at their email address. The login facility will be opened 30 minutes before the meeting time at 10:30 am on Monday April 26, 2021 to facilitate the participants' identification and verification process before joining the meeting at 11:00 a.m sharp.

The entitled shareholders, whose name appear in the books of the Company (by Close of Business on April 19, 2021), may send their comments/suggestions for the proposed agenda items, on the aforementioned email address at least 24 hours before the meeting, the same shall be discussed in the meeting and be made part of the minutes of the meeting.

The meeting will be convened to transact the following business:

Ordinary Business:

1. To confirm the minutes of the 27th annual general meeting held on May 29, 2020
2. To receive, consider and adopt the Company's Financial Statements for the year ended December 31, 2020, together with the Reports of the Auditors and Directors thereon.
3. To reappoint M/S RSM Avais Hyder Liaquat Nauman- Chartered Accountants Statutory Auditors and Shariah Auditors of the Company and to fix their remuneration for the financial year December 31, 2021.
4. To elect Directors of the Company in accordance with section 156 of the Companies Act 2017. The number of Directors to be elected has been fixed at 7 by the Board of Directors. The names of the retiring Directors are:
 1. Lt Gen Naveed Mukhtar (Retd)
 2. Maj Gen Muazzam Ali Goraya (Retd)
 3. Air Vice Marshal Muhammad Athar Shams (Retd)
 4. Ayesha Rafique
 5. Tariq Hameed
 6. Javed Yunus
 7. Malik Riffat Mehmood
5. To transact any other business that may be placed before meeting with the permission of the Chairman

By Order of the Board

Date: April 05, 2021

Haajra Jafri
Company Secretary

NOTES:

- (a) The Share Transfer Books of the Company will remain closed from April 20, 2021 to April 26, 2021 (both days inclusive) for Annual General Meeting. Transfers received in order by our registrar, M/s THK Associates (Pvt) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi, at the close of business on April 19, 2021 will be treated in time for the purpose of attending the meeting.
- (b) A member eligible to attend and vote at the meeting may appoint another person as his/her proxy to attend, speak and vote instead of him/her. Proxies in order to be effective must be received in the office of the Company's Head Office at Emerald Tower, Office No 1104, 11th Floor, Plot G-19, Block 5, KDA Improvement Scheme No. 5, Clifton, Karachi, not less than 48 hours before the time for holding the meeting (i.e. by 11:00am on April 24, 2021) and must be duly stamped, signed and witnessed. A member shall not be entitled to appoint more than one proxy.
- (c) CDC account/sub account holders should provide their original Computerized National Identity Cards (CNIC), Accounts/Sub-Account Number and Participant's ID Number in the Central Depository Company (CDC) for identification purpose when attending the meeting. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
- (d) Shareholders (Non-CDC) are requested to promptly notify the Company's Share Registrar of any change in their addresses and also provide the email address, if possible.

FOR APPOINTING PROXIES:

- In case of individuals, the submission of the proxy form as per the requirement notified in Note (b) mentioned above.
- The proxy form shall be witnessed by two persons whose name, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
- The proxy shall produce his/her original CNIC or original Passport at the time of meeting.
- In case of corporate entity, the Board of Directors' resolution /power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Annual Accounts of the Company:

Annual accounts of the company for the financial year ended December 31, 2020, can be downloaded from the Company's website- www.askarilife.com

Members are hereby informed that for electronic transmission of Annual Report, Electronic transmission consent form has been uploaded on the Company's website-www.askarilife.com Members who wish to avail this facility are requested to submit their form duly filled and signed to Company Secretary at Company's Head Office at Emerald Tower, Office No 1104, 11th Floor, Plot G-19, Block 5, KDA Improvement Scheme No. 5, Clifton, Karachi along with CNIC copy of the member.

Election of Directors:

The number of Directors to be elected has been fixed by the Board of Directors at seven (7).

Any shareholder who seeks to contest election for directorship of the Company shall file with the Company at its registered office:

- i. A notice of his/her intention to offer himself/herself for election 14 days before the date of the above said Annual General Meeting in terms of section 156 of Companies Act 2017
- ii. Form 28 (consent to act as Director) prescribed under the Companies Act 2017
- iii. Detailed profile along with office address

- iv. Declaration in respect of being compliant with the Code of Corporate Governance 2019 and eligibility criteria as set out in the Companies Act 2017 to act as Director or an independent director of a listed Company
- v. Attested copy of valid CNIC and NTN

Detailed profile of the nominated Director along with office address to be placed on the Company's website seven days prior to the date of election in terms of SECP's SRO 634(1)2014 of July 10, 2014.

For any query/information, members may contact the Share Registrar at the following address:

THK Associates (Pvt) Ltd

1st Floor, 40-C, Block-6,
P.E.C.H.S
Karachi-75400

Askari life Assurance Company Limited

Emerald Tower, Office No 1104, 11th Floor, Plot G-19,
Block 5, KDA Improvement Scheme No. 5, Clifton, Karachi
Telephone No: 021-111-222-275
Contact Person: Company Secretary
Email: company.secretary@askarilife.com

نوٹس برائے سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ عسکری لائف ایٹورنس کمپنی لمیٹڈ کے حصص کنندگان کا اٹھائیسواں سالانہ اجلاس عام، بذریعہ ویڈیو کانفرنس بروز پیر، ۲۶ اپریل ۲۰۲۱ء کو صبح گیارہ بجے منعقد ہوگا:

حالیہ رپورٹس کے مطابق، کووڈ 19 پاکستان میں ایک دفعہ پھر سرٹھار رہا ہے اور لوگوں کے بڑے گروپ کا انتظام کرنا مشکل ہوتا جا رہا ہے، چنانچہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ۲۰۲۱ کے سرکلر نمبر ۶ مورخہ ۰۳ مارچ ۲۰۲۱ء کو مد نظر رکھتے ہوئے اور تمام معزز شرکاء کے لئے ایک محتاط رسائی وضع کرنے کیلئے، یہ فیصلہ کیا گیا ہے کہ سالانہ اجلاس عام صرف زوم ویڈیو لنک کے ذریعے منعقد ہوگا۔ اجلاس "زوم کلاؤڈ میٹنگز" (Zoom Cloud Meetings) پر منعقد کیا جائے گا جو گوگل پلے اسٹور (Google PlayStore) یا ایپل ایپ اسٹور (Apple App Store) سے ڈاؤن لوڈ کیا جاسکتا ہے۔ کسی بھی پریشانی سے بچنے کیلئے خواہشمند حصص کنندگان سے درخواست کی جاتی ہے کہ وہ اجلاس سے قبل ایپ ڈاؤن لوڈ کر لیں۔ سالانہ اجلاس والے روز حصص کنندگان کسی بھی قابل رسائی مقام سے اسمارٹ فونز یا کمپیوٹر ڈیوائسز کے ذریعے لاگ ان ہو سکیں گے اور اجلاس میں شرکت کر سکیں گے۔

تمام حصص کنندگان کو جن کے نام مورخہ ۱۹ اپریل ۲۰۲۱ء کو کاروبار کے اختتام پر کمپنی کی کتابوں میں موجود ہوں گے، اجتماع میں شرکت کے مقصد کیلئے "بروقت" تصور کیا جائے گا اور جو آن لائن پلیٹ فارم کے ذریعے سالانہ اجلاس عام میں شرکت کے خواہشمند ہیں ان سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل معلومات کی فراہمی کے ذریعے جلد از جلد لیکن اجلاس سے ۲۴ گھنٹے سے زیادہ نہیں (یعنی ۲۵ اپریل ۲۰۲۱ء صبح ساڑھے دس بجے سے قبل) company.secretary@askarilife.com پر کمپنی سیکریٹری کے دفتر میں خود کو رجسٹر کروالیں:

حصص کنندہ کا نام	شناختی کارڈ نمبر	فولیو نمبر/سی ڈی سی نمبر	موبائل نمبر	ای میل

خواہشمند حصص کنندگان سے مذکور بالا معلومات وصول ہو جانے کے بعد، کمپنی ان کو ان کے دئے گئے ای میل پتے پر لاگ ان تفصیلات بھیجے گی۔ لاگ ان کی سہولت، شرکت کنندگان کی شناخت اور تصدیق کے عمل میں آسانی کے لئے اجلاس میں صبح گیارہ بجے شریک ہونے سے قبل، اجلاس کے شروع ہونے سے آدھے گھنٹے قبل پیر ۲۶ اپریل ۲۰۲۱ء ٹھیک صبح ساڑھے دس بجے کھولی جائے گی۔

تمام حصص کنندگان جن کے نام مورخہ ۱۹ اپریل ۲۰۲۱ء کو کاروبار کے اختتام پر کمپنی کی کتابوں میں موجود ہوں گے، تجویز کردہ ایجنڈا نکات کیلئے اپنے تبصرے/تجاویز، درج بالا ای میل پتے پر اجلاس سے کم از کم ۲۴ گھنٹے قبل بھیج سکتے ہیں جن پر اجلاس میں گفتگو ہوگی اور انہیں اجلاس کے منٹس کا حصہ بنایا جائے گا۔

اجلاس مذکور ذیل کاروبار کی انجام دہی لئے منعقد ہوگا:

عمومی کاروبار:

- 1- ۲۹ مئی ۲۰۲۰ء کو منعقدہ ستائیسویں سالانہ اجلاس عام کے منٹس کی تصدیق؛
- 2- ۳۱ دسمبر ۲۰۲۰ء کو ختم ہونے والے سال اور اس میں آڈیٹرز اور ڈائریکٹرز کی رپورٹس کے ساتھ کمپنی کے مالیاتی گوشواروں کی وصولی، ان پر غور اور انکو اختیار کرنا؛
- 3- میسرز آریس ایم او ایس حیدر لیاقت نعمان۔ چارٹرڈ اکاؤنٹنٹس کی بہ حیثیت کمپنی کے قانونی آڈیٹرز اور شریعت آڈیٹرز دوبارہ تقرری اور مالیاتی سال ۲۰۲۱ء کے لئے ان کے معاوضے کا تعین؛
- 4- کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۱۵۶ کے مطابق کمپنی کے ڈائریکٹرز کا انتخاب۔ منتخب کئے جانے والے ارکان کی تعداد بورڈ آف ڈائریکٹرز کی طرف سے مقرر کی گئی ہے۔ ریٹائر ہونے والے ڈائریکٹرز کے نام درج ذیل ہیں:

1- لیفٹننٹ جنرل نوید مختار (ریٹائرڈ)	2- میجر جنرل معظم علی گورایا (ریٹائرڈ)
3- ایئر وائس مارشل محمد اطہر شمس (ریٹائرڈ)	4- محترمہ عائشہ رفیق
5- جناب طارق حمید	6- جناب جاوید یونس
7- ملک رفعت محمود	

- 5- چیئرمین کی اجازت سے اجلاس میں پیش کئے گئے کمپنی کے ممکنہ دیگر کاروباری امور کی انجام دہی

بجلم بورڈ

تاریخ: ۰۵ اپریل ۲۰۲۱ء

کمپنی سیکریٹری

نوٹ:

(الف) سالانہ اجلاس عام کے لئے کمپنی کی حصص منتقلی کی کتابیں، ۲۰۲۱ء تا ۲۶ اپریل ۲۰۲۱ء (بشمول دونوں ایام) بند رہیں گی۔ مورخہ ۱۹ اپریل ۲۰۲۱ء کو کاروبار کے اختتام پر ہمارے رجسٹرار میسرز ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پلاٹ نمبر سی 32، جہاں کمرشل اسٹریٹ 2، ڈیفنس ہاؤسنگ اتھارٹی، فیز VII، کراچی کے دفتر میں، درست طور پر حصص کی موصولہ منتقلیاں، اجلاس میں شرکت کی غرض سے بروقت تصور کی جائیں گی۔

(ب) اجلاس میں شرکت کا اہل رکن اجلاس میں شرکت کے لئے گفت و شنید کرنے کے لئے اور ووٹ دینے کیلئے اپنی جگہ اپنے نائب (پراکسی) کے طور پر کسی فرد کا تقرر کر سکتا ہے۔ ایسے نائبین کی تقرری کی اطلاع فعال ہونے کی غرض سے، مہر شدہ، دستخط شدہ، اور گواہی شدہ، اجلاس سے کم از کم اڑتالیس گھنٹے قبل (یعنی ۲۳ اپریل ۲۰۲۱ء صبح گیارہ بجے) کمپنی کے ہیڈ آفس، ایمرلڈناور، دفتر نمبر 1104، گیارہواں فلور، پلاٹ جی 19، بلاک 5، کے ڈی اے امپروفنٹ اسکیم 5، کلفٹن، کراچی میں دینا ضروری ہے۔ ایک رکن کو ایک سے زیادہ نائب مقرر کرنے کا استحقاق حاصل نہیں ہے۔

(ج) سی ڈی سی اکاؤنٹ/ ذیلی اکاؤنٹ کے حامل افراد اجلاس میں شرکت کے وقت شناخت کے لئے اپنا اصل قومی شناختی کارڈ، اکاؤنٹ نمبر/ ذیلی اکاؤنٹ نمبر اور سی ڈی سی میں درج شرکت کنندہ آئی ڈی نمبر فراہم کریں۔ کسی کارپوریٹ ادارے کے صورت میں، اجلاس کے وقت نامزد کردہ کے دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ پیش کیا جائے گا (ا) یہ کہ یہ پہلے پیش کر دیا گیا ہو۔

(د) حصص کنندگان (غیر سی ڈی سی) سے درخواست کی جاتی ہے کہ اپنے پتوں میں کسی تبدیلی کی صورت میں فوری طور پر کمپنی کے شیئر رجسٹرار کو اطلاع دیں اور اگر ممکن ہو تو ای میل پتہ بھی فراہم کریں۔

برائے تقرری نائبین (پراکسیز)

- انفرادی ہونے کی صورت میں، درج بالا نوٹ (ب) میں مطلع کردہ ضرورت کے مطابق پراکسی فارم جمع کرانا
- پراکسی فارم پر دو گواہان کی تصدیق ہوگی جن کے نام، پتے اور قومی شناختی کارڈ نمبر فارم پر درج کئے جائیں گے۔
- مالک انتفاع اور نائب کے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ فراہم کی جائیں گی۔
- نائب اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا پاسپورٹ پیش کرے گا۔
- کارپوریٹ ادارے کی صورت میں، پراکسی فارم نامزد کردہ کے دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ پیش کیا جائے گا (ا) یہ کہ یہ پہلے پیش کر دیا گیا ہو۔

کمپنی کے سالانہ اکاؤنٹس

کمپنی کے سالانہ اکاؤنٹس برائے سال ۲۰۲۰ جو ۳۱ دسمبر ۲۰۲۰ کو اختتام پذیر ہوا، کمپنی کی ویب سائٹ www.askarilife.com سے ڈاؤن لوڈ کئے جاسکتے ہیں۔

ارکان کو مطلع کیا جاتا ہے کہ سالانہ رپورٹ کی ایکٹرائٹ منتقلی کے لئے، ایکٹرائٹ منتقلی کارضامندی فارم کمپنی کی ویب سائٹ www.askarilife.com پر اپ لوڈ کر دیا گیا ہے۔ وہ ارکان جو اس سہولت سے فائدہ اٹھانا چاہتے ہیں ان سے درخواست ہے کہ وہ اپنا مکمل کیا ہوا اور دستخط شدہ فارم کمپنی کے سیکریٹری کو کمپنی کے ہیڈ آفس، ایمرلڈ ٹاور، دفتر نمبر 1104، گیارہواں فلور، پلاٹ جی 19، بلاک 5، کے ڈی اے امپروفمنٹ اسکیم 5، کانٹین، کراچی میں رکن کے قومی شناختی کارڈ کی نقل کے ہمراہ جمع کرا دیں۔

ڈائریکٹرز کا انتخاب

منتخب کئے جانے والے ارکان کی تعداد بورڈ آف ڈائریکٹرز کی طرف سے ۷ مقرر کی گئی ہے۔

کوئی بھی حصص کنندہ جو کمپنی کی ڈائریکٹرشپ کے انتخاب کے لئے مقابلہ کرنا چاہتا ہے وہ کمپنی اسکے رجسٹرڈ دفتر میں مندرجہ ذیل پیش کرے گا:

- 1- کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۱۵۶ کے لحاظ سے درج بالا سالانہ اجلاس عام کی تاریخ سے چودہ دن قبل انتخاب کیلئے خود کو پیش کرنے کے ارادے کا نوٹس؛

- 2- کمپنیز ایکٹ ۲۰۱۷ کے تحت تجویز کردہ فارم ۲۸ (ڈائریکٹرز کے طور پر امور انجام دینے پر آمادگی)؛

- 3- دفتری پتے کے ساتھ تفصیلی پروفائل؛

- 4- کوڈ آف کارپوریٹ گورننس ۲۰۱۹ سے مطابقت کے سلسلے میں اور ایک فہرست شدہ کمپنی کے ڈائریکٹر یا آزاد ڈائریکٹر

کے طور پر امور انجام دینے کیلئے کمپنیز ایکٹ ۲۰۱۷ کے وضع کردہ اہلیت کے معیار کا اقرار نامہ؛

- 5- جائز کمپیوٹرائزڈ قومی شناختی کارڈ اور نیشنل ٹیکس نمبر کی تصدیق شدہ نقل۔

نامزد کردہ ڈائریکٹرز کی تفصیلی پروفائل دفتری پتے کے ساتھ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مورخہ ۱۰ جولائی ۲۰۱۴ء کے ایس آر او (۱) ۶۳۴،

۲۰۱۳ کے لحاظ سے انتخاب کی تاریخ سے سات دن قبل، کمپنی کی ویب سائٹ پر پیش کر دی جائے۔

کسی بھی استفسار/معلومات کے لئے ارکان شیئر رجسٹرار سے درج ذیل پتے پر رابطہ کر سکتے ہیں:

عسکری لائف انشورنس کمپنی لمیٹڈ	ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ
ایمرلڈ ٹاور، دفتر نمبر 1104،	پلاٹ نمبر 32
گیارہواں فلور، پلاٹ جی 19،	جائی کمرشل اسٹریٹ 2،
بلاک 5، کے ڈی اے امپروفمنٹ اسکیم 5، کانٹین، کراچی	ڈیفنس ہاؤسنگ اتھارٹی، فیز VII،
فون: 021 111 222 275	کراچی
رابطہ فرد: کمپنی سیکریٹری	

ای میل: company.secretary@askarilife.com

Branch Network

Head Office - Karachi

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

Telephone: (021) 111-225-275

Fax: (92-21) 35147540

Email: company.secretary@askarilife.com

Registered Office:

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

Email: info@askarilife.com

Lahore Regional Development Center

Plot # 524, Block-15, Sector B-1, Quaid-e-Azam Town Scheme, College Road, Lahore, Pakistan.

Email: rdc.lahore@askarilife.com

Karachi Regional Development Center

Showroom number 05 & 06 Ground Floor, Zubaida's Garden, Plot # 1 Survey no. 34, Survey Sheet no. 35-P/1, Block 7 & 8 Kathiawar Cooperative Housing Society, Karachi, Pakistan.

Email: rdc.karachi@askarilife.com

Islamabad Office

Work Zone, RBS Tower - 1, 4th & 5th Floor, Business Park, Plot No 11, GLC-1, Block B, Gulberg Greens, Islamabad, Pakistan.

Email: rdc.islamabad@askarilife.com

Contact No:

UAN : 021-111 -225- 275

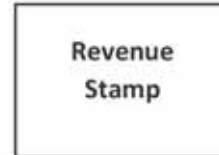
PROXY FORM

Askari Life Assurance Company Limited

"I _____ s/o _____ resident of _____ (full address) being member of Askari Life Assurance Company Limited hereby appoint _____ s/o _____ resident of _____ (full address) as my proxy to vote on my behalf at the 28th Annual General Meeting of the Company to be held on Monday April 26, 2021 at 11:00 am at Via Video Conferencing and at any adjournment thereof.

Signed this _____ day of _____ 2021.

Please affix Revenue Stamp



Signature of the Member

Signed in the presence of:

Witnesses

Signature of Witness No. 1

Name:
CNIC No:

Signature of Witness No. 2

Name:
CNIC No:

Note:

1. A person appointed as proxy shall be entitled to attend, speak and vote on behalf of appointer.
2. Attested copies of CNIC/Passport shall be provided with the proxy form.
3. A person may be appointed proxy even though he/she is not member of the company.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or if such appointer is a corporation under its common seal or the hand of its attorney.
5. The instrument appointing a proxy and the power-of-attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited with the Company's Head Office at Emerald Tower, Office No 1104, 11th Floor, Plot G-19, Block 5, KDA Improvement Scheme No. 5, Clifton, Karachi, not less than forty-eight (48) hours before the time for holding the meeting.
6. The proxy shall produce his original CNIC/Passport at the time of the meeting.

پراکسی فارم

عسکری لائف ایٹورنس کمپنی لمیٹیڈ

من کہ مستی _____ ولد _____ ساکن _____

 _____ (مکمل پتہ)،

عسکری لائف ایٹورنس کمپنی لمیٹیڈ کارکن ہونے کی حیثیت سے،
 مستی _____ ولد _____ ساکن _____
 _____ (مکمل پتہ)،

کو، کمپنی کی اٹھا بیسویں جنرل میٹنگ جو بیور، ۲۶ اپریل ۲۰۲۱ء کو صبح گیارہ بجے، ویڈیو کانفرنسنگ کے ذریعے منعقد ہوگی اور بعد ازاں کسی بھی التوا پر، میری جانب سے ووٹ دینے کے لئے، اپنے نائب کے طور پر مقرر کرتا ہوں۔

مورخہ _____ ۲۰۲۱ء کو دستخط کیا گیا

براہ مہربانی ریوینو اسٹامپ چسپاں کریں



رکن کے دستخط

گواہان کی موجودگی میں دستخط کئے گئے

گواہ نمبر دو کے دستخط

گواہ نمبر ایک کے دستخط

نام:

نام:

شناختی کارڈ نمبر:

شناختی کارڈ نمبر:

نوٹ:

- 1- نائب کے طور پر مقرر کردہ فرد، مقرر کرنے والے کی جانب سے شرکت کرنے، گفتگو کرنے اور ووٹ ڈالنے کا اہل ہوگا۔
- 2- پراکسی فارم کے ساتھ قومی شناختی کارڈ/ پاسپورٹ کی تصدیق شدہ نقول فراہم کرنا ہوگی۔
- 3- کوئی بھی فرد نائب کے طور پر مقرر کیا جاسکتا ہے خواہ وہ کمپنی کارکن ہو یا نہیں۔
- 4- نائب مقرر رکھے جانے کی دستاویز مقرر کرنے والے کی طرف سے یا اسکے منظور شدہ انارنی کی جانب سے تحریر کردہ ہوگی یا اگر مقرر کرنے والا کوئی کارپوریشن ہے تو اس ادارے کی نمبر یا ادارے کے انارنی کی جانب سے۔
- 5- نائب مقرر رکھے جانے کی دستاویز اور مختار نامہ یا کوئی اور اتھارٹی (اگر ہو تو) جس کے تحت اس پر دستخط کئے گئے ہوں، یا اس مختار نامے کی یا اتھارٹی کی نوٹری پبلیک سے تصدیق شدہ نقل کمپنی کے ہیڈ آفس ایمرلڈ ناور، آفس نمبر ۱۱۰، گمیار ہوئیں فلور، پلاٹ نمبر جی ۱۹، بلاک ۵، کے ڈی اے امپروفٹ اسکیم نمبر ۵، کانٹن، کراچی کے پاس میٹنگ کے وقت سے کم از کم اڑتالیس (۳۸) گھنٹے قبل جمع کرائی جائے گی۔
- 6- مقرر کردہ نائب میٹنگ کے وقت اپنا اصل قومی شناختی کارڈ/ پاسپورٹ پیش کرے گا۔

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The Company Secretary

Askari Life Assurance Co. Ltd.

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

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Askari Life Assurance Co. Ltd.

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

Tel: 021 36269941-44 | Fax: 021 3514 7540

UAN: 021-111-225-275 | Email: info@askarilife.com