

Constant
success needs
change!

Annual Report
2016

Rating of the Company

The background features a dark blue gradient with scattered gold confetti and two prominent diagonal gold ribbons. The ribbons have a textured, shimmering appearance. The overall aesthetic is festive and celebratory.

Insurer Financial
Strength (IFS) Rating

"AA-"

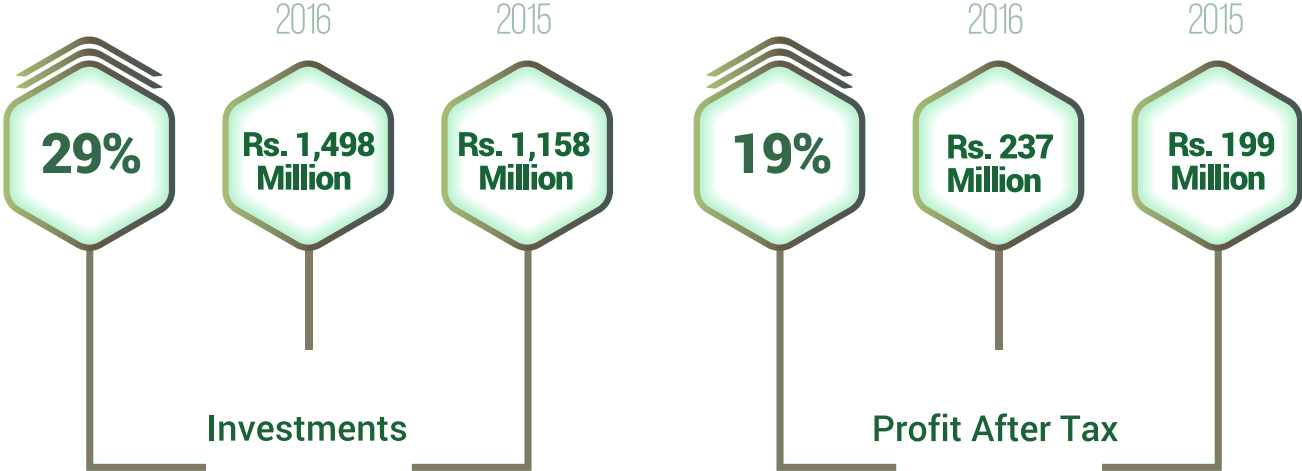
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Rating Agency

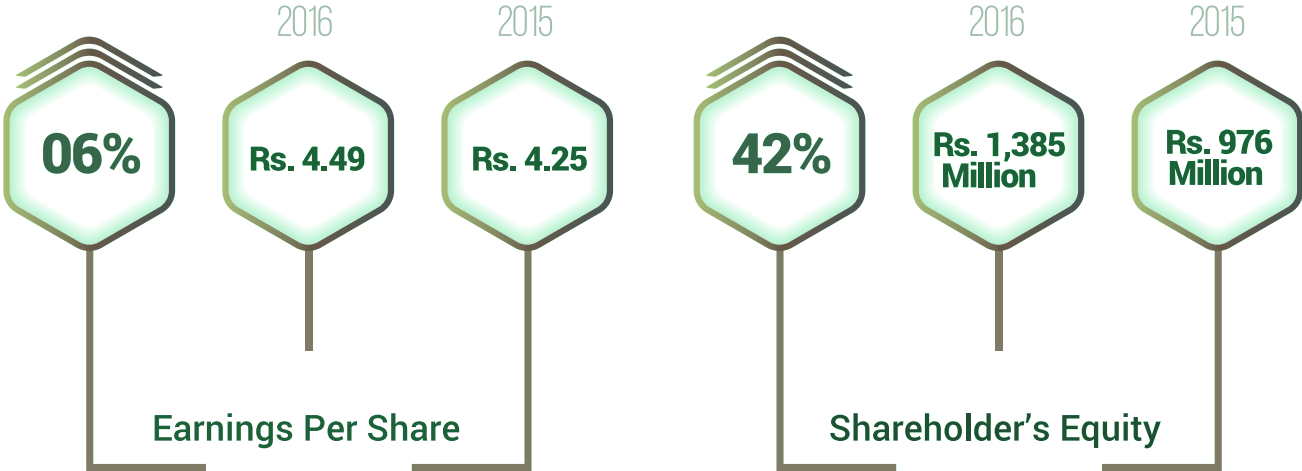
JCR-VIS

PACRA

Financial Highlights



Written Premium
(including Takaful Contributions)
Rs. 2,350 million
(2015: Rs. 2,011 million)



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Corporate Information

Chairman

Lt Gen Khalid Rabbani (Retd)

President & Chief Executive Officer

Mr. Abdul Waheed

Board of Directors

Maj Gen Syed Taqi Naseer Rizvi (Retd)

Maj Gen Hamid Mahmud (Retd)

Brig M. Ibrahim Khan (Retd)

Brig M. Aslam Khan (Retd)

Malik Riffat Mehmood

Abdul Hai Mahmood Bhaimia

M. Munir Malik

Chief Financial Officer

Mr. Suleman Khalid

Company Secretary

Mr. Faizan Zafar

Head of Internal Audit

Mr. Ahmed Asif Jah

Executive, Risk Management & Compliance Committee

Maj Gen Syed Taqi Naseer Rizvi (Retd) (Chairman)

Brig M. Ibrahim Khan (Retd) (Member)

Mr. Abdul Waheed (Member)

Audit Committee

Brig M. Ibrahim Khan (Retd) (Chairman)

Brig M. Aslam Khan (Retd) (Member)

M. Munir Malik (Member)

Ethics, Human Resource and Remuneration Committee

Maj Gen Hamid Mahmud (Retd) (Chairman)

Brig M. Aslam Khan (Retd) (Member)

Mr. Abdul Waheed (Member)

Underwriting, Reinsurance & Coinsurance Committee

Maj Gen Syed Taqi Naseer Rizvi (Retd) (Chairman)

Brig M. Ibrahim Khan (Retd) (Member)

Mr. Abdul Waheed (Member)

Mrs. Samina Khan (Member)

Mr. Sohail Khalid (Member)

Claims Settlement Committee

Malik Riffat Mehmood (Chairman)

Mr. Abdul Waheed (Member)

Mr. Athar Alam (Member)

Investment Committee

Malik Riffat Mehmood

Mr. Munir Malik

Mr. Abdul Waheed

Mr. Suleman Khalid

Mr. Shahid Qayyum

(Chairman)

(Member)

(Member)

(Member)

(Member)

External Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Islamabad

Shariah Compliance Auditors

S. M. Suhail & Co.

Chartered Accountants

Shariah Advisor

Mufti Ehsan Waquar

Legal Advisors

Hassan Kaunain Nafees

Bankers

Askari Bank Ltd.

Askari Islamic Bank Ltd.

Habib Bank Ltd.

The Bank of Punjab

Bank Alfalah Ltd.

Summit Bank Ltd.

NRSP Micro Finance Bank Ltd.

Silk Bank Ltd.

Faysal Bank Ltd.

Bank Al Habib Ltd.

Meezan Bank Ltd.

Registrar & Share Transfer Office

THK Associates (Private) Limited

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

Karachi 75400, Pakistan.

PABX: +92 (021) 111-000-322

Direct: +92 (021) 34168270

Fax: +92 (021) 34168271

Registered Office/Head Office

3rd Floor, AWT Plaza, The Mall,

Rawalpindi, Pakistan

Ph: +92-51-9028101-2

Fax: +92-51-9272424

Email: info@agico.com.pk

Our Board



Lt Gen Khalid Rabbani (Retd)
Chairman



Mr. Abdul Waheed
President & Chief Executive



Maj Gen Syed Taqi Naseer Rizvi (Retd)
Director



Maj Gen Hamid Mahmud (Retd)
Director



Brig M. Ibrahim Khan (Retd)
Director



Brig M. Aslam Khan (Retd)
Director



Malik Riffat Mehmood
Director



M. Munir Malik
Director



Mr. Abdul Hai Mahmood Bhaimia
Director

Vision

The vision of askari general insurance company limited is to be amongst the leading insurance companies of the country with the clear perception of upholding the principles of corporate governance and making agico a profitable and growth oriented insurance company while creating insurance awareness and culture.





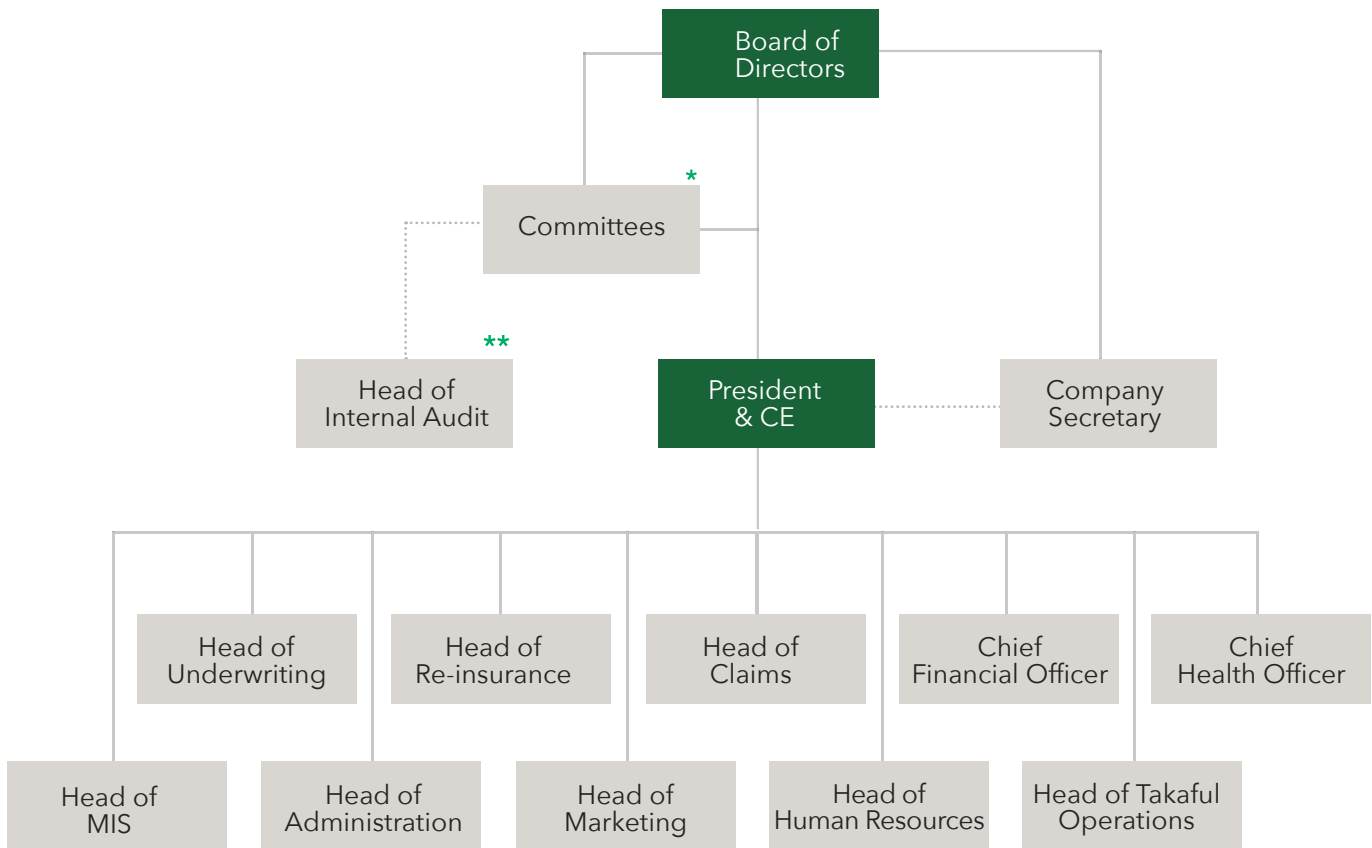
Mission

To become a leading insurance company by providing client friendly services through highly motivated team of dedicated professionals and ensuring progressive return to the shareholders.

Our Smart Products



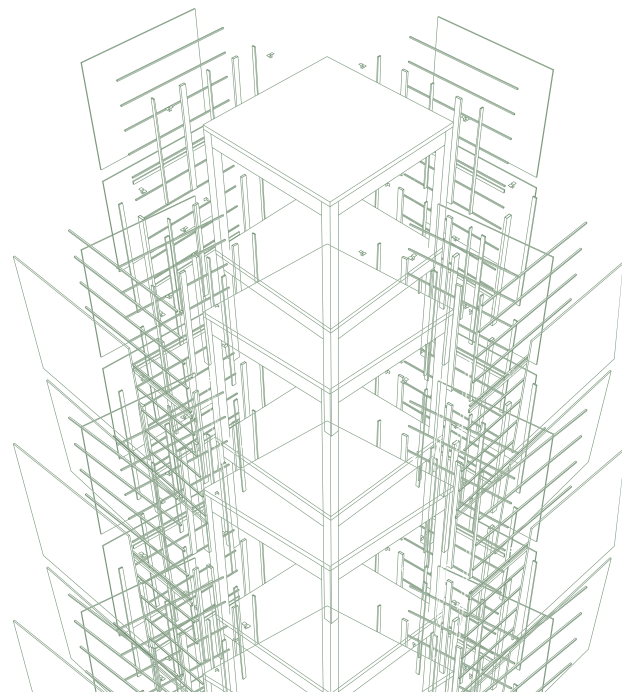
Organizational Structure



*Committees include the following:-

- Audit Committee
- Executive, Risk Management & Compliance Committee
- Ethics, Human Resources and Remuneration Committee
- Underwriting, Reinsurance & Coinsurance Committee
- Claims Settlement Committee
- Investment Committee

**Internal Audit functionally reports to the Audit Committee



Our Management



1 **Rana Shahbaz Ahmed**
Head of Marketing

2 **Mr. Suleman Khalid**
Chief Financial Officer

3 **Mr. Sohail Khalid**
Head of Reinsurance

4 **Mrs. Samina Khan**
Head of Underwriting

5 **Mr. Fawad Asif Rana**
Head of HR

6 **Col. Ayub Anzad (Retd.)**
Head of Administration

7 **Mr. Muhammad Sauood ur Rauf**
Head of MIS



8 **Mr. Athar Alam**
Head of Claims

9 **Syed Imran Abid Bukhari**
Head of Takaful Operations

10 **Mr. Anwaar Ahmed Malik**
Head of External Coordination

11 **Mr. Mustafa Salman Pasha**
Business Head -
Defence Institutions

12 **Mr. Ashraf Malik**
Head of Legal Affairs

13 **Mr. Jamshed Jadoon**
Head of Tracker Services

14 **Mr. Ahmed Asif Jah**
Head of Internal Audit

15 **Mr. Faizan Zafar**
Company Secretary



President's Message

Year 2016 put many challenges at the general insurance industry. But the Company, despite the increased rate of taxation and rising competition, demonstrated its resilience and posted better profits after taxes during the year.

A remarkable achievement was obtained when the Company was awarded AA- rating in early 2017. This will open new avenues for growth in near future. Another noteworthy achievement was partnering with AXA for our reinsurance arrangements in health class of business. AXA is world's leading health insurance and reinsurance services provider.

During the year 2016, the Company distributed cash dividend of 15% after a lapse of 10 years, coupled with a distribution of 10% Bonus shares. The Company's equity was further strengthened by equity injection via 30% Rights Issue at 100% premium. This has added to the financial strength of the Company and its capacity to underwrite larger risks.

While profits from operations increased by 13% and the investment income increased by 17%, our Window Takaful Operations contributed a profit of Rs. 5.5 million for the first time. The Company managed to post an increase of 19% in profits after taxes, thus achieving a better EPS of Rs. 4.49 as compared to previous years' Rs. 4.25. The Company's total business in general and takaful operations was Rs. 2.35 billion which was 17% higher than 2015.

During 2016, we devoted even more efforts and resources towards employee education, technology advancements, underwriting improvements and product enhancements.

I am delighted with the progress that we have made through 2016 and excited with what the future holds as we work to discover the untapped potential that CPEC offers. I would like to take this opportunity to thank our trustworthy clientele and business partners for the support rendered in year 2016.



Abdul Waheed
President & CE

Notice of 22nd Annual General Meeting

We are pleased to inform our shareholders that 22nd Annual General Meeting of askari general insurance company limited (the Company) will be held as follows:

Date & Time: Wednesday, 26th April, 2017 at 11:00 a.m.
Venue: Blue Lagoon Complex (off the Mall), Masood Akhtar Road, Rawalpindi Cantt.

Agenda

Ordinary Business:

1. To confirm minutes of the 21st Annual General Meeting held on 27th April, 2016.
2. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st December, 2016 together with Directors' and Auditors' Reports thereon.
3. To consider and approve payment of final cash dividend of 10% (Rs. 1.0 per share of Rs. 10 each) for the year ended 31st December, 2016 as recommended by the Directors of the Company.
4. To appoint external auditors and Shariah Compliance Auditors for the year 2016 and to fix their remuneration.
5. To elect eight (8) Directors of the Company as fixed by the Board in the meeting held on March 8, 2017 in accordance with the provision of Section 178 of the Companies Ordinance, 1984 for a period of three (3) years commencing from April 26, 2017 in place of retiring directors namely:
 - a) Lt Gen Khalid Rabbani (Retd)
 - b) Maj Gen Hamid Mahmud (Retd)
 - c) Maj Gen Syed Taqi Naseer Rizvi (Retd)
 - d) Brig M. Ibrahim Khan (Retd)
 - e) Brig M. Aslam Khan (Retd)
 - f) Malik Riffat Mehmood
 - g) Abdul Hai Mahmood Bhaimia
 - h) M. Munir Malik

Special Business:

6. To approve issue of Bonus Shares @ 15% (Fifteen new shares for every hundred shares held), as recommended by the Directors in their meeting held on 08 March 2017 by passing the following resolutions:

Resolved that "a sum of Rs. 81,552,245 out of the profit be capitalized and applied for the issue of 8,155,224.5 ordinary shares of Rs. 10 each and allotted as fully paid bonus shares to those members whose names appear in the members register of the Company at the close of business on 18th April, 2017 in the ratio of 15 shares for every 100 shares held."

Further Resolved that "the bonus shares so distributed shall rank pari passu in all respects with the existing shares of the Company but shall not be eligible for cash dividend declared for the year ended 31st December 2016."

Further Resolved that "fractional entitlement of the members shall be consolidated into whole shares and sold on the Pakistan Stock Exchange Limited (PSX) to pay the proceeds of sale, when realized, to any recognized charitable organization."

Further resolved that "for the purpose of giving effect to the above resolution, the Chief Executive and/or Company Secretary be and is/are hereby authorized to give such directions as may be necessary and to settle any question or difficulties that may arise in regard to the distribution of Bonus Shares or in the payment of the sale proceeds of the fractions as the Directors in their discretions deem fit."

Further resolved that "the Chief Executive and / or the Company Secretary be and is / are hereby authorized to complete the necessary corporate and legal formalities in respect of the above."

7. To consider, and if thought fit, pass the following Ordinary Resolution as recommended by the Board of Directors for the transmission of the Annual Audited Accounts through CD/DVD/USB instead of hard copies thereof:

Resolved that "the transmission/circulation of Annual Balance Sheet, Profit & Loss Account, Auditors' Report and Directors' Report etc. ("Annual Audited Accounts") of AGICO to its members through CD/DVD/USB instead of hardcopies thereof at their registered addresses, as per the Notification No. SRO 470 (I)/2016 dated May 31, 2016 issued by the Securities and Exchange Commission of Pakistan be and is hereby approved."

8. To consider, and if deem fit, pass the following special resolution under section 28 of the Companies Ordinance 1984, with or without modification:

Resolved that "Until otherwise determined by the Company in General Meeting, each Director shall be entitled to be paid as remuneration for his services a fee at the rate of Rs. 25,000 for each Board meeting and Rs. 20,000 for other Board committee/subcommittee meeting. Each Director (including each alternate Director) shall be entitled to be reimbursed his reasonable expenses incurred in consequence of his attendance at the meeting of the Board or committee/subcommittee of the Board."

Further Resolved That "the current contents of Article 64 of Articles of Association of the Company be deleted and in its place, the above contents be substituted."

9. To transact any other business with permission of the Chair.

By order of the Board



Faizan Zafar
Company Secretary

Rawalpindi
5th April 2017

Notes:

1. Election of Directors

- a. Any person who seeks to contest the election of directors shall, whether he is retiring director or otherwise, must file the following documents & information with the Company at its registered office not later than fourteen (14) days before the above said meeting:
 - i. His/her intention to offer himself/herself for the election of the Directors in terms of Section 178(3) of the Companies Ordinance, 1984.
 - ii. His / her Folio No/CDC Investor Account No/ CDC Participant Id No/Sub Account No.
 - iii. Notice of his/her intention to offer himself/herself for the election of directors in terms of Section 178(3) of the Companies Ordinance, 1984.
 - iv. Consent to act as director in Form-28 under Section 184 of the Companies Ordinance, 1984.
 - v. Detailed profile along with his / her office address as required under SRO 1222(1) 2015 dated December 10, 2015 of the Securities and Exchange Commission of Pakistan (SECP).
 - vi. An attested copy of valid computerized National Identity Card.
 - vii. Signed declarations in respect of being compliant with the requirements to become a director of the Company under applicable laws and regulations including PSX Regulations, Code of Corporate Governance for Insurers, 2016 and the eligibility criteria as set out in the Companies Ordinance, 1984.
 - viii. Information on Annexure-A and affidavits on Annexure-B & C required under the Insurance Companies (Sound and Prudent Management) Regulations 2012 notified by the SECP vide SRO 15(1) / 2012 dated January 9, 2012 and SRO 1165(1)/2016 dated December 22, 2016. Annexure-A, B and C are available at SECP website.
- b. Approval from SECP is required to become director of the Company.

2. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from 19th April, 2017 to 26th April, 2017 (both days inclusive). Transfers received at our Registrars, Messrs. THK Associates (Pvt.)

Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi at the close of business on 18th April, 2017 will be treated in time.

3. Change in Address

Members of the Company are requested to immediately notify the change in address if any, and ask for consolidation of folio number, provided the member holds more than one folio, to our registrar Messrs. THK Associates (Pvt.) Limited.

4. Participation in General Meeting

- a. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote for him/her. No person shall act as proxy, who is not a member of the Company except that Government of Pakistan/ Corporate entity may appoint a person who is not a member of the Company. If the member is corporate entity (other than Government of Pakistan) its common seal should be affixed on the instrument.

- b. A member shall not be entitled to appoint more than one proxy to attend any one meeting. If any member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the company, all such instruments of proxy shall be rendered invalid. The instrument appointing a proxy duly completed, together with Power of Attorney or Board Resolution, if any, under which it is signed or a notarially certified copy thereof, should be deposited with the Company Secretary, askari general insurance company limited, 3rd Floor, AWT Plaza, The Mall, Rawalpindi, not later than 48 hours before the time of holding the meeting.

- c. For attending the Meeting and appointing proxies, CDC Account Holders will further have to follow the guidelines as laid down in Circular No. 1 of 2000 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

5. Statement of material facts under Section 160(1) (b) of the Companies Ordinance, 1984

The statement of material facts as required by the above mentioned section pertains to the special business mentioned in the agenda of this notice.

Agenda item no. 6 - Issue of Bonus Shares

The Directors are of the view that the unappropriated profits/ reserves of the Company are adequate for capitalization of Rupees 81,552,245/- enabling the issue of proposed 15% Bonus shares. The Directors have no interest directly or indirectly in this business except to

Notice of 22nd Annual General Meeting

the extent of their respective shareholdings in the Company.

Deduction of Withholding Tax on the Amount of Dividend

Please further note that under Section 150 of the Income Tax Ordinance, 2001 and pursuant to Finance Act, 2015, withholding tax on dividend income will be deducted as follows:

For filers of Income Tax return 12.5%
For non-filers of Income Tax return 20%

To enable the Company to make tax deduction on the amount of cash dividend @ 12.5% instead of 20%, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL by the close of business on April 18, 2017, otherwise tax on their cash dividend will be deducted @ 20% instead of 12.5%.

Requirement of valid tax exemption certificate for claiming exemption from withholding tax:

As per FBR circulars C. No. 1(29) WHT/2006 dated 30 June 2010 and C. No. 1(43) DG (WHT) /2008 - Vol. II - 66417-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax u/s 150 of the Income Tax Ordinance 2001 (tax on dividend amount) where the statutory exemption under clause 47B of part IV of Second Schedule is available. The shareholders, who fall in the category mentioned in the above clause and want to avail the above mentioned exemption, must provide valid Tax Exemption Certificate to our Share Registrar before book closure otherwise tax will be deducted on dividend as per applicable rates.

Taxation for Joint Shareholders

All shareholders, who hold shares jointly, are requested to provide shareholding proportions of principal shareholder and joint holder(s) in respect of shares held by them to our Share Registrar, on the address mentioned at end of notice, in writing as follows:

Name of Principal Shareholder/ Joint Holders	Shareholding proportions (%)	CNIC No. (copy to be attached)	Signature

The required information must reach our share registrar before close of business on April 18, 2017 otherwise it will be assumed that the shares are equally held by principal shareholder and joint holder(s).

Agenda item no. 7 Transmission of the Annual Audited Accounts through CD/DVD/USB

The Securities and Exchange Commission of Pakistan ("SECP") through its Notification No. SRO 470(I)/2016 dated May 31, 2016, has allowed companies to transmit/circulate the Annual Balance Sheet, Profit & Loss Account, Auditors' Report and Directors' Report etc. ("Annual Audited Accounts") to its members through CD/DVD/USB at their registered addresses instead of transmitting the said accounts in hard copies. A shareholder may request to the Company Secretary or Share Registrar of the Company to provide hard copy of Annual Audited Accounts and the same will be provided at shareholder's registered addresses, free of cost within one week of the demand. In this regard, a 'Standard Request Form' containing postal and email address of the Company Secretary / Share Registrar will be placed on website of the Company. A shareholder may also prefer to receive hard copies for all future Annual Audited Accounts. In view of the above, it is proposed that the Special Resolution at Item 7 of the Notice of AGM be passed.

Agenda Item No 8 - Remuneration of a Director

Approval of the shareholders of the Company will be sought for amendment in Article 64 of the Articles of Association of the Company. The amendment seeks to increase the fee payable to directors for attending meeting of the Board of Directors or committee/sub-committee of the Board. Current meeting fee of Rs. 10,000 was approved by shareholders in year 2013. Keeping in view the circumstances, the fee is recommended to be rationalized to Rs. 25,000 for Board meeting and Rs. 20,000 for meeting of committee/sub-committee of the Board.

The Directors of the Company have interest in passing the resolution only to the extent of amount of meeting fee to be increased.

Special notes to the shareholders:

A. FOR ATTENDING THE MEETING:

- i. In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Regulations shall authenticate his/her original valid Computerized National Identity Card (CNIC) or the original Passport at the time of attending the meeting.
- ii. The shareholders registered on CDC are also requested to bring their particulars, I.D numbers and account numbers in CDS.
- iii. In case of 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 meeting.

B. FOR APPOINTMENT OF PROXIES:

- i. In case of individuals, the account holder or sub-account holder and / or the persons whose registration details are uploaded as per the Regulations shall submit the proxy form as per requirement notified by the Company.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- v. In case of corporate entity being a Member, the Board of Directors' resolution / power of attorney with specimen signature of the nominee / attorney shall have to be submitted (unless it has been provided earlier) along with the proxy form to the Company.

C. Submission of CNIC (Mandatory)

The Securities and Exchange Commission of Pakistan (SECP) vide its SRO 779 (I)/2011 dated August 18, 2011, SRO 831(I)/2012 dated July 5, 2012 and SRO 19(I)/2014 dated January 10, 2014 has made it mandatory that the dividend warrants should bear the CNIC of the registered

member or authorized person except in the case of minor(s) and corporate members. Therefore, individual members/their authorized representatives are requested, if they have not already done so, to provide an attested copy of their valid CNICs to the Share Registrar at their earliest to avoid any inconvenience. In case of non-receipt of copy of valid CNIC and non-compliance of the above requirement, the Company will be obligated to withhold dispatch of dividend warrants to such shareholders. The corporate entities are requested to provide their NTN to the Share Registrar.

D. Electronic payment of cash dividend (optional)

Shareholders have been given an opportunity to authorize the Company to make payment of cash dividend through direct credit to shareholders' bank account. The shareholders, who wish to avail this facility, are advised to do the following:

- I) All shareholders who hold shares with Central Depository Company of Pakistan Limited (CDC) are requested to submit their bank account details to the concerned stock broker/CDC.
- II) All non-CDC shareholders are requested to send the bank account details to the Company's Share Registrar.

E. Transmission of Audited Financial Statements & Notices to members through email (optional)

The Company has made available a Standard Request Form, on its website, which members may use to communicate their e-mail address and consent for electronic transmission of Audited Financial Statements and Notices, along with postal and email address of Share Registrar to whom such requests shall be sent.

For any query/problem/information, the investors may contact the company and/or the Share Registrar at the following:

Company representative:

Faizan Zafar
Company Secretary
051-9028119, 051-9270080
faizan.zafar@agico.com.pk

Share Registrar

THK Associates (Private) Limited
1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi 75400,
Pakistan.
+92 (021) 111-000-322
+92 (021) 34168270
+92 (021) 34168271

Directors' Report

to the members

We, the Directors of askari general insurance company limited (AGICO), are honored to present its 22nd Annual Report, together with the audited financial statements for the year ended 31st December 2016 and Auditors' Report thereon.

MACRO-ECONOMIC SYNOPSIS

Pakistan's economy continued its growth momentum for the third consecutive year with real GDP growing at 4.7% in FY 2016, well above the 4% growth achieved last year. This healthy increase resulted from improvement in energy supplies, availability of low-cost funding, declining security concerns, and strong domestic demand.

The stability in commodity prices resulting from lower oil prices, coupled with managed depreciation of Pak Rupee, reduced inflation to 2.8% from 4.8% last year. Core inflation (which excludes prices for Food, Electricity, Gas, Kerosene Oil, and Motor Fuel) decreased to 4.2% from 6.5% last year.

Services sector, with a growth of 5.7 % in FY 2016 as compared to 4.3% last year, emerged as the most significant driver of economic growth. The share of the services sector increased from 57% of GDP (FY 2009) to 59% (FY 2016). Services sector performance remained broad based, as all components of services contributed positively, with Finance and Insurance sub-sector growing by 7.8%.

Total investments increased by 6% to Rs 4,502 billion whereas Net Foreign Direct Investment observed a modest growth of 5.4% and was recorded at over USD 1 billion. This upward growth of Investment indicators remained upward on back of significant infrastructural development, due to China Pakistan Economic Corridor (CPEC), and reclassification of Pakistan in the Emerging Markets under the MSCI index.

AGICO in 2016

This year proved to be yet another exciting 12

months for AGICO as it comfortably achieved its financial targets for the year. AGICO underwrote Gross Premium of Rs. 2.35 billion (inclusive of Rs. 100 million of Takaful contribution) in 2016 - an increase of 17% over the last year. The investments portfolio stood at record amount of Rs 1.50 billion whereas net profit after tax increased by 18% as it enjoyed profitability in all classes of business.

KEY HIGHLIGHTS

2016 was a year of major developments/changes for the Company. Some of the major highlights of 2016 were as follows:

Code of Corporate Governance for Insurers, 2016

In November 2016, the Securities & Exchange Commission of Pakistan implemented the Code of Corporate Governance for Insurers, 2016 (CCG 2016). It will be mandatory for all insurance companies to comply with the requirements of CCG 2016 along with the requirements of the Code of Corporate Governance, 2012. A statement of compliance with both codes of corporate governance is included in the annual report on page 46.

Change in tax regime

Before 2016, dividend income of all companies was taxed at 12.5% whereas different tax rates were used for capital gains. However, in 2016, the taxation for income of insurance companies was entirely changed as a flat tax rate of 31% was implemented. This would expose investment income of the insurance industry to increased taxation in foreseeable future, The Company's total investments however grew by 29% over the corresponding year mainly due to fresh equity injection via Right Issue

Cash Dividend

In order to give back to its esteemed shareholders for their valuable investments, AGICO paid 15% cash dividend amounting to Rs. 58 million in 2016.

Stock Dividend

AGICO issued 10% bonus shares amounting to Rs. 38 million during the year.

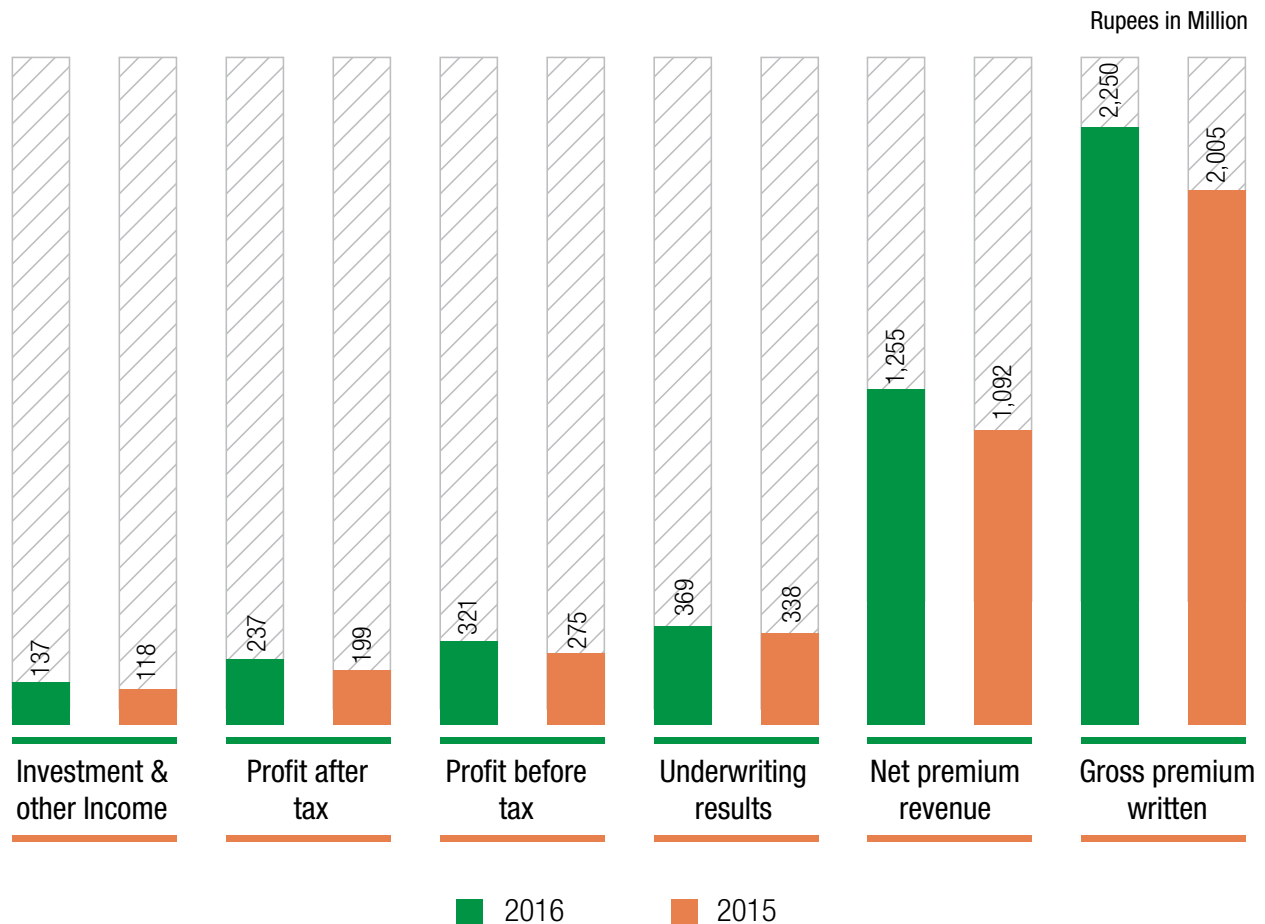
Issue of Rights Shares

During 2016, AGICO issued 116 million rights shares at 100% premium which, along with bonus shares, increased its Paid-up Capital to Rs. 543 million from Rs. 388 million. With this increase in capital, AGICO is sufficiently compliant with minimum paid-up capital requirements issued by the Securities & Exchange Commission of Pakistan up to December 2017.

PERFORMANCE REVIEW

The key performance indicators of the Company are summarized below:

	2016	2015
Rupees in thousands (unless specified otherwise)		
Gross premium written	2,249,946	2,005,056
Net premium revenue	1,255,230	1,091,884
Underwriting results	369,211	337,909
Investment & other income	137,408	117,877
Profit before tax	320,516	274,916
Profit after tax	236,805	198,508
Return on equity	20%	23%
Earnings Per Share (Rs.)	4.49	4.25 (restated)



Directors' Report

to the members

SEGMENT WISE PERFORMANCE ANALYSIS

Fire & Property Damage

This segment contributed 13% to our total business underwritten in 2016 with gross premium underwritten of Rs. 300 m (2015: Rs. 321.89 m). The underwriting profit increased to Rs. 74 m from Rs. 62 m last year. Loss ratio decreased from 26%



last year to 21.5% in 2016. The premium ceded to the reinsurers decreased to 79% from 80% last year.

Marine, Aviation & Transport

The contribution of this segment was 6.7% to our portfolio in 2016 with gross premium underwritten of Rs. 151 m (2015: Rs. 158.98 m). The underwriting profit from this segment in



2016 was Rs. 43 m (2015: Rs. 25 m), depicting an increase of 72%. Loss ratio significantly improved

from 42% last year to 20% this year. The premium ceded to the reinsurers decreased to 79% from 80% last year. The Company maintained a steady approach towards premium ceded to the Re-insurers.

Motor

The Motor segment, with 36% share, was the



largest contributor towards our total business underwritten in 2016. This segment earned Rs. 186 m profit (2015: Rs. 190 m) which was 50% of the total underwriting profit for the current year. Loss ratio increased to 47% this year from 41% last year.

Accident & Health

Accident & Health portfolio contributed 22%



to the total portfolio of the Company in 2016. The segment observed a profit of Rs. 28 m

(2015: Rs. 15 m) depicting an increase of 86%. Improved underwriting and a focus on more profitable businesses helped cutback loss ratio significantly from 99.5% last year to 84% this year. Implementation of a number of strict control measures by the management, including improved underwriting and effective claims management, also played key part in improving overall profitability of this segment.

Miscellaneous

This segment comprises of engineering insurance, bond insurance, crop insurance, travel insurance etc. It contributed 13% towards our underwritten business in 2016, however, the underwriting profit



decreased from Rs. 45 m last year to Rs. 37 m this year. The loss ratio for this segment was 37% this year as compared to 42% last year.

Investment and Other Income

Investment and other income increased to Rs. 138 m from Rs. 118 m last year, depicting a growth of 18%. This was primarily achieved on the back of additional funds of Rs. 233 million acquired from issue of rights shares at 100% premium, aided by much improved capital market performance during 2016.

Re-Insurance

The Company enjoys long standing business relationships with internationally renowned Re-

Insurers such as SCOR Re, AXA, XL Catlin, Trust International, Korean Re and Hannover Re with SCOR Re being the lead reinsurer in majority classes of business. It is worth mentioning that for the first time, AXA will be the lead reinsurer for Accident & Health segment of AGICO. We are also engaged with internationally reputed Reinsurance brokers including AON Benfield Asia, Al Futtaim Willis, MIB, NASCO France, Al Wasl, Afro Asian, CSP, Arthur J. Gallagher and J.B. Boda. Locally, we have reinsurance agreement with Pakistan Reinsurance Company Limited (PRCL).

WINDOW TAKAFUL OPERATIONS

Since its inception in 2015, Window Takaful Operations (WTO) have added volume and profitability towards business of AGICO and we expect this trend to continue in the coming years as well.

The written contribution from WTO during 2016 was Rs. 100 million while net contribution revenue was Rs. 36 million. The profit for the year was Rs. 5.5 million.

Market Share

AGICO has been consistently increasing its market share over the last five years and is expected to secure further share as it achieved 15% growth in gross premium written during 2016.

Distributions

	2016 (proposed)	2015
Final Cash Dividend	10%	15%
Bonus Shares	15%	10%

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants audited the financial statements for the year 2016 which was the last year of their five year tenure as external auditors. Consequently, as allowed under the Code of Corporate Governance for Insurers, 2016, approval of Securities & Exchange Commission of Pakistan has been obtained for

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their reappointment beyond 2016. The Board of Directors recommends reappointment of KPMG Taseer Hadi & Co. Chartered Accountants as auditors of the Company for the next financial year ending December 31, 2017.

Shariah Compliance Auditors

The Board of Directors has also recommended reappointment of S.M. Suhail & Co. Chartered Accountants as Shariah Compliance Auditors of the company, as required under Takaful Rules 2012, for the next financial year ending December 31, 2017.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Statement of Directors Responsibilities

In compliance with the Corporate and Financial Reporting Framework of the Code of Corporate Governance, the Directors confirm the following:

- » The financial statements, together with the notes forming an integral part of these statements, have been prepared by the management of the Company in conformity with the Companies Ordinance 1984 and the Insurance Ordinance 2000; present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- » Proper books of accounts of the Company have been maintained.
- » Appropriate accounting policies have been consistently applied in preparation of these financial statements and accounting estimates are based on reasonable and prudent judgment.
- » Approved Accounting Standards, as applicable in Pakistan, have been followed in preparation of these financial statements and any departures therefrom have been adequately disclosed and explained.
- » The system of internal controls is sound in design and has been effectively implemented and monitored throughout the year. Internal controls and their implementation are reviewed continuously by the Internal Audit

department and any weakness in controls is timely addressed.

- » There are no significant doubts upon the Company's ability to continue as a going concern.
- » There has been no material departure from the best practices of Code of Corporate Governance as detailed in the listing regulations.
- » There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as at 31 December 2016, except as disclosed in the financial statements. All such dues primarily related to the dues of last month of the financial year 2016 and were subsequently deposited in Government treasury in time.
- » The related party transactions are approved or ratified by the Audit Committee and the Board of Directors.

Board Performance Evaluation

AGICO's Board of Directors undergo a self-evaluation exercise each year against a set of parameters. This evaluation is performed primarily to assist the Board in evaluating its quality of governance as it enables the Board members to perform their roles and responsibilities more effectively towards progress of your Company. This self-evaluation is carried out under an evaluation methodology based on certain parameters.

The evaluation exercise addresses areas of critical importance which include, but are not limited to, the following:

- » Basic composition of the Board of Directors;
- » Assessment of overall roles and responsibilities of the Board members;
- » Effectiveness and efficiency of the operation of the Board and its Committees; and
- » Trainings and upgradation of knowledge & skills of directors;

The result of the Board's self-assessment of its overall performance was satisfactory against the set criteria.

Key Financial Data

Key operational and financial data for the last 6 years is annexed at page 39 of the Annual Report.

VALUE OF INVESTMENT IN PROVIDENT FUND AND GRATUITY FUND

The value of investments in provident fund and gratuity fund, on the basis of audited accounts, as at 31 December 2016 was:

Name of Fund	2016	2015
	Rupees In Millions	
Employees' Provident Fund	68	59
Employees' Gratuity Fund	76	59

BOARD MEETINGS

Five meetings of the Board of Directors were held during 2016. Attendance by each of the director was as follows:

Name of Directors	Meetings Attended
Lt Gen Khalid Rabbani (Retd)	5
Maj Gen Syed Taqi Naseer Rizvi (Retd)	5
Maj Gen Hamid Mahmud (Retd)	4
Brig M. Ibrahim Khan (Retd)	3
Brig M. Aslam Khan (Retd)	5
Malik Riffat Mehmood	5
Mr. Abdul Hai Mahmood Bhaimia	3
M. Munir Malik	2
Syed Shahid Hussain	1

The Board granted leave of absence to those directors who could not attend the Board Meetings.

Casual Vacancies in the Board of Directors

Who resigned	Casual vacancy filled by	Date
Syed Shahid Hussain	Munir Malik	21 March 2016

PATTERN OF SHAREHOLDING

The pattern of shareholding is given at page 158 of this report.

There was no trading in shares of the Company by the Directors, Chief Executive Officer, Chief Financial officer, Company Secretary and their spouses and minor children.

BOARD COMMITTEES

During the year, the Audit Committee held four meetings whereas Human Resource & Remuneration Committee held one meeting. The composition of the Board Committees and their terms of reference are given at page 31.

Further, the Company has four sub committees of the Board which cover the core areas of business; these are Underwriting, Reinsurance & Coinsurance Committee, Claims Settlement Committee, Executive, Risk Management & Compliance Committee, Investment Committee. The names of members and the terms of references of these committees are given at page 31.

FUTURE PROSPECTS

Improved macroeconomic and security environment and healthier energy supplies will keep business sentiments positive in FY17 which will be further aided by smooth progress of CPEC-related projects thereby creating further demand for industrial output. The government envisages a GDP growth of 5.7 % for FY17, despite a planned

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reduction in budget deficit from 4.6% in FY16 to 3.8% in FY17, as upward development spending would continue to support infrastructure-related industries.

We expect the insurance industry to expand even further, particularly due to infrastructure projects associated with CPEC and considerable growth in local production of automobiles in 2017.

Keeping in view the above mentioned developments and upgrading of our IFS rating to "AA-"(Double A Minus) from "A+" (Single A Plus), we aim on achieving sustainable, profitable growth with increased market share by continuously investing in latest technologies to better understand our customers' needs and provide them with best quality services and support.

ACKNOWLEDGMENTS

The Directors would like to thank the regulatory authorities, banks and financial institutions, Re-Insurers and credit rating companies for their guidance and valued support. We also thank our shareholders for posing their trust and confidence in the Company. Finally, we place on record our appreciation for the commitment and hard work of our employees towards the growth of the Company.

For and on behalf of the Board

Rawalpindi
March 8, 2017

Lt Gen Khalid Rabbani (Retd)
Chairman

مستقبل کے امکانات:

بہتر میکرو اکنامک، سلامتی کا ماحول اور صحت مند توانائی کی فراہمی کا روہاری حس کو سال 2017ء میں مثبت رکھے گی جس میں صنعتی پیداوار کے لئے مزید ڈیماڈ بناتے ہوئے CPEC سے متعلق منصوبوں کی ہموار پیش رفت کی طرف سے مدد کی جائے گی۔ بجٹ میں ایک سوچی سمجھی کمی کے باوجود جو کہ مالی سال 2016ء میں 4.6 فیصد سے مالی سال 2017ء میں 3.8 فیصد تک کمی ہے، حکومت مالی سال 2017ء کے لیے 5.7 فیصد جی ڈی پی اضافہ کا منصوبہ رکھتی ہے، جیسا کہ اضافی ترقیاتی اخراجات بنیادی ڈھانچے سے متعلق صنعتوں کی حمایت جاری رکھیں گے۔

خاص طور پر سال 2017ء میں گاڑیوں کی مقامی پیداوار میں معقول اضافہ اور CPEC کے ساتھ منسلک بنیادی ڈھانچے کے منصوبوں کی بدولت، ہم انشورنس کی صنعت کو بھی مزید وسعت دینے کی توقع کرتے ہیں۔

”+A“ (سنگل A پلس) سے ”AA“ (ڈبل A مانس) کی طرف ہماری IFS ریٹنگ کی اوپر ڈکر کردہ پیش رفت اور اپ گریڈنگ کو سامنے رکھتے ہوئے، ہم اپنے صارفین کی ضروریات کو سمجھنے اور انہیں بہترین معیار کی خدمات اور حمایت فراہم کرنے کے لئے جدید ترین ٹیکنالوجی میں مسلسل سرمایہ کاری کرتے ہوئے بڑھوتری والے مارکیٹ شیئر کے ساتھ پائیدار اور منافع بخش ترقی کے حصول کا عزم رکھتے ہیں۔

اظہار تشکر:

ریگولیٹری حکام، بینکوں و مالیاتی اداروں، ری انشورنس اور کریڈٹ ریٹنگ کمپنیوں کی طرف سے فراہم کردہ ہدایت اور قابل قدر حمایت کی بدولت منتظمین ان کا شکریہ ادا کرنا چاہیں گے۔ کمپنی پر بھروسہ اور اعتماد ظاہر کرنے کی بدولت ہم اپنے حصص کنندگان کا بھی شکریہ ادا کرتے ہیں۔ آخر میں، کمپنی کی ترقی کے خاطر کام کرنے والے ہمارے ملازمین کی وابستگی اور محنت کے لئے ہم اپنے تعریفی کلمات ریکارڈ میں رکھتے ہیں۔

بورڈ کی جگہ اور بورڈ کی نیابت سے:



لیفٹیننٹ جنرل خالد ربانی (ر)

چیئرمین

راولپنڈی

8 مارچ 2017ء

پراویڈنٹ فنڈ اور گریجویٹ فنڈ میں سرمایہ کاری کی قدر و قیمت:

آڈٹ اکاؤنٹس کی بنیاد پر، پراویڈنٹ فنڈ اور گریجویٹ فنڈ میں سرمایہ کاری کی قدر و قیمت 31 دسمبر 2016ء تک درج ذیل تھی:

فنڈ کا نام	سال 2016ء	سال 2015ء
	روپے ملین میں	
پراویڈنٹ فنڈ برائے ملازمین	68	59
گریجویٹ فنڈ برائے ملازمین	76	59

بورڈ کے اجلاس:

سال ۲۰۱۶ء کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ ہر منتظم کی حاضری درج ذیل رہی:

منتظم کا نام	شرکت کردہ اجلاس کی تعداد
لیفٹیننٹ جنرل خالد ربانی (ر)	5
میجر جنرل سید تقی نصیر رضوی (ر)	5
میجر جنرل حامد محمود (ر)	4
بریگیڈیئر محمد ابراہیم خان (ر)	3
بریگیڈیئر محمد اسلم خان (ر)	5
ملک رفعت محمود	5
عبدالحی محمود بھائی میا	3
محمد میر ملک	2

بورڈ نے ان منتظمین کو رخصت دی تھی جو بورڈ کے اجلاس میں شرکت نہیں کر سکتے تھے۔

بورڈ آف ڈائریکٹرز میں اتفاقی خالی جگہ:

کس نے استعفیٰ دیا	کس کو خالی جگہ بھرتی کیا گیا	تاریخ
سید شاہ حسین	منیر ملک	21 مارچ 2016ء

شیئر ہولڈنگ کی ترتیب:

شیئر ہولڈنگ کی ترتیب اس رپورٹ کے صفحے 158 پر دیا گیا ہے۔

ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر، کمپنی سیکریٹری اور ان کی بیویوں اور نابالغ بچوں کی طرف سے کمپنی کے حصص میں کوئی ٹریڈنگ نہیں ہوئی۔

بورڈ کمیٹیاں:

سال کے دوران، آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے جب کہ انسانی وسائل اور معاوضاتی کمیٹی کا ایک اجلاس منعقد ہوا۔ بورڈ کمیٹیوں اور ان کی حوالہ کی شرائط کی ساخت صفحہ 31 پر دی گئی ہے۔

اس کے علاوہ، کمپنی میں بورڈ کی چار ذیلی کمیٹیاں ہیں جو کہ کاروبار کے اہم شعبوں کا احاطہ کرتی ہیں؛ یہ کمیٹیاں (1) زمرہ نویسی، ری انشورنس اور باہمی انشورنس کی کمیٹی، (2) آڈٹ کمیٹی، (3) ایگزیکٹو، رسک مینجمنٹ اینڈ کمپلائنس کمیٹی (4) دعوے کی سیکلیمنٹ کمیٹی اور (5) انویسٹمنٹ کمیٹی ہیں۔ ارکان اور ان کمیٹیوں کے حوالہ کی شرائط صفحہ 31 پر دی گئی ہے۔

منتظمین کی رپورٹ برائے ممبران

شریعت قبل آڈیٹرز:

بورڈ آف ڈائریکٹرز 13 دسمبر 2017ء کو ختم ہونے والے آئندہ مالی سال کے لیے "S.M. Suhail & Co. Chartered Accountants" کو کمپنی کی شریعت قبل آڈیٹرز کے طور پر دوبارہ تعینات کرنے کی بھی سفارش کرتا ہے، جیسا کہ ہنگامی رولز 2012ء کے تحت مطلوب ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

منتظمین کی ذمہ داریوں کا بیان:

کارپوریٹ گورننس کے کوڈ کے کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کی تعمیل میں، منتظمین درج ذیل کی تصدیق کرتے ہیں:

- کمپنی کی انتظامیہ کی طرف سے مالیاتی بیانات بشمول ان نفاذ کے جو کہ ان بیانات کا ایک لازمی حصہ ہیں، کو کمپنیز آرڈیننس 1984 اور انشورنس آرڈیننس 2000 کے مطابق تیار کیا گیا ہے؛ اور یہ بیانات کمپنی کی حالت، اس کی کاروائیوں کے نتائج، نقد رقم کے بہاؤ اور ایکویٹی (حصص کی مقررہ قیمت) میں تبدیلیوں کے نتائج کو منصفانہ طریقے سے پیش کرتے ہیں۔
- کمپنی کے اکاؤنٹس کی مناسب کتابوں کو برقرار رکھا جا چکا ہے۔
- ان مالی بیانات کی تیاری میں مناسب پالیسیوں کو مسلسل لاگو کر دیا گیا ہے اور اکاؤنٹنگ اندازہ جات کی بنیاد معقول اور منصفانہ فیصلہ پر رکھی گئی ہے۔
- ان مالی بیانات کی تیاری میں اکاؤنٹنگ کے منظور شدہ معیارات، جو کہ پاکستان میں قابل عمل ہیں، کی پیروی کی گئی ہے اور ہر چیز کی مناسب طور پر وضاحت کی گئی ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے، اسے مؤثر طریقے سے لاگو کیا گیا ہے اور سال بھر اس کی نگرانی کی گئی ہے۔ اندرونی کنٹرول اور ان کے نفاذ کا انٹرنل آڈٹ ڈپارٹمنٹ کی طرف سے مسلسل جائزہ لیا گیا ہے اور کنٹرولز میں کسی بھی کمزوری کو بروقت دور کیا گیا ہے۔
- حالیہ تشریح کے طور پر جاری رکھنے کے لئے کمپنی کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- کارپوریٹ گورننس کے کوڈ کے بہترین طریقوں سے کوئی بھی چیز مخفی نہیں ہے جو کہ لسٹنگ ریگولیشنز میں تفصیلاً بیان کیے گئے ہیں۔
- ٹیکس، فراڈ، لیویز اور الزامات کے اکاؤنٹ پر کوئی قانونی ادائیگی نہیں ہے جو کہ 31 دسمبر 2016ء تک واجب الادا ہیں سوائے ان ادائیگیوں کے جن کا انکشاف مالی بیانات میں کر دیا گیا ہے۔ ایسے تمام واجبات بنیادی طور پر مالی سال 2016ء کے آخری مہینے کے واجبات سے متعلق ہیں اور نتیجتاً یہ بروقت حکومتی خزانے میں جمع ہو گئے تھے۔
- متعلقہ پارٹی کی لین دین کی منظوری اور توثیق آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کی طرف سے کی جاتی ہے۔

بورڈ کی کارکردگی کا اندازہ:

"دعسکری جزل انشورنس کمپنی لمیٹڈ (AGICO)" کا بورڈ آف ڈائریکٹرز کچھ پیرامیٹرز کے مطابق ہر سال خود تشریحی مشق سے گزرتا ہے۔ بنیادی طور پر گورننس کے معیار کا جائزہ لینے میں بورڈ کی مدد کرنے کے لئے یہ تشریح کی جاتی ہے اور یہ بورڈ کے ارکان کو اس قابل بنا دیتی ہے کہ وہ آپ کی کمپنی کی ترقی کے لیے اپنے کردار اور ذمہ داریوں کو زیادہ مؤثر طریقے سے انجام دیں۔ یہ خود تشریحی عمل مخصوص پیرامیٹرز پر مبنی ایک تشریحی طریقہ کار کے تحت کیا جاتا ہے۔

تشریحی مشق انتہائی اہمیت کے ایریا کا احاطہ کرتی ہے جس میں درج ذیل ایریا بھی شامل ہیں:

- بورڈ آف ڈائریکٹرز کی بنیادی ساخت؛
 - بورڈ کے ممبران کی اجمالی ذمہ داریوں اور کردار کی تشریح؛
 - بورڈ اور اس کی کمیٹیوں کی کارروائی کی کارکردگی اور تاثیر؛ نیز
 - منتظمین کی مہارت اور علم کی اپ گریڈیشن اور ٹریننگ؛
- قائم کردہ معیار کے لحاظ سے بورڈ کی مجموعی کارکردگی کی خود تشریحی تسلی بخش تھی۔

کلیدی مالیاتی ڈیٹا:

گزشتہ 6 سال کے لئے کلیدی آپریشنل اور مالیاتی ڈیٹا سالانہ رپورٹ کے صفحے 39 پر شامل کر دیا گیا ہے۔

حادثات و نقض صحت:

حادثات و نقض صحت نے سال 2016ء میں کمپنی کے کل حسابات میں 22 فیصد حصہ ڈالا۔ اس شعبہ نے 28 ملین (سال 2015ء میں = 15 ملین) روپے منافع کا مشاہدہ کیا، جو کہ 86 فیصد اضافہ کی عکاسی کرتا ہے۔ بہتر ذمہ داری اور زیادہ منافع بخش کاروبار پر توجہ نے نقصان کے تناسب میں گزشتہ سال 99.5 فیصد سے اس سال 84 فیصد تک کی نمایاں کمی لانے میں مدد کی۔ انتظامیہ کی جانب سے بہتر ذمہ داری اور مؤثر تدبیروں کے انتظام کے ساتھ ساتھ سخت کنٹرول کے کئی ایک اقدامات کے نفاذ نے اس شعبہ کے مجموعی منافع کو بہتر بنانے میں اہم کردار ادا کیا۔

متفرق کاروبار:

یہ شعبہ ہندسی، معاهدات، فصل اور سفر کے بیمہ وغیرہ پر مشتمل ہے۔ اس نے سال 2016ء میں ہمارے ذمہ داری میں 13 فیصد حصہ ڈالا، تاہم، ذمہ داری منافع میں گزشتہ سال 45 ملین روپے سے اس سال 37 ملین روپے تک کی کمی واقع ہوئی۔ اس شعبہ کے لئے نقصان کا تناسب گزشتہ سال 42 فیصد کے مقابلے میں اس سال 37 فیصد تھا۔

سرمایہ کاری اور دیگر آمدنی:

سرمایہ کاری اور دیگر آمدنی گزشتہ سال 118 ملین سے اس سال 138 ملین روپے تک بڑھی، جو کہ 18 فیصد کے اضافہ کی عکاسی کرتے ہیں۔ اسے بنیادی طور پر 233 ملین روپے کی اضافی فنڈز کی پشت پر حاصل کیا گیا، جو کہ 100 فیصد پر بیمہ تک جملہ اجراء حصص سے حاصل کیا گیا، اور اسے سال 2016ء کے دوران بہتر سرمایہ کاری مارکیٹ کی کارکردگی کی مدد حاصل ہے۔

مکرر ذمہ داری:

کمپنی، بین الاقوامی شہرت یافتہ مکرر ذمہ داری جیسا کہ "SCOR Re"، "AXA"، "XL Catlin"، "Trust International"، "Korean Re" اور "Hannover Re" کمپنی، "SCOR" کے ساتھ، کاروباری اکثریتی شعبوں میں اہم مکرر ذمہ داری ہونے کے اعتبار سے، دیرینہ کاروباری تعلقات سے لطف اندوز ہوتی ہے۔ یہ بات قابل ذکر ہے کہ پہلی مرتبہ "AXA" "دعسکری جزل انشورنس کمپنی لمیٹڈ (AGICO)" کے حادثات و نقض صحت کے شعبہ کے لیے ایک اہم مکرر بیمہ کاری ہوگی۔

ہم "AON Benfield Asia"، "Al Futtaim Willis"، "MIB"، "NASCO France"، "AI Wasl"، "Afro Asian"، "CSP"، "Arthur J. Gallagher" اور "J.B. Boda" سمیت بین الاقوامی شہرت یافتہ مکرر بیمہ کاروباروں کے ساتھ مصروف عمل ہیں۔ مقامی طور پر، ہمارا "پاکستان ری انشورنس کمپنی لمیٹڈ (PRCL)" کے ساتھ ری انشورنس ایگریمنٹ ہے۔

نافذہ الیکا فل عمل کاری:

سال 2015ء میں اپنے قیام کے آغاز ہی سے، نافذہ الیکا فل عمل کاری (WTO) نے "دعسکری جزل انشورنس کمپنی لمیٹڈ (AGICO)" کے کاروبار میں حجم اور منافع شامل کر لیا ہے اور ہم امید کرتے ہیں کہ یہ رجحان آنے والے سال میں جاری رہے گا۔

سال 2016ء کے دوران نافذہ الیکا فل عمل کاری (WTO) کی طرف سے ملٹی پل پراکٹ 100 ملین روپے تھی جب کہ نیٹ شراکت آمدنی 36 ملین روپے تھی۔ اس سال کے لیے منافع 5.5 ملین روپے تھا۔

مارکیٹ شیئر:

"دعسکری جزل انشورنس کمپنی لمیٹڈ (AGICO)" گزشتہ پانچ سال کے دوران اپنے مارکیٹ شیئر میں مسلسل اضافہ کر رہی ہے اور مزید شیئر محفوظ بنانے کی توقع ہے جیسا کہ اس نے سال 2016ء کے دوران تحریری مجموعی پر بیمہ میں 15 فیصد اضافہ حاصل کیا۔

تقسیم:

سال 2015ء	سال 2016ء (مجوزہ)	
15 فیصد	10 فیصد	حتیٰ نقد تقسیم شدہ منافع
10 فیصد	15 فیصد	انعامی حصص

محاسب:

"KPMG Taseer Hadi & Co. Chartered Accountants" نے سال 2016ء کے مالی بیانات کا محاسبہ کیا اور یہ ان کے بطور خارجی محاسب کے پانچ سالہ مدت کا آخری سال تھا۔ نتیجتاً، جیسا کہ "انشورنس کمپنیوں کے لئے کارپوریٹ گورننس کوڈ 2016" کے تحت منظوری دی گئی ہے، سال 2016ء ختم ہونے سے پہلے ہی ان کی دوبارہ تعیناتی کے لیے "سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان" سے منظوری لے لی گئی ہے۔ بورڈ آف ڈائریکٹرز 31 دسمبر 2017ء کو ختم ہونے والے آئندہ مالی سال کے لیے "KPMG Taseer Hadi & Co. Chartered Accountants" کو کمپنی کے آڈیٹرز کے طور پر دوبارہ تعینات کرنے کی سفارش کرتا ہے۔

منتظمین کی رپورٹ برائے ممبران

انعامی حصص

”عسکری جزل انشورنس کمپنی لمیٹڈ (AGICO)“ نے اس سال کے دوران 3.8 ملین رقم کے 10 فیصد انعامی حصص جاری کیے۔

پرانے حصہ داروں کو مزید حصص خریدنے کی دعوت

سال 2016ء کے دوران، ”عسکری جزل انشورنس کمپنی لمیٹڈ (AGICO)“ نے 100 فیصد پر بیمہ پر 11.6 ملین کے جملہ حقوق حصص جاری کیے جس سے بونس شیئرز کے ساتھ اس کا ادا شدہ سرمایہ کو 388 ملین روپے سے 543 ملین تک بڑھ گیا۔ سرمایہ کاری میں اس اضافہ کے ساتھ، ”عسکری جزل انشورنس کمپنی لمیٹڈ (AGICO)“ کم از کم ادا شدہ سرمایہ کاری کے ان تقاضہ جات کے ساتھ کافی مطابقت رکھتی ہے جو کہ ”سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان“ کی طرف سے دسمبر 2017ء تک کے لیے جاری کیے گئے۔

کارکردگی کا جائزہ

کمپنی کی کارکردگی کے کلیدی اشاریہ کا ذیل میں خلاصہ پیش کیا گیا ہے:

2015ء	2016ء	
روپے ہزاروں میں (الائیہ کہ ان کو مخصوص کر دیا جائے)		
2,005,057	2,249,946	مجموعی مکتوبہ پر بیمہ
1,091,884	1,255,230	خالص پر بیمہ آمدنی
337,911	369,161	ذمہ داری کے نتائج
117,876	138,735	سرمایہ کاری اور دیگر آمدنی
274,916	316,858	ٹیکس سے قبل منافع
198,508	234,133	ٹیکس کے بعد منافع
23 فیصد	20 فیصد	ایکویٹی (حصص کی متقررہ قیمت) پر منافع
4.25 (توزیم شدہ)	4.44	فی حصص آمدنی (روپے میں)

شعبہ جاتی کارکردگی کا تجزیہ

آتشزدگی اور املاک کے نقصان:

اس شعبہ نے 300 ملین روپے کی ذمہ داری مجموعی پر بیمہ کے ساتھ (سال 2015ء میں = 321.89 ملین روپے) سال 2016ء میں ہمارے ذمہ داری مجموعی کاروبار میں 13 فیصد حصہ ڈالا۔

اس سال ذمہ داری منافع 74 ملین روپے ہوا جبکہ گزشتہ سال یہ 62 ملین روپے تھا۔ نقصان کا تناسب (نیٹ پر بیمہ آمدنی کے فیصدی کے طور پر نیٹ مطالبہ جات) گزشتہ سال 26 فیصد سے سال 2016ء میں 21.5 فیصد تک کم ہوا۔ مگر بیمہ کاری میں گزشتہ سال 80 فیصد سے 79 فیصد تک کی واقع ہوئی۔

بڑی، بحری اور فضائی مواصلات:

151 ملین (سال 2015ء میں = 158.98 ملین) کے درج شدہ ذمہ داری کے ساتھ اس شعبہ کی شرکت سال 2016ء میں ہمارے پورٹ فولیو میں 6.7 فیصد تھی۔

سال 2016ء میں اس شعبہ سے درج شدہ منافع 43 ملین (سال 2015ء میں = 25 ملین) روپے تھا، جو کہ 72 فیصد اضافہ کی عکاسی کرتا ہے۔ نقصان کے تناسب میں گزشتہ سال 42 فیصد سے اس سال 20 فیصد تک نمایاں طور پر بہتری آئی۔ مگر ذمہ داری میں گزشتہ سال 80 فیصد سے 79 فیصد تک کی واقع ہوئی۔ کمپنی نے مگر ذمہ داری کے ضمن میں ایک مستحکم حکمت عملی کو برقرار رکھا۔

موٹر گاڑیاں:

موٹر گاڑیوں کا شعبہ، 36 فیصد شیئرز کے ساتھ، سال 2016ء میں ہمارے درج شدہ ذمہ داری کی جانب ایک بے حد اہم شرکت رکھتا تھا۔ اس شعبہ نے 186 ملین (سال 2015ء میں = 190 ملین) روپے کمائے جو کہ حالیہ سال کے لیے ذمہ داری منافع 50 فیصد تھا۔ نقصان کا تناسب گزشتہ سال 41 فیصد سے اس سال بڑھ کر 47 فیصد ہو گیا

منتظمین کی رپورٹ برائے ممبران

ہم ”عسکری جنرل انشورنس کمپنی لمیٹڈ (AGICO)“ کے منتظمین، بائیسویں سالانہ رپورٹ پیش کرنے کا اعزاز حاصل کر رہے ہیں، اس رپورٹ کے ساتھ 31 دسمبر 2016ء کو ختم ہونے والے سال کے محاسبہ شدہ مالی بیانات اور محاسب کی رپورٹ بھی ہے۔

خلاصہ برائے میکرو اکنامک

پاکستان کی معیشت نے تیسرے سال کے لئے بھی اپنی ترقی کی رفتار کو تسلسل کے ساتھ جاری رکھا، مالی سال 2016ء میں حقیقی جی ڈی پی (مجموعی ملکی پیداوار) 4.7 فیصد تک اضافہ کر گئی جو کہ گزشتہ سال حاصل ہونے والے 4.2 فیصد اضافے سے بھی زیادہ ہے۔ یہ بھرپور اضافہ توانائی کی فراہمی میں بہتری، کم لاگت فنڈنگ کی دستیابی، سیکورٹی خدشات میں کمی اور مضبوط ملکی طلب کا نتیجہ ہے۔

تیل کی کم قیمتوں اور پاکستانی روپے کی منظم فرسودگی کے نتیجے میں اشیاء کی قیمتوں میں آنے والے استحکام نے گزشتہ سال افراط زر کی شرح میں 2.8 فیصد سے 4.8 فیصد تک کمی کی ہے۔ بنیادی افراط زر (جس میں خوراک، بجلی، گیس، مٹی کے تیل اور موٹر ایلینڈ کی قیمتیں شامل نہیں ہیں) میں گزشتہ سال 4.2 فیصد سے 6.5 فیصد تک کمی واقع ہوئی ہے۔

سروسز سیکٹر، گزشتہ سال کے 4.3 فیصد اضافہ کے مقابلے میں مالی سال 2016ء میں 5.7 فیصد کے اضافے کے ساتھ، اقتصادی ترقی کے سب سے اہم محرک کے طور پر ابھر کر سامنے آئے۔ سروسز سیکٹر کا حصہ جی ڈی پی کے 57 فیصد (برائے مالی سال 2009ء) سے بڑھ کر 59 فیصد (برائے مالی سال 2016ء) تک ہو گیا۔ فنانس اور انشورنس کے ذیلی شعبہ میں 7.8 فیصد تک اضافے کے ساتھ سروسز سیکٹر کی کارکردگی وسیع رہی کیوں کہ سروسز کے تمام اجزاء نے مثبت انداز میں اہم کردار ادا کیا۔

مجموعی سرمایہ کاری میں 4,502 ارب روپے تک 6 فیصد اضافہ ہوا جب کہ براہ راست غیر ملکی نیٹ سرمایہ کاری نے 5.4 فیصد کے معمولی اضافہ کا مشاہدہ کیا اور یہ ایک بلین ڈالر سے زیادہ ریکارڈ کی گئی۔ چین پاکستان اقتصادی راہداری (CPEC) کی بدولت سرمایہ کاری اشاریہ کی یہ بڑھتی ہوئی نمو، اہم بنیادی ڈھانچہ کی ترقی اور ایم ایس سی آئی (مارگن سٹیلٹی کیپٹل انٹرنیشنل) انڈیکس کے تحت ابھرتی ہوئی مارکیٹوں میں پاکستان کی از سر نو درجہ بندی کو سہارا دینے کے لیے، بلند رہی۔

2016ء میں عسکری جنرل انشورنس کمپنی لمیٹڈ (AGICO)

عسکری جنرل انشورنس کمپنی لمیٹڈ (AGICO) کے لیے یہ سال بھی ایک مثبت سال ثابت ہوا کیوں کہ اس سال میں بھی اس نے اپنے مالی اہداف حاصل کر لیے۔ عسکری جنرل انشورنس کمپنی لمیٹڈ (AGICO) نے سال 2016 میں 2.35 بلین (بشمول تکافل شراکت کے 100 بلین) کی کل بیمہ کاری کی جو گزشتہ سال کے مقابلے میں 17 فیصد زیادہ ہے۔ سرمایہ کاری کے خریطے نے 1.50 بلین روپے کا ریکارڈ قائم کیا جب کہ ٹیکس کے بعد خالص منافع میں 18 فیصد اضافہ ہوا جو کہ کاروبار کی تمام کلاسز کے منافع کا مہون منت بھی ہے۔

کلیدی جھلکیاں

سال 2016ء کمپنی کے لئے ایک اہم پیش رفت/تبدیلیوں کا سال تھا۔ سال 2016ء کی چند اہم جھلکیاں درج ذیل ہیں:

کارپوریٹ گورننس کوڈ برائے بیمہ کار، 2016ء

نومبر 2016ء میں، "سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان" نے "بیمہ کاروں کے لئے کارپوریٹ گورننس کوڈ، 2016" (CGC 2016) لاگو کیا۔ تمام بیمہ کاروں کے لیے لازمی ہو جائے گا کہ وہ "کارپوریٹ گورننس کوڈ، 2016" کے تقاضوں کو پورا کرنے کے ساتھ ساتھ (CCG 2016) کے تقاضوں کو بھی پورا کریں۔ کارپوریٹ گورننس کے دونوں کوڈز (ضابطہ جات) کی تعمیل کا بیان سالانہ رپورٹ کے صفحہ نمبر 46 میں شامل کیا گیا ہے۔

ٹیکس کے حکومتی نظام میں تبدیلی

سال 2016ء سے پہلے، تمام کمپنیوں کی ڈیویڈنڈ اکم پر 12.5 فیصد ٹیکس تھا جب کہ سرمایہ دارانہ فائدہ کے لیے ٹیکس کی مختلف شرح استعمال کی جاتی تھی۔ تاہم، سال 2016ء میں، انشورنس کمپنیوں کی آمدنی کے لئے ٹیکس کی وصولی مکمل طور پر تبدیل کر دی گئی یعنی 31 فیصد کی فلیٹ ٹیکس شرح لاگو کر دی گئی جس کی وجہ سے سال 2016ء میں مجموعی طور پر انشورنس کی صنعت کے لئے سرمایہ کاری کی کافی کم آمدنی ہے اور اس رجحان کے مستقبل قریب میں جاری رہنے کی توقع ہے۔ پھر بھی، آپ کی کمپنی کی سرمایہ کاری کی معقول حکمت عملی کی وجہ سے اس سال میں گزشتہ سال کے مقابلے میں سرمایہ کاری میں 29 فیصد اضافہ ہوا۔

نقد ڈیویڈنڈ

معزز حصص کنندگان (shareholders) کو ان کی بیش قیمت سرمایہ کاری کا معاوضہ دینے کے لئے "عسکری جنرل انشورنس کمپنی لمیٹڈ (AGICO)" نے سال 2016ء میں 15 فیصد نقد ڈیویڈنڈ جاری کیا۔

Board Committees

The company has three committees at the board level. These committees meet on quarterly basis to review the company's performance, which strengthens its governance framework.

The terms of reference and composition of these committees are given below:

Executive, Risk Management and Compliance Committee

The terms of reference of this committee include the following:

- Approve all investments over Rs. 10 million and review progress of investments.
- Review yearly budget and recommend its approval to the Board.
- Review monthly performance of the Company.
- Review and approve claim payments over Rs. 1 million.
- Review legal suits filed by or against the Company.
- Consider any other matter related to the performance and operations of the Company.

The Committee comprises of three members, including the Chairman of this committee, all of whom are non-executive directors. Following is the composition of this committee:

Name of Member	Status in Committee
Maj Gen Syed Taqi Naseer Rizvi (Retd)	Chairman
Brig M. Ibrahim Khan (Retd)	Member
Mr. Abdul Waheed	Member

Audit Committee

The terms of reference of this committee include the following:

- determination of appropriate measures to safeguard the Company's assets;
- review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - the going concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards;
 - compliance with listing regulations and other statutory and regulatory requirements; and
 - significant related party transactions.
- review of preliminary announcements of results prior to publication;
- facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence

- of management, where necessary);
- review of management letter issued by external auditors and management's response thereto;
- ensuring coordination between the internal and external auditors of the Company;
- review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- consideration of major findings of internal investigations and management's response thereto;
- ascertaining that the internal control systems including financial and operational controls, accounting systems and the reporting structure are adequate and effective;
- review of the Company's statement on internal control systems prior to endorsement by the Board of Directors;
- determination of compliance with relevant statutory requirements;
- monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
- consideration of any other issue or matter as may be assigned by the Board of Directors.

The Committee comprises of three members, including the Chairman of this committee, all of whom are non-executive directors. Following is the composition of this committee:

Name of Member	Status in Committee
Brig M. Ibrahim Khan (Retd))	Chairman
Brig M. Aslam Khan (Retd)	Member
M. Munir Malik	Member

Ethics, Human Resource & Remuneration Committee

The terms of reference of this committee include the following:

- recommending human resource management policies to the board;
- recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;
- recommending to the board the selection, evaluation, compensation (including retirement benefits) of CFO, Company Secretary and Head of Internal Audit; and
- consideration and approval on recommendations of CEO on such matters for key management positions who report directly to CEO.

The committee comprises of three members including

Board Committees

the Chairman of this Committee, out of which two are non-executive directors and one is executive director. Following is the composition of this committee:

Name of Member	Status in Committee
Maj Gen Hamid Mahmud (Retd)	Chairman
Brig M. Aslam Khan (Retd)	Member
Mr. Abdul Waheed	Member

Furthermore, the Company has three sub-committees of the Board, which cover the core areas of business. These committees meet on regular basis and are headed by non-executive directors. The functions and composition of the committees are given below:

Underwriting, Reinsurance & Coinsurance Committee

The Underwriting, Reinsurance & Coinsurance Committee formulates the under writing policy of the Company. It sets out the criteria for assessing various types of insurance risks and determines the premium policy of different insurance covers. It regularly reviews the underwriting and premium policies of the Company with due regard to relevant factors such as business portfolio and the market development. This committee also ensures that adequate reinsurance arrangements are made for the Company. It peruses the proposed reinsurances arrangements prior to their execution, reviews the arrangements from time to time and subject to the consent of the participating reinsures, makes appropriate adjustments to those arrangements in the light of the market development. It also assesses the effectiveness of the reinsurance programme for the future reference

Following is the composition of this committee:

Name of Member	Status in Committee
Maj Gen Syed Taqi Naseer Rizvi (Retd)	Chairman
Brig M. Ibrahim Khan (Retd)	Member
Mr. Abdul Waheed	Member
Mrs. Samina Khan	Member
Mr. Sohail Khalid	Member

Claims Settlement Committee

This committee devises the claims settling policy of the Company. It oversees the claims position of the Company and ensures that adequate claims reserves are made. It pays particular attention to significant claims cases or events, which give rise to a series of claims. The Claims Settlement Committee determines the circumstances under which the claims disputes be brought to its attention and decide

how to deal with such claims disputes. It also oversees the implementation of the measures for combating fraudulent claims cases.

Following is the composition of this committee:

Name of Member	Status in Committee
Malik Riffat Mehmood	Chairman
Mr. Abdul Waheed	Member
Mr. Athar Alam	Member

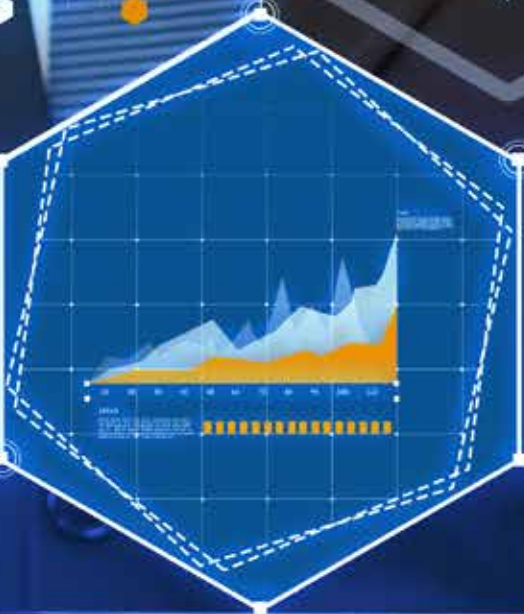
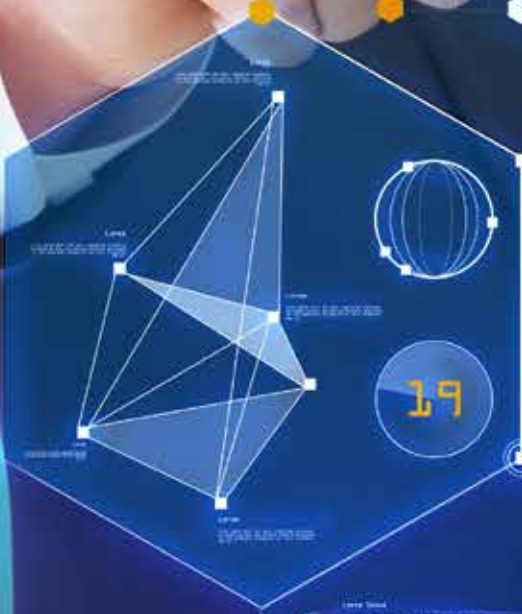
Investment Committee

The Investment Committee is responsible for framing the investment policy for the Company and ensuring that the overall investment portfolio is managed in line with the approved investment policy. The functions of the committee are outlined below:

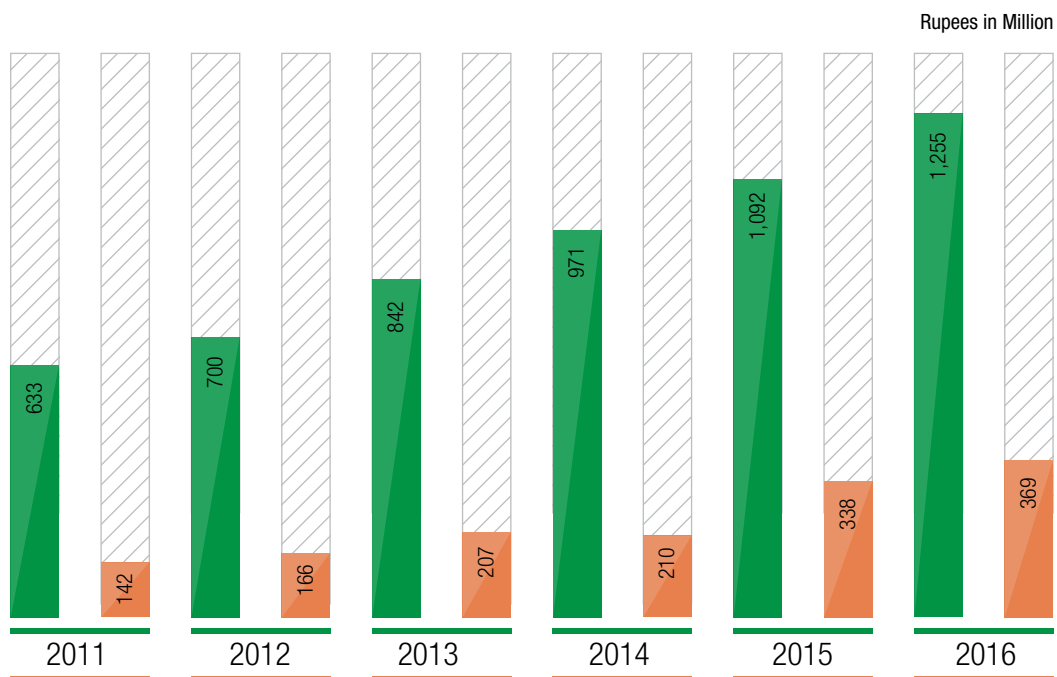
- Review and recommend investment and/or disinvestment proposals to the Board of Directors in line with the investment policy duly approved by the Board of Directors.
- Review and recommend to the Board of Directors changes in placement limits with other financial institutions.
- Ensure that the investment decisions are in sync with overall business strategy of company and investment policy of the Company.
- To regularly monitor the market trends and investment portfolio, so as to make timely recommendations to the Board of Directors to maximize profits (or reduce possible losses), within the parameters of prudent and sound investment operations.
- To recommend changes in the investment policy guidelines, as and when considered necessary, to the Board of Directors.

Following is the composition of this committee:

Name of Member	Status in Committee
Malik Riffat Mehmood	Chairman
Mr. Munir Malik	Member
Mr. Abdul Waheed	Member
Mr. Suleman Khalid	Member
Mr. Shahid Qayyum	Member

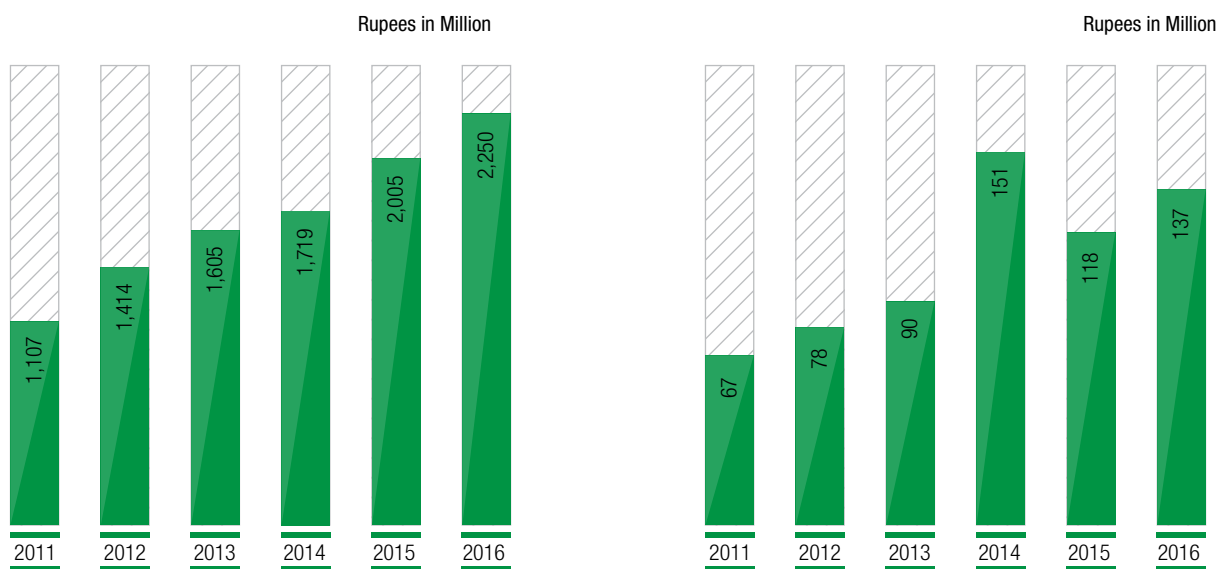


Performance at a Glance



Net Premium Revenue

Underwriting Profit / Income

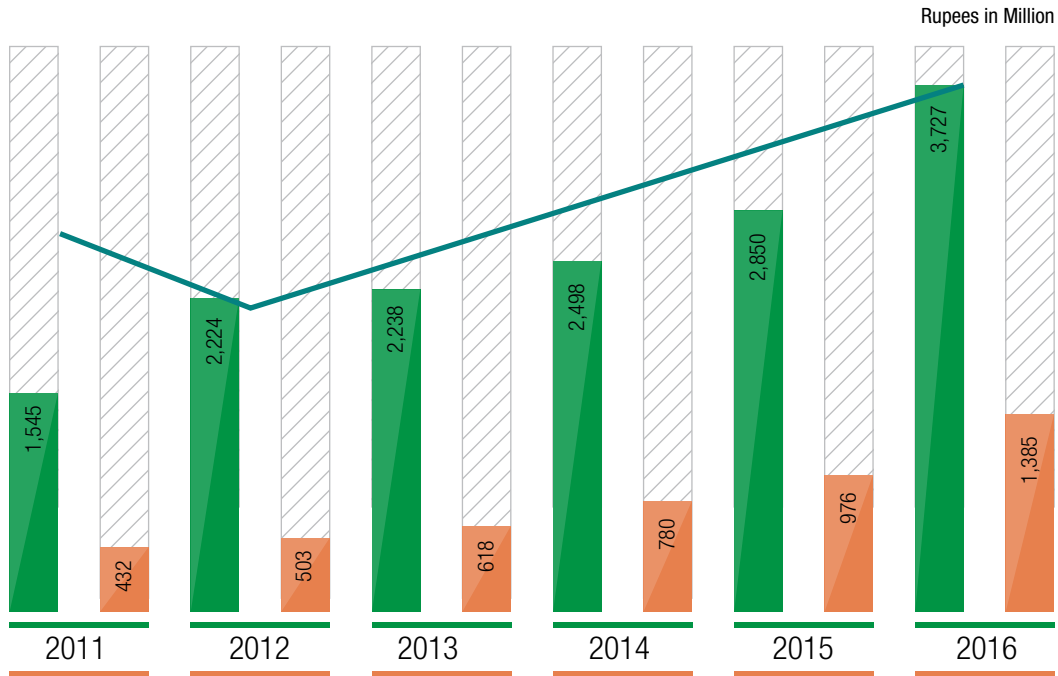


Gross Premium Written

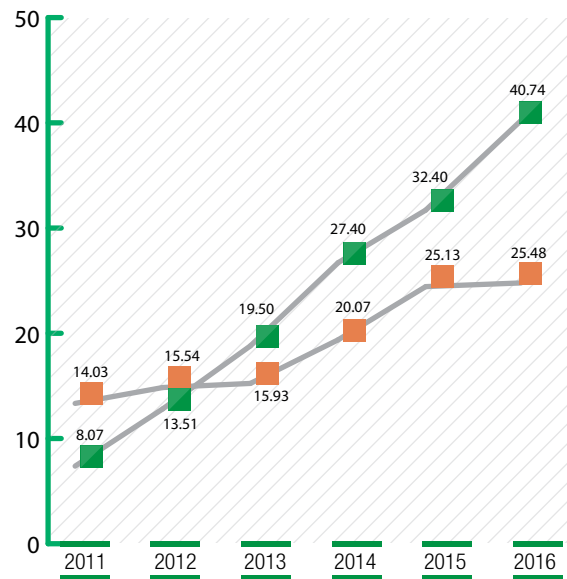
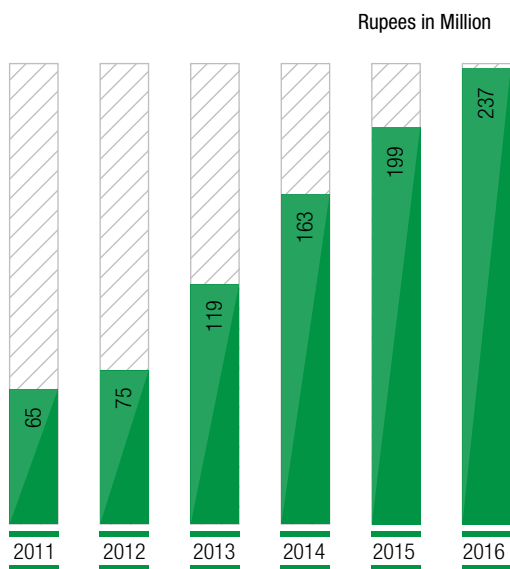
Investment & Other Income

Performance at a Glance

Equity and Total Assets



■ Equity
 ■ Total Assets
 ■ Equity to Total Assets (%)



Profit After Tax

■ Market Share Price (Rs)
 ■ Breakup Price (Rs)

Statement of Value Added

For the year ended 31 December 2016

	2016	2015
	Rupees '000	
Wealth generated		
Net premium revenue	1,255,230	1,091,884
Commission from reinsurer	177,469	198,365
Investment income and profit on bank deposits	127,446	110,438
Rental income	3,652	2,887
Other income	8,465	2,286
Gain / (loss) on Window Takaful Operations - OPF	5,543	(1,952)
	1,577,805	1,403,908
Less:		
Claims, commission and expenses (excluding employees remuneration, depreciation and other taxes)	(900,383)	(818,323)
Net wealth generated	677,422	585,585
Wealth distribution:		
Employees' remuneration	303,486	272,296
Government taxes (includes income tax and other taxes)	84,016	76,638
Finance cost	4,017	983
Contribution to society	-	100
	391,159	350,017
Distribution to shareholders:		
Cash dividend	58,252	-
Stock dividend	38,834	-
	97,086	-
Retained in business:		
Depreciation and amortization	46,943	39,326
Earnings	141,874	196,242
	188,817	235,568
Total Wealth Distributed	677,422	585,585

Financial Statement Analysis - Vertical

Balance Sheet	2016		2015		2014		2013		2012		2011	
	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%
Cash and Bank Deposits	151,902	4.08	115,264	4.06	133,969	5.36	119,602	5.34	483,242	21.73	130,566	8.45
Loans to Employees	1,344	0.04	1,488	0.05	1,586	0.06	1,111	0.05	1,736	0.08	1,190	0.08
Investments	1,498,227	40.20	1,157,928	40.75	1,014,304	40.61	864,102	38.61	605,034	27.20	503,413	32.58
Investment Properties	44,431	1.19	45,741	1.61	47,051	1.88	48,361	2.16	49,671	2.23	50,981	3.30
Deferred Taxation	11,173	0.30	11,232	0.40	3,942	0.16	7,190	0.32	4,595	0.21	3,282	0.21
Other Assets	1,807,718	48.51	1,360,156	47.86	1,247,777	49.95	1,130,506	50.51	1,003,037	45.10	807,558	52.27
Fixed Assets- Tangible and Intangible	133,732	3.59	99,524	3.50	49,321	1.97	67,123	3.00	76,699	3.45	47,990	3.11
Takaful Assets	78,051	2.09	50,368	1.77	-	-	-	-	-	-	-	-
Total Assets	3,726,578	100.00	2,841,701	100.00	2,497,950	100.00	2,237,995	100.00	2,224,014	100.00	1,544,980	100.00
Total Equity	1,385,172	37.17	975,777	34.24	779,535	31.21	618,475	27.64	502,897	22.61	432,207	27.97
Underwriting Provisions	1,651,460	44.32	1,412,067	49.55	1,344,770	53.83	1,307,779	58.44	1,084,383	48.76	810,378	52.45
Staff Retirement Benefits	25,381	0.68	19,737	0.69	15,132	0.61	11,081	0.50	9,916	0.45	9,178	0.59
Creditors and Accruals	541,795	14.54	389,604	13.67	343,744	13.76	281,639	12.58	617,859	27.78	280,647	18.17
Finance Lease Liability	70,655	1.90	31,474	1.10	-	-	-	-	-	-	-	-
Other Liabilities	27,655	0.74	18,710	0.66	14,769	0.59	19,021	0.85	8,959	0.40	12,570	0.81
Takaful Liabilities	24,460	0.656	2,320	0.08	-	-	-	-	-	-	-	-
Total Share Holders' Equity and Liabilities	3,726,578	100.00	2,841,701	100.00	2,497,950	100.00	2,237,995	100.00	2,224,014	100.00	1,544,980	100.00
Profit & Loss Account												
Net Premium Revenue	1,255,230	100.00	1,091,884	100.00	971,450	100.00	841,925	100.00	699,947	100.00	633,283	100.00
Net Claims	644,502	51.35	537,792	49.25	561,424	57.79	464,838	55.21	372,934	53.28	327,857	51.77
Expenses	290,239	23.12	271,148	24.83	260,299	26.79	220,939	26.24	194,921	27.85	182,398	28.80
Net Commission	48,722	3.88	54,965	5.03	60,074	6.18	50,616	6.01	33,715	4.82	19,322	3.05
Investment Income Including Rental & - Bank Deposits Returns	131,098	10.44	113,325	10.38	136,925	14.09	75,528	8.97	64,826	9.26	56,482	8.92
Other Income Including Share of Profit of Associates	6,310	0.50	4,552	0.42	13,608	1.40	14,446	1.72	13,280	1.90	10,141	1.60
Finance Cost	4,017	-	983	-	-	-	-	-	-	-	-	-
General and Administration Expenses	187,629	14.95	177,935	16.30	158,118	16.28	147,103	17.47	157,521	22.50	130,051	20.54
Impairment in Value of Available for Sale Securities	2,322	0.18	4,251	0.39	-	-	-	-	-	-	-	-
Profit Before Window Takaful Operations and Tax	314,973	25.09	276,868	25.36	202,216	20.82	149,636	17.77	86,393	12.34	78,921	12.46
Gain / (Loss) from Window Takaful Operations	5,543	0.44	(1,952)	(0.18)	-	-	-	-	-	-	-	-
Taxation - net	83,711	6.67	76,408	7.00	38,801	3.99	30,571	3.63	12,107	1.73	13,487	2.13
Profit After Tax	236,805	31.76	198,508	18.18	163,415	16.82	119,065	14.14	74,286	10.61	65,434	10.33

Financial Statement Analysis - Horizontal

	Rupees '000						% increase / (decrease) over preceding year					
	2016	2015	2014	2013	2012	2011	2016	2015	2014	2013	2012	2011
Balance Sheet												
Cash and Bank Deposits	151,902	115,264	133,969	119,602	483,242	130,566	31.79	(13.96)	12.01	(75.25)	270.11	43.08
Loans to Employees	1,344	1,488	1,586	1,111	1,736	1,190	(9.68)	(6.18)	42.75	(36.00)	45.88	(44.88)
Investments	1,498,227	1,157,928	1,014,304	864,102	605,034	503,413	29.39	14.16	17.38	42.82	20.19	9.97
Investment Property	44,431	45,741	47,051	48,361	49,671	50,981	(2.86)	(2.78)	(2.71)	(2.64)	(2.57)	(2.51)
Deferred Taxation	11,173	11,232	3,942	7,190	4,595	3,282	(0.53)	184.96	(45.17)	56.47	40.01	274.23
Other Assets	1,807,718	1,368,144	1,247,777	1,130,506	1,003,037	807,558	32.13	9.65	10.37	12.71	24.21	0.70
Fixed Assets - Tangible and Intangible	133,732	99,524	49,321	67,123	76,699	47,990	34.37	101.79	(26.52)	(12.49)	59.82	0.72
Takaful Assets	78,051	50,368	-	-	-	-	54.96	100.00	-	-	-	-
Total Assets	3,726,578	2,849,689	2,497,950	2,237,995	2,224,014	1,544,980	30.77	14.08	11.62	0.63	43.95	6.26
Total Equity	1,385,172	975,777	779,535	618,475	502,897	432,207	41.96	25.17	26.04	22.98	16.36	36.85
Underwriting Provisions	1,651,460	1,412,067	1,344,770	1,307,779	1,084,383	810,378	16.95	5.00	2.83	20.60	33.81	(2.72)
Staff Retirement Benefits	25,381	19,737	15,132	11,081	9,916	9,178	28.60	30.43	36.56	11.75	8.04	32.04
Creditors and Accruals	541,795	389,604	343,744	281,639	617,859	280,647	39.06	13.34	22.05	(54.42)	120.16	(3.24)
Finance Lease Liability	70,655	31,474	-	-	-	-	124.49	100.00	-	-	-	-
Other Liabilities	27,655	18,710	14,769	19,021	8,959	12,570	47.81	26.68	(22.35)	112.31	(28.73)	55.70
Takaful Liabilities	24,460	2,320	-	-	-	-	954.31	100.00	-	-	-	-
Total Share Holders' Equity - and Liabilities	3,726,578	2,849,689	2,497,950	2,237,995	2,224,014	1,544,980	30.77	14.08	11.62	0.63	43.95	6.26
Profit & Loss Account												
Net Premium Revenue	1,255,230	1,091,884	971,450	841,925	699,947	633,283	14.96	12.40	15.38	20.28	10.53	(1.03)
Net Claims	644,502	537,792	561,424	464,838	372,934	327,857	(219.84)	(4.21)	20.78	24.64	13.75	(15.04)
Expenses	290,239	271,148	260,299	220,939	194,921	182,398	(207.04)	4.17	17.81	13.35	6.87	18.48
Net Commission	48,722	54,965	60,074	50,616	33,715	19,322	(11.36)	(8.50)	18.69	50.13	74.49	113.08
Investment Income Including - Rental & Bank Deposits Returns	131,098	113,325	136,925	75,528	64,826	56,482	15.68	(17.24)	81.29	16.51	14.77	0.42
Other Income	6,310	4,552	13,608	14,446	13,280	10,141	38.62	(66.55)	(5.80)	8.78	30.95	48.91
Finance Cost	4,017	983	-	-	-	-	308.65	100	-	-	-	-
General and Administration - Expenses	187,629	177,935	158,118	147,103	157,521	130,051	5.44	12.53	7.49	(6.61)	21.12	9.46
Impairment in Value of - Available for Sale Securities	2,322	4,251	-	-	-	-	(45.38)	100.00	-	-	-	-
Profit Before Window Takaful Operations and Tax	314,973	276,868	202,216	149,636	86,393	78,921	13.76	36.92	35.14	73.20	9.47	47.94
Gain / (Loss) from Window Takaful Operations	5,543	(1,952)	-	-	-	-	383.97	(100.00)	-	-	-	-
Taxation - net	83,711	76,408	38,801	30,571	12,107	13,487	(209.56)	96.92	26.92	152.51	(10.23)	127.48
Profit After Tax	236,805	198,508	163,415	119,065	74,286	65,434	19.29	21.47	37.25	60.28	13.53	37.99

A Glimpse of Six Years Performance

(Rupees in Thousands unless stated otherwise)

Financial Position	2016	2015	2014	2013	2012	2011
Paid-Up Capital	543,681	388,344	388,344	388,344	323,620	308,210
General Reserve	191,161	74,658	746,580	74,658	74,658	74,658
Equity	1,385,172	975,777	779,535	618,475	502,897	432,207
Underwriting Reserve	1,160,228	986,731	895,426	926,428	767,175	465,342
Investments	1,498,227	1,157,928	1,014,304	864,102	605,034	503,413
Investment Property	44,431	45,741	47,051	48,361	49,671	50,981
Fixed Assets - Tangible and Intangible	133,732	99,524	49,321	67,123	76,690	47,990
Retained Profit	650,330	512,775	316,533	155,474	104,619	49,340
Total Assets	3,726,578	2,849,689	2,497,950	2,237,995	2,224,014	1,544,980
Market Share Price (Rs)	40.74	32.40	27.40	19.50	13.51	8.07
Breakup Value Per Share (Rs)	25.48	25.13	20.07	15.93	15.54	14.03
Financial Performance						
Gross Premiums Written	2,249,946	2,005,056	1,719,458	1,605,033	1,413,554	1,106,539
Net Premium Revenue	1,255,230	1,091,884	971,450	841,925	699,947	633,283
Net Claims	644,502	537,792	561,424	464,838	372,934	327,857
Underwriting Income	369,211	337,909	209,802	206,764	165,808	142,350
Management Expenses	290,239	271,148	260,299	220,939	194,921	182,398
Administration Expenses	187,629	177,935	158,118	147,103	156,506	130,051
Investment and Other Income	137,408	117,877	150,533	89,975	78,106	66,623
Finance Cost	4,017	983	-	-	-	-
Profit Before Tax	320,516	274,916	202,217	149,636	87,408	78,921
Profit After Tax	236,805	198,508	163,415	119,065	74,946	65,343
Dividend	15%	-	-	-	-	-
Bonus Shares	10%	-	-	-	20%	5%
Earnings Per Share (Rs) (Restated)	4.49	4.25	4.21	3.07	1.91	2.18
Cash Flows Summary						
Operating Activities	123,594	120,099	28,955	(169,060)	435,940	(17,098)
Investing Activities	(227,053)	(137,800)	(14,587)	(194,579)	(83,264)	5,473
Financing Activities	140,097	(14,645)	-	-	-	50,940
Cash & Cash Equiv. at the year end	151,902	115,264	133,969	119,602	483,242	130,566

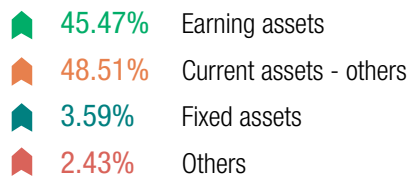
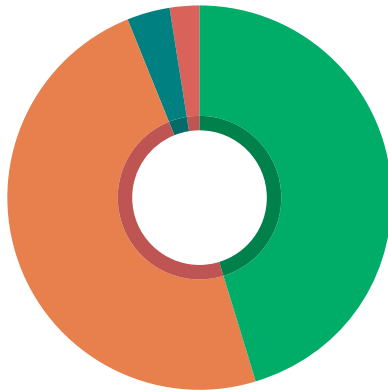
Financial Ratios

	2016	2015	2014	2013	2012	2011
Profitability						
Profit Before Tax / Gross Premium	14.25	13.71	11.76	9.32	6.11	7.14
Profit Before Tax / Net Premium	25.53	25.18	20.82	17.77	12.34	12.48
Profit After Tax / Gross Premium	10.52	9.90	9.50	7.42	5.26	5.87
Profit After Tax / Net Premium	18.87	18.18	16.82	14.14	10.61	10.27
Underwriting Result / Gross Premium	16.41	16.85	12.20	12.88	11.73	12.83
Underwriting Result / Net Premium	29.41	30.95	21.60	24.56	23.69	22.43
Profit Before Tax / Total Income	20.76	21.74	17.11	15.23	10.64	11.29
Profit After Tax / Total Income	15.34	15.70	13.82	12.12	9.15	9.29
Combined ratio	74.79	73.41	75.38	73.75	75.36	72.50
Net Claims / Net Premium	51.35	49.25	57.79	55.21	53.28	51.82
Management Expense / Net Premium	23.12	24.83	26.79	26.24	27.85	28.75
Return to Share Holders						
Return on Equity - PAT	17.10	20.34	26.42	23.68	17.19	15.05
Earning Growth	19.29	21.47	37.25	60.28	13.53	38.3
Return on Assets (Book value)	6.35	6.97	6.54	5.32	3.34	4.21
Earning Per Share	4.49	4.25	4.21	3.07	1.91	2.18
Breakup Value Per Share	25.48	25.13	20.07	15.93	15.54	14.03
Market Share Price	40.74	32.40	27.40	19.50	13.51	8.07
Performance / Liquidity						
Current Ratio	1.45	1.34	1.34	1.22	1.15	1.35
Cash / Current Liabilities	0.07	0.06	0.08	0.07	0.28	0.12
Total Assets Turnover	0.60	0.70	0.69	0.72	0.64	0.72
Fixed Assets Turnover	16.82	20.15	35.08	23.91	18.43	23.06
Total Liabilities / Equity	1.67	1.91	2.23	2.62	3.42	2.58
Paid-up Capital / Total Assets	14.59	13.63	15.55	17.35	14.55	19.94
Earning Assets / Total Assets	45.47	46.28	47.85	46.11	51.17	44.34
Equity / Total Assets	37.17	34.24	31.21	27.64	22.61	27.96
Cash Flow from Operations / Sales	5.49	5.99	1.69	(10.53)	30.83	(1.54)

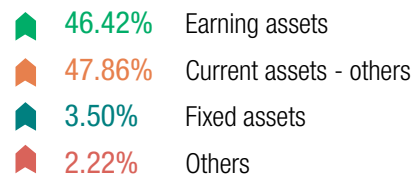
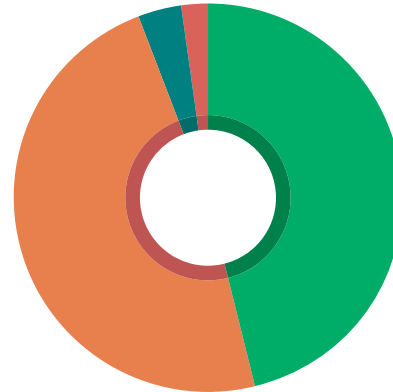
Graphical Composition of Balance Sheet

Assets

2016

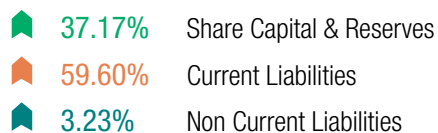
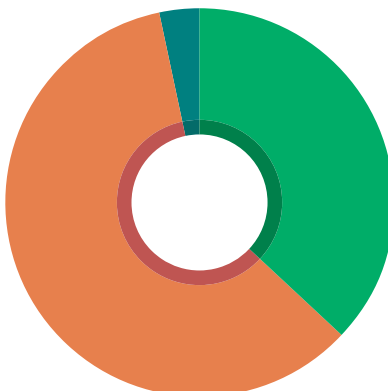


2015

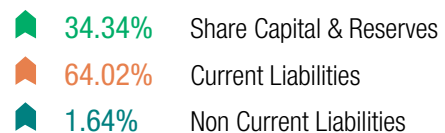
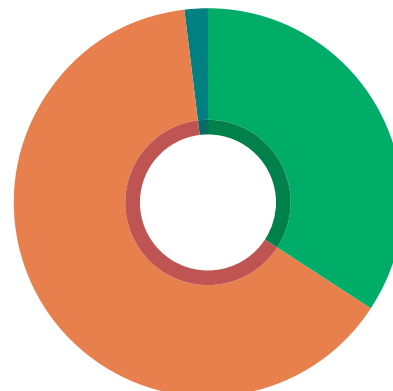


Shareholders' Equity and Liabilities

2016



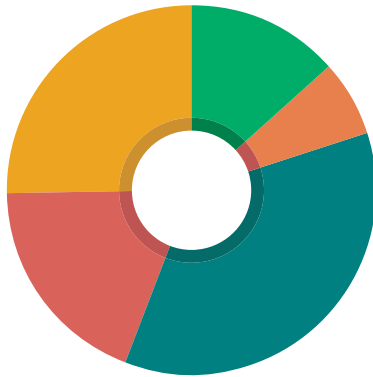
2015



Graphical Analysis of Profit & Loss

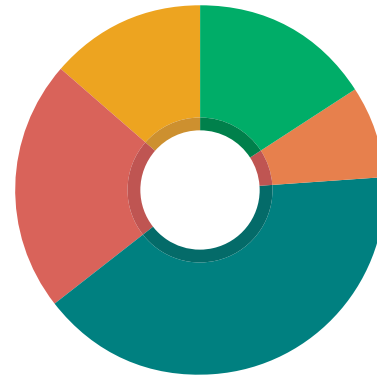
Gross Premium Written - Segment Wise

2016



📌	13.34%	Fire and property damage
📌	6.72%	Marine, aviation and transport
📌	35.99%	Motor
📌	18.72%	Accident and health
📌	25.23%	Miscellaneous

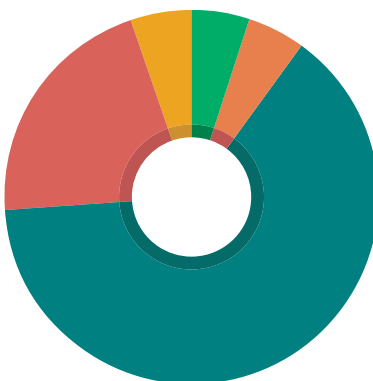
2015



📌	16.05%	Fire and property damage
📌	7.93%	Marine, aviation and transport
📌	40.65%	Motor
📌	21.80%	Accident and health
📌	13.57%	Miscellaneous

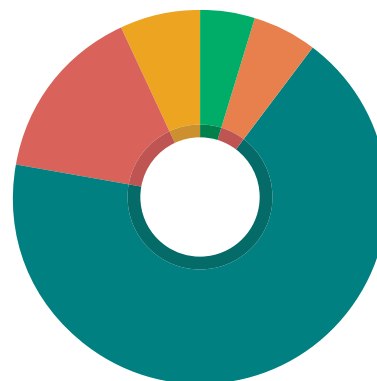
Net Premium Revenue - Segment Wise

2016



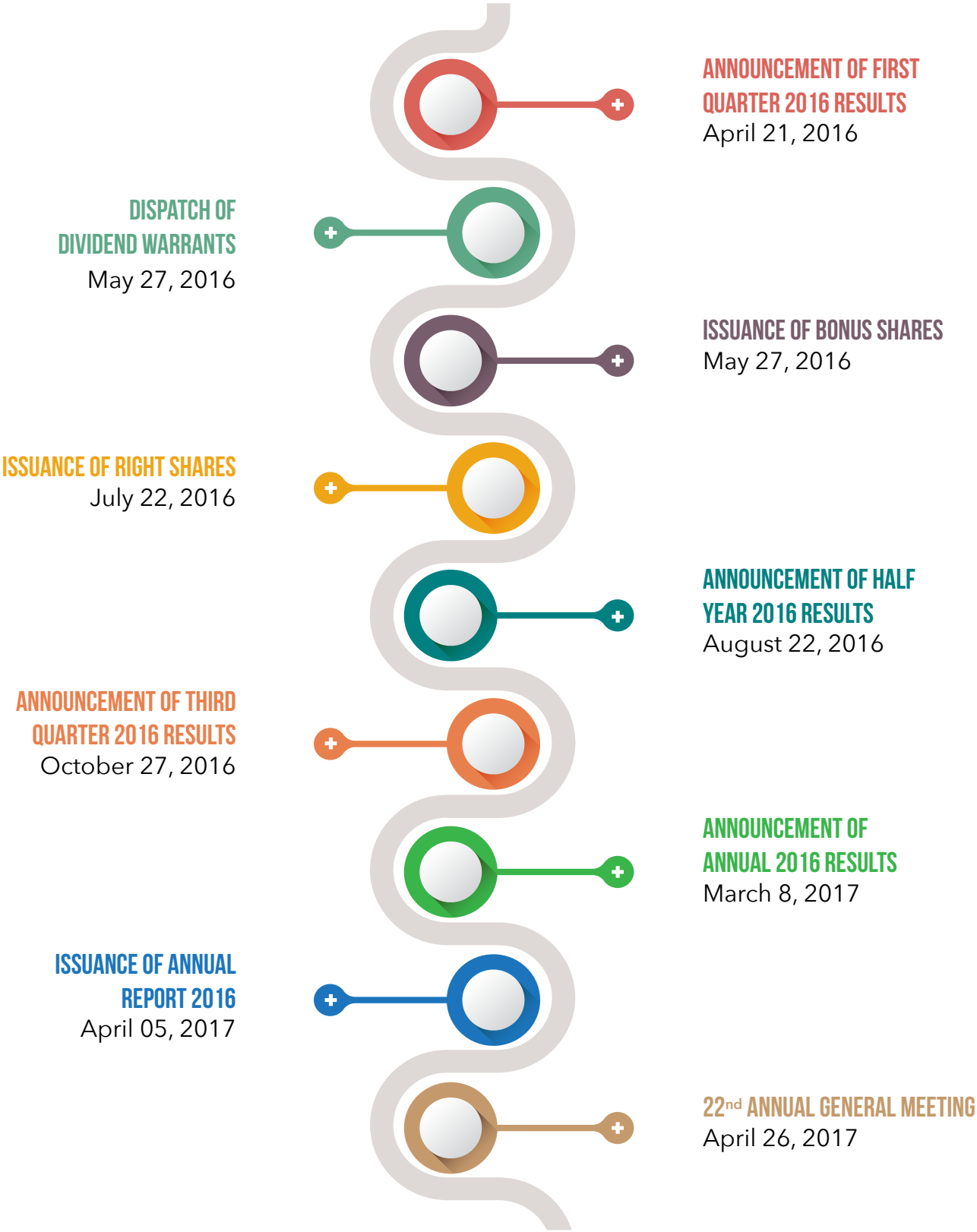
📌	5.24%	Fire and property damage
📌	4.87%	Marine, aviation and transport
📌	63.94%	Motor
📌	20.87%	Accident and health
📌	5.08%	Miscellaneous

2015



📌	4.94%	Fire and property damage
📌	5.61%	Marine, aviation and transport
📌	67.48%	Motor
📌	15.06%	Accident and health
📌	6.91%	Miscellaneous

Financial Calendar



Financial Statements

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Corporate Governance



Statement of Compliance

with the Code of Corporate Governance

For the year ended 31 December 2016

Name of Insurer:

Askari General Insurance Company Limited

Year Ended: 31 December 2016

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (CCG 2016) for the purpose of establishing a framework of good governance, whereby an insurer is managed in compliance with the best practices of corporate governance and the Code of Corporate Governance 2012 (CCG 2012) as contained in Regulation No.5.19.24 of the Listing Regulations of the Pakistan Stock Exchange.

AGICO has applied the principles contained in CCG 2012 and CCG 2016 in the following manner:

1. 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	Mr. Abdul Hai Mahmood Bhaimia
	Mr. Munir Malik
Non-Executive Directors	Lt Gen Khalid Rabbani (Retd)
	Maj Gen Syed Taqi Naseer Rizvi (Retd)
	Maj Gen Hamid Mahmud (Retd)
	Brig M. Ibrahim Khan (Retd)
	Brig M. Aslam Khan (Retd)
	Malik Riffat Mehmood

All independent directors meet the criteria of independence as laid down under the CCG 2012 and CCG 2016.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
3. All the resident directors of the insurer are registered as taxpayers and none of them has defaulted in payment of any loan to a banking

company, a DFI or an NBFI or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.

4. A casual vacancy occurred on Board on 21 March 2016 was filled up by the directors within 90 days thereof.
5. The Company has prepared a Code of Conduct, which has been disseminated among all the directors and employees of the insurer.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the insurer. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All 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 Board.
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 (7) days before the meeting. The minutes of the meeting were appropriately recorded and circulated.
9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the insurer. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.

10. The Board arranged an Orientation course / training program for its directors during the year to apprise them of their duties and responsibilities.
11. The Board has put in place a mechanism for an annual evaluation of the board's own performance as required under the CCG 2012.
12. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
13. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG 2012 and the CCG 2016 and fully describes the salient matters required to be disclosed.
14. The financial statements of the Company were duly endorsed by 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 insurer other than disclosed in the pattern of shareholding.
16. The Company has complied with all the corporate and financial reporting requirements of the CCG 2012 and the CCG 2016.
17. The Board has formed the following Management Committees under the CCG 2016:

Underwriting, Reinsurance & Coinsurance Committee:

Name of the Member	Category
Maj Gen Syed Taqi Naseer Rizvi (Retd)	Chairman
Brig M. Ibrahim Khan (Retd)	Member
Mr. Sohail Khalid	Member
Mrs. Samina Khan	Member

Claims Settlement Committee:

Name of the Member	Category
Malik Riffat Mehmood	Chairman
Mr. Abdul Waheed	Member
Mr. Athar Alam	Member

Executive, Risk Management & Compliance Committee:

Name of the Member	Category
Maj Gen Syed Taqi Naseer Rizvi (Retd)	Chairman
Brig M. Ibrahim Khan (Retd)	Member
Mr. Abdul Waheed	Member

18. The Board has formed the following Board Committees under CCG 2012/CCG 2016:

Ethics, Human Resource & Remuneration Committee:

Name of the Member	Category
Maj Gen Hamid Mahmud (Retd)	Chairman
Brig M. Aslam Khan (Retd)	Member
Mr. Abdul Waheed	Member

Investment Committee:

Name of the Member	Category
Malik Riffat Mehmood	Chairman
Mr. Munir Malik	Member
Mr. Abdul Waheed	Member
Mr. Suleman Khalid	Member
Mr. Shahid Qayyum	Member

Statement of Compliance

with the Code of Corporate Governance
For the year ended 31 December 2016

19. The board has formed an Audit Committee. It comprises of three (3) members, of whom one is independent director and one is non-executive director. The chairman of the Committee is a non-executive director. The composition of the Audit Committee is as follows:

Audit Committee:

Name of the Member	Category
Brig M. Ibrahim Khan (Retd)	Chairman
Brig M. Aslam Khan (Retd)	Member
Mr. Munir Malik	Member

20. The meeting of the Committees, except Ethics, Human Resources and Remuneration Committee, were held at least once every quarter prior to approval of interim and final results of the insurer and as required by the CCG 2012 and CCG 2016. The terms of references of the Committees have been formed and advised to the Committees for compliance.
21. The Board has set up an effective internal audit function.
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 Persons	Designation
Abdul Waheed	Chief Executive Officer
Suleman Khalid	Chief Financial Officer
Anwaar Ahmed Malik	Compliance Officer
Faizan Zafar	Company Secretary
Ahmed Asif Jah	Head of Internal Audit
Samina Khan	Head of Underwriting
Athar Alam	Head of Claims
Sohail Khalid	Head of Reinsurance
M. Younus Bashir	Head of Risk Management
Fawad Asif Rana	Head of Grievance Dept.

23. The Statutory auditors of the insurer have been appointed from the panel of auditors approved by the Commission in terms of Section-148 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partner of the firm, their spouses and minor children do not hold shares of the insurer and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidance 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 and the auditors have confirmed that they have observed IFAC guidelines in this regard.
25. The Appointed Actuary of 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 for him in the CCG 2016.

27. All related party transactions entered during the year were on arm's length basis and these have been placed before the Audit Committee and the Board of Directors. These transactions are duly reviewed and approved by the Audit committee and Board of Directors along with pricing method
28. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the CCG 2016.
29. The Board ensures that the risk management system of the Company is in place as per requirements of the CCG 2016.
30. The Board has set up a risk management function/department, which carries out its tasks as covered under the CCG 2016.
31. The Board ensures that as part of the risk management system, the Company gets rated from JCR-VIS (Credit rating agency) which is being used by its risk management function/department and the respective Committee as a risk monitoring tool. The rating assigned by the said rating agency on 6 February 2016 is AA- (Double A Minus) with Stable outlook.
32. The Board has set up a grievance department/function, which fully complies with the requirements of the CCG 2016.
33. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
34. Material/price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
35. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
36. The Company has not obtained any exemptions from the Securities & Exchange Commission of Pakistan in respect of any of the requirements of the CCG 2016.
37. We confirm that all other material principles contained in the CCG 2012 and CCG 2016 have been complied with.

By Order of the Board

Lt Gen Khalid Rabbani (Retd)
Chairman of the Board
March 8, 2017



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REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance for Insurers, 2016 and Code of Corporate Governance, 2012 as mentioned in the regulation No. 5.19.24 of the Rule Book of Pakistan Stock Exchange ("PSX") (combined called 'the Code') as prepared by the Board of Directors ("the Board") of askari general insurance company limited ("the Company") for the year ended December 31, 2016 to comply with the requirements of Listing Regulations of PSX where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code as applicable to the Company for the year ended 31 December 2016.

Date: 8 March 2017
Islamabad

KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement partner:
Atif Zamurrad Malik

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, ("KPMG International"), a Swiss entity.

INDEPENDENT ASSURANCE REPORT TO THE BOARD OF DIRECTORS AND SHARIAH ADVISOR OF THE COMPANY IN RESPECT OF COMPANY'S COMPLIANCE WITH THE TAKAFUL RULES, 2012 AND SHARIAH RULES AND PRINCIPLES PRESCRIBED BY THE SHARIAH ADVISOR

We have performed an independent assurance engagement (Shariah Compliance Audit) of Askari General Insurance Company Limited (the Company) to ensure that the Company has complied with the Takaful Rules 2012 and Shariah rules and principles prescribed by the Shariah Advisor of the Company during the period from January 01, 2016 to December 31, 2016.

2. Management's Responsibility for Shariah Compliance

It is the responsibility of the Company to ensure that the financial arrangements, contracts, products and transactions entered into by the Company and Askari General Insurance Company Limited Waqf Fund (the Waqf) with participants, other financial institutions and stakeholders are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles as determined by the Shariah Advisor/ Board and the Takaful Rules, 2012.

3. Our Responsibility

- 3.1 Our responsibility in connection with this engagement is to express an opinion, based on the procedures performed on a sample basis, whether these financial arrangements, contracts, products and transactions are in compliance with the requirements of the Shariah rules and principles as prescribed by the Company's Shariah Advisor/Board and the Takaful Rules, 2012.
- 3.2 The procedures selected by us for the engagement depended on our judgment, including the assessment of the risks of material non-compliance with the said Shariah rules and principles. In making those risk assessments; we considered such internal control procedures as were relevant to the Company's compliance with the Shariah rules and principles. Our engagement was, however, not intended for expressing opinion on the effectiveness of the Company's internal controls for purposes of compliance with the Shariah rules and principles.
- 3.3 We believe that the evidence we have obtained through performing our procedures on a sample basis were sufficient and appropriate to provide a basis for our opinion.
- 3.4 In addition, interpretation and conclusion of the Shariah Advisor/Board of the Company are considered final for the purpose of interpretation of the Shariah matters mentioned in the Takaful Rules. 2012.

4. Framework for the Engagement

We have conducted our engagement in accordance with International Standard for Assurance Engagements 3000 (ISAE 3000) issued by the International Auditing and Assurance Standards Advisor of the International Federation of Accountants. This Standard requires that we comply with ethical requirements and plan and perform the engagement to obtain reasonable assurance regarding the subject-matter i.e. the Company's compliance with the Shariah rules and principles as determined by the Shariah Advisor/Board and the Takaful Rules., 2012.

5. Our Opinion

In our opinion, based on the sample selected, the financial arrangements, contracts, products and transactions entered into by the Company and the Waqf, as the case may be, for the period from January 01, 2016 to December 31, 2016 are in compliance with the requirements of the Shariah rules and principles as prescribed by the Shariah Advisor/Board and the Takaful Rules, 2012 in all material respects.

S. M. Suhail & Co.

S.M.Suhail & Co.
Chartered Accountants
Karachi.

Our Ref: SMS-A-1972017
Date: 16 February 2017

Shariah Advisor's Report to the Board of Directors

For the year ended 31 December 2016

As Shariah Advisor of Askari General Insurance-Window Takaful Operations, I have carefully reviewed all the product documents including policies, agreement, Surplus distribution mechanism. I have found them in accordance with Shariah principles. I confirm that transaction and activities of Window Takaful Operation during the year 2016 comply with the Shariah principles and guidelines.

For the fulfillment of the financial needs of Window Takaful Operations, Askari General Insurance-Window Takaful Operation has arranged training program for understanding the principles of takaful and its practical outline, I hope Askari window takaful operation continue this practice in the future.

According to my information, Askari Window Takaful Operation has complied with the Shariah principles in every aspect of practical implementation.



Mufti Ehsan Waquar
Shariah Advisor
February 16, 2017



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AUDITORS' REPORT TO THE MEMBERS of askari general insurance company limited

We have audited the annexed financial statements comprising of:

- (i) balance sheet;
- (ii) profit and loss account / statement of comprehensive income;
- (iii) statement of changes in equity;
- (iv) statement of cash flows;
- (v) statement of premiums;
- (vi) statement of claims;
- (vii) statement of expenses; and
- (viii) statement of investment income

of askari general insurance company limited ("the Company") as at 31 December 2016 together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Company's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied except for the changes as indicated in note 5 with which we concur;
- c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at 31 December 2016 and of the profit, its cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of the Ordinance.

Date: 8 March 2017
Islamabad

KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement partner:
Atif Zamurad Malik

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Internet www.kpmg.com.pk

AUDITORS' REPORT TO THE MEMBERS of askari general insurance company limited - Window Takaful Operations

We have audited the annexed financial statements comprising of:

- (i) balance sheet;
- (ii) profit and loss account / statement of comprehensive income;
- (iii) statement of changes in fund;
- (iv) statement of cash flows;
- (v) statement of contributions;
- (vi) statement of claims;
- (vii) statement of expenses of operator's fund;
- (viii) statement of expenses of participants' takaful fund; and
- (ix) statement of investment income

of askari general insurance company limited - Window Takaful Operations ("the Operator") as at 31 December 2016 together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Operator's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) proper books of account have been kept by the Operator as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Operator and are further in accordance with accounting policies consistently applied;
- c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Operator's affairs as at 31 December 2016 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Date: 8 March 2017
Islamabad


KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement partner:
Atif Zamurrad Malik

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative. ("KPMG International"), a Swiss entity.

askari general insurance co. ltd.

Balance Sheet

As at 31 December 2016

	Note	2016 Rupees '000	2015
Share Capital and Reserves			
Authorized share capital 100,000,000 (2015: 100,000,000) ordinary shares of Rs. 10 each		1,000,000	1,000,000
Paid up share capital	6	543,681	388,344
Retained earnings		650,330	512,775
Reserves		191,161	74,658
		1,385,172	975,777
LIABILITIES			
Underwriting Provisions			
Provision for outstanding claims (including IBNR)		419,120	330,310
Provision for unearned premium		1,160,228	986,731
Commission income unearned		72,112	95,026
		1,651,460	1,412,067
Deferred Liability			
Staff compensated absences	7	25,381	19,737
Creditors and accruals			
Premium received in advance		23,103	20,183
Amounts due to other insurers / reinsurers		340,346	173,061
Accrued expenses		22,794	20,234
Taxation - Provision less payments		-	4,354
Other creditors and accruals	8	155,552	171,772
		541,795	389,604
Borrowing			
Liabilities against assets subject to finance lease - secured	9	70,655	31,474
Other Liabilities			
Unclaimed dividend		1,237	809
Others	10	26,418	17,901
		27,655	18,710
TOTAL LIABILITIES		2,316,946	1,871,592
Total liabilities from Window Takaful Operation - Operators' Fund (OPF)	37	24,460	2,320
TOTAL EQUITY AND LIABILITIES		3,726,578	2,849,689
CONTINGENCIES AND COMMITMENTS			
	11		

The annexed notes 1 to 38 form an integral part of these financial statements.



Abdul Waheed
President & Chief Executive



Brig M. Ibrahim Khan (Retd)
Director

askari general insurance co. ltd.

Balance Sheet

As at 31 December 2016

	Note	2016 Rupees '000	2015
ASSETS			
Cash and Bank Deposits			
Cash and other equivalents	12	1,220	1,098
Current and other accounts	13	150,682	114,166
Total Cash and Bank		151,902	115,264
Advances to Employees	14	1,344	1,488
Investments	15	1,498,227	1,157,928
Investment Property	16	44,431	45,741
Deferred Taxation	17	11,173	11,232
Current Assets - Others			
Premium due but unpaid - unsecured, considered good	18	604,333	514,021
Amounts due from other insurers / reinsurers un-secured, considered good	19	331,494	140,037
Salvage recoveries accrued		15,603	6,865
Accrued investment income		3,349	2,590
Reinsurance recoveries against outstanding claims - unsecured, considered good		206,705	172,084
Taxation - Payments less provision		9,415	-
Deferred commission expense		59,193	62,965
Prepayments	20	547,443	447,082
Sundry receivables	21	30,183	22,500
		1,807,718	1,368,144
Fixed Assets			
Furniture and fixtures	22	4,421	5,536
Computer and office equipment		11,945	8,288
Motor vehicles		93,461	45,348
Tracking devices		21,173	34,466
Leasehold improvements		1,027	325
Software license		275	1,225
Capital work in progress		1,430	4,336
		133,732	99,524
Total assets from Window Takaful Operation - OPF	37	78,051	50,368
TOTAL ASSETS		3,726,578	2,849,689

Maj Gen Syed Taqi Naseer Rizvi (Retd)
Director

Lt Gen Khalid Rabbani (Retd)
Chairman

askari general insurance co. ltd.

Profit and Loss Account / Statement of Comprehensive Income

For the year ended 31 December 2016

Revenue Account	Note	Rupees '000						2015 Aggregate
		Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident and Health	Miscellaneous	2016 Aggregate	
Net premium revenue	23	65,723	61,157	802,591	261,993	63,766	1,091,884	
Net claims		(14,098)	(11,733)	(378,643)	(220,409)	(19,619)	(537,792)	
Expenses	24	(13,247)	(12,327)	(198,999)	(52,810)	(12,856)	(271,148)	
Net commission		35,946	6,232	(38,937)	39,288	6,193	54,965	
Underwriting Results		74,324	43,329	186,012	28,062	37,484	337,909	
Other Income and Expenses								
Investment income							104,032	
Rental income							2,887	
Other income	25						4,552	
Profit on bank deposits							6,406	
Finance cost							(983)	
General and administration expenses	26						(177,935)	
Profit before tax from general insurance operations							(61,041)	
Profit / (loss) before tax from window takatful operations - OPF	27						276,868	
Profit before tax							(1,952)	
Provision for taxation	28						274,916	
Profit after tax							(76,408)	
Other comprehensive income for the year							236,805	
Items that will not be reclassified subsequently to profit and loss account								
Effect of remeasurement of staff retirement benefit plan								
Tax effect on experience adjustments								
Other comprehensive income for the year							3,123	
Total comprehensive income for the year							(968)	
Profit and loss appropriation account							2,155	
Balance at commencement of the year							238,960	
Total comprehensive income for the year							196,242	
Issuance of bonus shares								
Cash dividend (Rs. 1.5 per share)							316,533	
Equity transaction costs							196,242	
Balance of unappropriated profit at end of the year							(38,834)	
Earnings per share - basic and diluted							(58,252)	
The annexed notes 1 to 38 form an integral part of these financial statements.	29						(4,319)	
							650,330	
							512,775	
							(Restated)	
							4.25	


Abdul Waheed
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askari general insurance co. ltd.

Statement of Cash Flows

For the year ended 31 December 2016

	2016	2015
	Rupees '000	
Operating Cash Flows		
a) Underwriting activities:		
Premium received	2,161,588	1,926,894
Reinsurance premium paid	(506,293)	(399,004)
Claims paid	(1,045,253)	(1,017,248)
Reinsurance and other recoveries received	108,215	90,200
Commission paid	(146,710)	(109,771)
Commission received	62,930	86,784
Other underwriting payments (management expenses)	(259,218)	(238,634)
Net cash flows generated from underwriting activities	375,259	339,221
b) Other operating activities:		
Income tax paid	(98,388)	(71,478)
General management expenses paid	(164,946)	(155,073)
Other operating receipts	11,525	7,331
Advances to employees	144	98
Net cash used in other operating activities	(251,665)	(219,122)
Total cash flow generated from all operating activities	123,594	120,099
Investing activities:		
Profit / return received	10,924	12,642
Dividends received	23,548	8,321
Payments for investments	(1,832,672)	(1,028,228)
Proceeds from disposal of investments	1,584,586	924,071
Fixed capital expenditure	(14,138)	(43,609)
Proceeds from disposal of fixed assets	699	2,644
Total cash used in investing activities	(227,053)	(124,159)
Financing activities:		
Financial charges	(4,017)	(983)
Repayment of obligation under finance lease	(26,749)	(13,641)
Dividend paid	(57,824)	(21)
Equity transactions costs paid	(4,319)	-
Cash received from issue of right share	233,006	-
Total cash generated from / (used in) financing activities	140,097	(14,645)
Net cash generated from / (used in) all activities	36,638	(18,705)
Cash at beginning of the year	115,264	133,969
Cash at end of the year	151,902	115,264

The annexed notes 1 to 38 form an integral part of these financial statements.



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askari general insurance co. ltd.

Statement of Cash Flows

For the year ended 31 December 2016

Reconciliation to Profit and Loss Account:	2016	2015
	Rupees '000	
Operating cash flows	123,594	120,099
Depreciation expense	(46,943)	(39,326)
Financial charges	(4,017)	(983)
Gain on disposal of fixed assets	472	2,139
Increase in assets other than cash	670,497	130,689
Increase in liabilities other than running finance	(654,464)	(109,383)
Provision against doubtful debts	-	(8,283)
Unrealized gain on investments, held for trading	22,708	3,129
Provision for diminution in value of AFS investments	-	(4,251)
Reversal of provision for diminution in value of AFS investments	2,322	-
Dividend income	23,548	8,321
Investment income	44,608	28,764
Profit on bank deposits	5,208	6,406
Income tax provision	(83,711)	(76,408)
Gain on trading	29,052	68,069
Tax paid	98,388	71,478
Profit after taxation from General Insurance Operations	231,262	200,460
Gain / (loss) from Window Takaful Operations - OPF	5,543	(1,952)
Profit after taxation	236,805	198,508

Definition of cash :

Cash comprises of cash in hand, bank balances, stamp in hand and short term placements with banks which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

Cash for the purpose of the statement of cash flows consist of:

	2016	2015
	Rupees '000	
Cash and other equivalents		
Cash in hand	969	837
Stamp in hand	251	261
	1,220	1,098
Current and other accounts		
On current accounts	13,578	16,086
On deposit accounts	137,104	98,080
	150,682	114,166
Total	151,902	115,264

The annexed notes 1 to 38 form an integral part of these financial statements.



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askari general insurance co. ltd.

Statement of Changes in Equity

For the year ended 31 December 2016

	Share capital	Capital reserve	Reserves		Total reserves	Total equity
	Issued, subscribed and paid up		Share premium	Revenue reserve		
			General reserve			
	Rupees '000					
Balance as at 01 January 2015	388,344	4,658	70,000	316,533	391,191	779,535
Total comprehensive income for the year						
Profit for the year	-	-	-	198,508	198,508	198,508
Other comprehensive income for the year	-	-	-	(2,266)	(2,266)	(2,266)
Total comprehensive income for the year	-	-	-	196,242	196,242	196,242
Balance as at 31 December 2015	388,344	4,658	70,000	512,775	587,433	975,777
Balance as at 01 January 2016	388,344	4,658	70,000	512,775	587,433	975,777
Total comprehensive income for the year						
Profit for the year	-	-	-	236,805	236,805	236,805
Other comprehensive income for the year	-	-	-	2,155	2,155	2,155
Total comprehensive income for the year	-	-	-	238,960	238,960	238,960
Changes in owners' equity						
Issuance of bonus shares	38,834	-	-	(38,834)	(38,834)	-
Cash dividend (Rs. 1.5 per share)				(58,252)	(58,252)	(58,252)
Right shares issued (Rs. 10 per share)	116,503	-	-	-	-	116,503
Premium on issue of right shares (Rs. 10 per share)	-	116,503	-	-	116,503	116,503
Equity transaction costs	-	-	-	(4,319)	(4,319)	(4,319)
	155,337	116,503	-	(101,405)	15,098	170,435
Balance as at 31 December 2016	543,681	121,161	70,000	650,330	841,491	1,385,172

The annexed notes 1 to 38 form an integral part of these financial statements.



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Director

askari general insurance co. ltd.

Statement of Premiums

For the year ended 31 December 2016

Business Underwritten inside Pakistan

Class of Business	Premiums written		Unearned premium reserve		Premiums earned	Reinsurance ceded		Prepaid reinsurance premium ceded		Reinsurance expense	2016		2015
	Opening	Closing	Opening	Closing		Opening	Closing	Net premium revenue	Net premium revenue				
	Rupees '000												
Direct and facultative													
Fire and property damage	300,089	172,736	152,035	320,790	235,876	141,791	122,600	255,067	65,723	53,915			
Marine, aviation and transport	151,229	36,903	37,437	150,695	89,534	23,197	23,193	89,538	61,157	61,285			
Motor	809,726	378,012	368,873	818,865	15,756	7,687	7,169	16,274	802,591	736,822			
Accident and health	421,289	271,848	252,748	440,389	95,652	163,039	80,295	178,396	261,993	164,409			
Miscellaneous	567,613	127,232	349,135	345,710	484,964	101,470	304,490	281,944	63,766	75,453			
Grand total	2,249,946	986,731	1,160,228	2,076,449	921,782	437,184	537,747	821,219	1,255,230	1,091,884			

The annexed notes 1 to 38 form an integral part of these financial statements.



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Chairman

askari general insurance co. ltd.

Statement of Claims

For the year ended 31 December 2016

Business Underwritten inside Pakistan

Class of Business	Claims paid	Outstanding Claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims	Reinsurance and other recoveries	2016	2015
		Opening	Closing						
Fire and property damage	92,791	34,551	54,118	112,358	79,244	29,253	48,269	98,260	17,117
Marine, aviation and transport	40,149	30,683	20,593	30,059	25,706	21,086	13,706	18,326	25,799
Motor	341,300	113,585	165,264	392,979	2,839	830	12,327	14,336	299,295
Accident and health	398,127	40,867	60,478	417,738	194,913	24,520	26,936	197,329	163,753
Miscellaneous	172,886	110,624	118,667	180,929	152,238	96,395	105,467	161,310	31,828
Grand total	1,045,253	330,310	419,120	1,134,063	454,940	172,084	206,705	489,561	537,792

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The annexed notes 1 to 38 form an integral part of these financial statements.



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askari general insurance co. ltd.

Statement of Investment Income

For the year ended 31 December 2016

	2016	2015
	Rupees '000	
Income from trading investments		
Gain on trading	29,052	68,069
Dividend income	9,713	2,108
	38,765	70,177
Income from non-trading investments		
Return on government securities	5,211	4,629
Return on other fixed income securities	1,263	1,615
	6,474	6,244
Available for sale investments		
Dividend income	13,835	6,213
Gain on sale of investments	38,134	22,520
	51,969	28,733
Unrealized profit on re-measurement of investments held for trading	22,708	3,129
Reversal / (provision) for diminution in available for sale investments	2,322	(4,251)
Net investment income	122,238	104,032

The annexed notes 1 to 38 form an integral part of these financial statements.



Abdul Waheed
President & Chief Executive



Lt Gen Khalid Rabbani (Retd)
Chairman



Brig M. Ibrahim Khan (Retd)
Director



Maj Gen Syed Taqi Naseer Rizvi (Retd)
Director

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

1 THE COMPANY AND ITS BUSINESS

askari general insurance company limited ("the Company") was incorporated under the Companies Ordinance, 1984 as a public limited company on 12 April 1995. The Company is engaged in non-life insurance business comprising of fire, marine, motor, health and miscellaneous. The Company commenced its commercial operations on 15 October 1995. Shares of the Company are quoted on Pakistan Stock Exchange Limited. The registered office and principal place of business of the Company is located at AWT Plaza, Rawalpindi. The Company has 20 branches in Pakistan. The Company is a subsidiary of Army Welfare Trust.

2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with the format prescribed under Securities and Exchange Commission (Insurance) Rules, 2002 [SEC (Insurance) Rules, 2002], vide S.R.O. 938 dated 12 December 2002.

3 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 Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail.

The Securities and Exchange Commission of Pakistan (SECP) has allowed the insurance companies to defer the application of International Accounting Standard – 39 (IAS-39) "Financial Instruments: Recognition and Measurement" in respect of valuation of 'available-for-sale investments'. Accordingly, the requirements of IAS-39, to the extent allowed by SECP as aforesaid, have not been considered in the preparation of these financial statements.

4 BASIS OF MEASUREMENT

These financial statements have been prepared on the historical cost convention except for certain financial instruments which are stated at their fair values and obligation under certain employee retirement benefit funds including staff compensated absences which are measured at their present values as determined under the provisions of IAS-19, "Employee Benefits". Figures have been rounded off to the nearest rupee in thousands.

4.1 Use of estimates and judgments

The preparation of financial statements in conformity with the requirements of approved accounting standards as applicable to insurance companies in Pakistan requires management to make judgments/estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These judgments/estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

Actual results may differ from their estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed below:

a) Income tax

In making the estimates for income taxes currently payable by the Company, the management takes into account current income tax laws and the decisions of appellate authorities on certain issues in the past. In making the provision for deferred taxes, estimates of the Company's future taxable profits are taken into account.

b) Fixed assets, depreciation and amortisation

In making estimates of the depreciation / amortisation method, the management uses depreciation / amortisation rate which reflects the pattern in which economic benefits are expected to be consumed by the Company. These rates are reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the depreciation / amortisation rates would be changed to reflect the change in pattern. Further, the assets residual values are reviewed and adjusted if appropriate, at each financial year end.

c) Outstanding claims including incurred but not reported (IBNR)

The liability for IBNR is computed through Chain Ladder Method (Development technique) in light of the guidelines issued by Insurance Division of SECP vide its Circular 9 of 2016 dated March 09, 2016 for estimation of IBNR claims reserve, the liability for IBNR for all classes of business is based on actuary recommendation. Any significant change in assumption used event may affect the management's judgment which could affect the provision made for IBNR. Reinsurance recoveries against outstanding claims and salvage recoveries are recognized as an asset and are measured at the amount expected to be received.

d) Premium deficiency reserves

The Company carries out an analysis of loss / combined ratios for the expired year, such ratio being calculated after taking into account the relevant IBNR provision for the determination of premium deficiency reserve for each class of business.

e) Defined benefit plan

Defined benefit plan is provided to eligible employees of the Company. Calculations in this respect require assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration, the expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

f) Impairment

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Provisions for impairment are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

g) Provision against premiums due but unpaid and amounts due from other insurers / reinsurers

The Company reviews its premium due but unpaid and amounts due from other insurers / reinsurers portfolio to assess their recoverability and provision required there-against. While assessing this requirement, various factors including the delinquency and financial position of the counter party are considered.

h) Classification of investments

In classifying investments as "held-for-trading" the Company has determined securities which are acquired with the intention to trade by taking advantage of short term market / interest rate movements.

In classifying investments as "held-to-maturity" the Company has determined financial assets with fixed or determinable payments and fixed maturity. In making this judgment, the Company evaluates its intention and ability to hold such investments to maturity.

The investments which are not classified as held for trading or held to maturity are classified as available for sale.

i) Allocation of management expenses

Management expenses which are not specifically related to a class of business are allocated on all classes of business based on their respective net premium share in the total net premiums of the Company.

j) Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

k) Fair value of investments

The fair value of held for trading and available for sale investments is determined by reference to their quoted closing repurchase price at the reporting date. Any change in the estimate might affect carrying amounts of investments held for trading with corresponding effect in profit and loss account. Fair value of held to maturity instruments is determined with reference to general interest rates prevailing in the market. Fair value of available for sale and held to maturity investments is determined for disclosure purpose only.

4.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

4.3 New accounting standards and IFRIC interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2017:

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.
- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' -effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.
- Annual Improvements 2014-2016 cycles (amendments are effective for annual periods beginning on or after 1 January 2017). The new cycle of improvements contain amendments to the following standards:
 - Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 – 'Non-current Assets Held for Sale and Discontinued Operations'. The amendments are not likely to have an impact on Company's financial statements.
 - Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

The above amendments are not likely to have an impact on Company's financial statements.

5 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparation of these financial statements are set out below. The policies have been applied consistently to all years presented except for the change in following paragraph.

Securities and Exchange Commission of Pakistan during the period through its circular No 29 of 2016 dated 5 September 2016, has encouraged all listed companies to provide certain voluntary disclosures. The circular prescribes certain disclosures including bifurcation of certain balance sheet and profit and loss items between conventional and islamic mode. Accordingly the Company has presented the required disclosures in this financial information. However there was no change in the reported figures of profit and loss or balance sheet.

5.1 Insurance contracts

Insurance contracts are those contracts under which the Company as insurer has accepted insurance risk from the insurance contract holder (insured) by agreeing to compensate the insured if a specified uncertain future event (the insured event) adversely affects the insured. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its tenure, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

Insurance contracts are classified into following main categories, depending on the nature and duration of risk and whether or not the terms and conditions are fixed.

- Fire and property damage;
- Marine, aviation and transport;
- Motor;
- Health and accident; and
- Miscellaneous.

These contracts are normally one year insurance contracts except marine and miscellaneous classes. Normally all marine insurance contracts are of three months period. In miscellaneous class, some engineering insurance contracts are of more

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

than one year period, whereas, normally travel insurance contracts and few bond insurance contracts in miscellaneous class expire within one month time.

These contracts are provided to all types of customers based on assessment of insurance risk by the Company. Normally personal insurance contracts e.g. vehicle, travel, personal accident, etc. are provided to individual customers, whereas, insurance contracts of fire and property, marine, aviation and transport, accident and health and other commercial line products are provided to commercial organizations.

Fire and property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities.

Marine insurance covers the loss or damage of vessels, cargo, terminals, and any transport or property by which cargo is transferred, acquired, or held between the points of origin and final destination.

Motor insurance provides protection against losses incurred as a result of theft, traffic accidents and against third party liability that could be incurred in an accident.

Liability insurance contracts protect the insured against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events.

Other various types of insurance are classified in miscellaneous category which includes mainly engineering, terrorism, personal accident, worker compensation, travel, products of financial institutions, livestock and crop insurance etc.

The Company also accepts insurance risk pertaining to insurance contracts of other insurer as reinsurance inward. The insurance risk involved in these contracts is similar to the contracts undertaken by the Company as insurer.

Reinsurance contracts

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 reinsurance contracts with both foreign and local reinsurers.

5.1.1 Premium and receivable under insurance contracts

Premium written under all insurance policies is recognized as income over the period of insurance from the date of issuance of policy to its expiry, after taking into account the unearned portion of premiums. Amount is recorded as premium written at the time the policy is written. Where the pattern of incidence of risk varies over the year of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. The portion of premium written relating to the unexpired year of coverage is recognized as unearned premium by the Company. The unearned premium is calculated by applying 1/24 method as specified in the SEC (Insurance) Rules, 2002.

Premium income includes administrative surcharge that represents documentation charges recovered by the Company from policy holders in respect of policies issued. Administrative surcharge is recognised as premium income at the time of issuance of policy.

Notes to the Financial Statements

For the year ended 31 December 2016

Receivable 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 that impairment loss is recognised in the profit and loss account.

5.1.2 Reinsurance ceded

The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward reinsurance premiums are accounted for in the same year as the related premiums for the direct or accepted reinsurance business being reinsured. Reinsurance premium is recognised as expense after taking into account the proportion of deferred premium expense which is calculated using pattern similar to calculation of premium income for the same policy. The deferred portion of premium expense is recognised as prepayment.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in the manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurance are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contracts.

Reinsurance liabilities or assets are derecognized when the contractual rights are extinguished or expired.

The Company assesses its reinsurance assets for impairment on balance sheet date. If there is any objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the profit and loss account.

Pakistan Reinsurance Company Limited (PRCL) retrocession business is booked on the basis of PRCL statements pertaining to the previous years.

5.1.3 Claim expense including provision for outstanding claims including Incurred But Not Reported

The Company recognizes liability in respect of all claims incurred up to the balance sheet date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claims except as otherwise expressly indicated in an insurance contract. The liability for claims include amounts relating to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

Provision for liability in respect of unpaid reported claims as at 31 December 2016 is made on the basis of individual case estimates by using Chain Ladder Method (Development technique) on the basis of recommendation by an independent actuary. Previously for all classes of business, except Accident and Health, the provision for IBNR was accounted for from subsequent to year end data and based on management's best estimate. However obligation for IBNR as at 31 December 2016 has been computed under the guidelines issued by Insurance Division of SECP vide its Circular 9 of 2016 dated March 09, 2016 for estimation of IBNR claims reserve, which were effective from 01 July 2016. This change has been treated as a change in estimate pursuant to the requirements of IAS-8, "Accounting Policies, Changes in Accounting Estimates and Errors". Had this change in estimate not occurred during the year, provision for outstanding claims would have been lower by Rs. 80.35 million. Further profit before and after tax would have been higher by Rs. 80.35 million and Rs. 55.44 million

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respectively. Summary of IBNR results as at 31 December 2016 is as follows:

Class of business	IBNR	
	Gross	Net
		Rupees'000
Health	59,865	33,246
Motor	52,024	52,024
Miscellaneous	18,826	298
Fire	13,597	96
Marine	3,062	52
	147,374	85,716

5.1.4 Reinsurance recoveries against claims

Claims recoveries receivable from the reinsurers are recognized as an asset at the same time as the claims which give rise to the right of recovery are recognized as a liability and are measured at the amount expected to be received in accordance with respective reinsurance arrangements.

5.1.5 Commission

Commission expense incurred on issuance of policies is deferred and recognized as asset and is recognized in the profit and loss account as an expense in accordance with pattern of recognition of premium revenue. Commission and other forms of revenue (apart from recoveries) from reinsurers are deferred and recognized as liability and recognized in the profit and loss account as revenue in accordance with the pattern of recognition of the reinsurance premium. Profit / commission, if any, under the terms of reinsurance arrangements, is recognized when the Company's right to receive the same is established.

5.1.6 Premium deficiency reserve

The Company maintains a provision in respect of premium deficiency for the class of business where the unearned premium liability is not adequate to meet the expected future liability, after reinsurance, from claims and other supplementary expenses expected to be incurred after the balance sheet date in respect of the unexpired policies in that class of business at the balance sheet date. The movement in the premium deficiency reserve is recorded as an expense in profit and loss account for the year. Income is recognised to the extent of reversal of deficit previously recognised, if any.

For this purpose, loss ratios for each class are estimated based on historical claim development for all classes except Accident and health which is determined on the basis of actuarial recommendations. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, premium deficiency is determined. The loss ratios estimated on these basis for the unexpired portion are as follows:

	2016	2015
- Fire and property damage;	26%	36%
- Marine, aviation and transport;	34%	45%
- Motor;	47%	50%
- Accident and health; and	85%	91%
- Miscellaneous.	38%	36%

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Based on an analysis of combined operating ratio for the expired year of each reportable segment, the management considers that the unearned premium reserve for all classes of business as at the year end is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in those classes of business in force at the balance sheet date. Hence, no reserve for the same has been made in these financial statements.

5.2 Provision for unearned premium and prepaid reinsurance premium ceded

In accordance with the requirements of Insurance Rules 2002, provision for unearned premium is calculated by applying 1/24th method. Unearned portion of premium is recognized as liability.

The deferred portion of reinsurance premium is recognised as reinsurance premium ceded using 1/24th method.

5.3 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 services received, whether or not billed to the Company.

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

5.4 Fixed assets

Owned - tangible

These are stated at cost less accumulated depreciation and impairment losses, if any, except for capital work in progress which is stated at cost less impairment losses, if any. Depreciation is charged on depreciable amount over the estimated useful life. Depreciation is charged on monthly basis where full month depreciation is charged in the month of addition and no depreciation is charged in the month of disposal.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the profit and loss account in the year in which they are incurred. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

Owned - intangible

Software development cost are only capitalized to the extent that future economic benefits are expected to flow to the entity. Intangible assets with finite useful lives are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged on the amortizable amount over the useful life of the asset by applying straight line method. Intangible assets with indefinite useful lives are stated at cost less impairment losses, if any.

Leased - tangible

Assets held under finance leases are initially recorded at the lower of the present value of minimum lease payments under

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the lease agreements and the fair value of the leased assets. The related obligations under the leases less financial charges allocated to future periods are shown as a liability.

The financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of interest on the outstanding liability.

Depreciation on leased assets is charged by allocating their depreciable amount over the estimated useful lives or the lease term of the assets, whichever is shorter, from the month these are available for use, while on disposals, depreciation is charged up to the month in which the assets are disposed off.

5.5 Financial instruments

5.5.1 Non-derivative financial assets

These are initially recognised on the date that they are originated i.e. on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. Investments are recognised on settlement date.

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or when the Company transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company classifies non-derivative financial assets into the following categories: held to maturity, financial assets at fair value through profit or loss, available for sale investments and loans and receivables.

a) Held to maturity

Investments with fixed maturity, where the management has both the intent and ability to hold to maturity, are classified as held to maturity. Subsequent to initial recognition, these investments are measured at amortised cost, less provision for impairment in value, if any. Amortised cost is calculated taking into account effective interest rate method. Profit on held to maturity instruments is recognized on a time proportion basis taking into account the effective yield on investments.

b) Investments at fair value through profit and loss - Held for trading

These financial assets are acquired principally for the purpose of generating profit from short-term fluctuation in prices or are part of a portfolio for which there is a recent actual pattern of short-term profit taking. Subsequent to initial recognition these are measured at fair value by reference to quoted market prices with the resulting gain or loss is included in net profit or loss for the year in which it arises.

c) Available for sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity are classified as available for sale. Subsequent to initial recognition

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at cost, quoted investments are stated at lower of cost or market value (market value being taken as lower if the fall is other than temporary) in accordance with the requirements of S.R.O 938 issued by the Securities and Exchange Commission of Pakistan on 12 December 2002. Had the Company adopted IAS 39 "Financial Instruments: Recognition and Measurement" the investments available for sale as of 31 December 2016 would have been higher by Rs. 24.38 million (2015: lower by Rs. 14.39 million) with the corresponding increase in equity by the same amount. The Company's available for sale investments represent investment in mutual funds and shares of listed companies. Investment in the units of these funds is valued at their respective redemption/ repurchase price and investment in listed shares are valued at the prices quoted on stock exchange.

d) Loans and receivables

Loans and receivables comprise cash and bank deposits, advances to employees, premium due but unpaid, amounts due from other insurers / reinsurers, reinsurance recoveries against outstanding claims and sundry receivables.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, stamps in hand and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

f) All other loans and receivables

These are stated initially at the fair value, subsequent to initial recognition these are stated at their fair value as reduced by appropriate provision for impairment. Known impaired receivables are written off, while receivables considered doubtful of recovery are fully provided for.

The allowance for doubtful accounts is based on the Company's assessment of the collectability of counterparty accounts. The Company regularly reviews its debts and receivables that remain outstanding past their applicable payment terms and establishes allowance and potential write-offs by considering factors such as historical experience, credit quality, age of the accounts receivable balances, and current economic conditions that may affect a customer's ability to pay.

5.5.2 Non-derivative financial liabilities

The Company initially recognises non derivative financial liabilities on the date that they are originated or the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged, canceled or expired.

These financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Non derivative financial liabilities comprise amounts due from other insurers / reinsurers, unclaimed dividend, other payables and other creditors and accruals.

5.5.3 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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5.6 Investment property

Investment Property is accounted for under cost model in accordance with approved International Accounting Standard (IAS) 40, "Investment Property" and S.R.O. 938 issued by the Securities and Exchange Commission of Pakistan.

Depreciation is charged on depreciable amount on straight line basis over its estimated useful life at the rate of 2.5% per annum.

Subsequent capital expenditures on existing properties and gains or losses on disposals are accounted for in the same manner as tangible fixed assets.

5.7 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalized during the current year for such years.

Deferred taxation

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the balance sheet 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. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the profit and loss account, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

5.8 Employees' retirement benefits

a) Defined benefit plan

The Company operates a funded gratuity scheme covering all eligible employees completing the minimum qualifying year of service as specified by the scheme. The assets of the funded plan are held independently in a separate fund. Provision for gratuity is made to cover obligations under the scheme in accordance with the actuarial recommendations. The latest actuarial valuation was carried out as at 31 December 2016.

Actuarial valuation was carried out using the Projected Unit Credit Method based on the following significant assumptions:

	2016	2015
Discount rate	8% per annum	9% per annum
Expected return on plan assets	9% per annum	9% per annum
Expected rate of increase in salary	8% per annum	9% per annum
Average expected remaining working life time of the employee	9 years	8 years
Mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005

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The Company recognizes the actuarial gains or losses in other comprehensive income in the year in which they arise.

b) Defined contribution plan

The Company operates a recognized staff provident fund as a defined contribution plan for all eligible employees. Equal monthly contributions are made both by the Company and the employees to the fund at the rate of 8.33% of basic salary. The Company's contribution is charged to income during the year.

c) Compensated absences

Provisions for compensated absences is recognised annually to cover the obligation for compensated absences and charged to profit and loss account. The provision is determined using the projected unit credit method.

The latest actuarial valuation was carried out as at 31 December 2016 based on the following significant assumptions:

	2016	2015
Discount rate	8% per annum	9% per annum
Expected rate of increase in salary	8% per annum	9% per annum
Average number of leaves accumulated per annum	9 days	9 days
Mortality rate	SLIC 2001 - 2005 with 1 year setback	SLIC 2001 - 2005 with 1 year setback

5.9 Management expenses

Management expenses have been allocated to various classes of business on equitable basis. Expenses not allocable to underwriting business are charged under general and administrative business.

5.10 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary share. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of dilutive potential ordinary shares.

5.11 Segment reporting

A business segment is a distinguishable component of the Company that is engaged in providing services that are subject to risks and returns that are different from those of other business segments. The Company accounts for segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The reported operating segments are also consistent with the internal reporting provided to Strategy Committee and Board of Directors which are responsible for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment. The Company has following business segments:

Fire insurance segment provides insurance cover against damages caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and impact.

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Marine insurance segment provides coverage against cargo risk, war risk and damages occurring in inland transit.

Motor insurance provides comprehensive vehicle coverage and indemnity against third party loss.

Accident and health provides inpatient and outpatient medical coverage.

Miscellaneous insurance provides cover against burglary, loss of cash in safe and cash in transit, personal accident, money, engineering losses and other coverage.

Investment and income taxes are managed on an overall basis and are therefore, not allocated to any segment. Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets pertaining to two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

5.12 Foreign currency transactions

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All exchange differences are routed through profit and loss account.

5.13 Finance income

Finance income comprises interest income on funds invested, dividend income, exchange gain and changes in the fair value of financial assets at fair value through profit or loss - held for trading. Income on bank deposits is accrued on a time proportion basis using effective rate of interest. Income on investments is recognized on time proportion basis taking into account the effective yield of such securities. Dividend income on equity investments is recognized when the right to receive the payment is established. Foreign currency gains and losses are reported on a net basis.

5.14 Impairment

a) Non-derivative financial assets

All financial assets are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers and economic conditions that correlate with defaults or the disappearance of an active market for a security.

The Company considers evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

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In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in as allowance against financial asset measured at amortized cost. Interest on the impaired asset is recognized only to the extent it is considered recoverable. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

b) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.15 Distribution and appropriations

Cash dividends declared, bonus shares issued and other reserves' appropriations are recognized in the year in which these announcements or appropriations are made.

6 PAID UP SHARE CAPITAL

2016	2015		2016	2015
Number of shares			Rupees' 000	
		Ordinary shares of Rs. 10 each issued as:		
24,358,699	12,708,378	- fully paid cash shares	243,587	127,084
30,009,465	26,126,025	- fully paid bonus shares	300,095	261,260
54,368,163	38,834,403		543,682	388,344

6.1 Army Welfare Trust (AWT), Askari Securities Limited and directors holds 32,174,395 (2015: 22,981,715), nil (2015: 117) and 16,055 (2015: 11,591) ordinary shares of the Company respectively at the year end.

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	Note	2016	2015
		Rupees '000	
7 STAFF COMPENSATED ABSENCES	7.1	25,381	19,737
7.1 Movement in liability			
Balance at beginning of the year		19,737	15,132
Charge for the year	7.1.1	7,202	5,483
Benefits paid		(1,558)	(878)
Balance at end of the year		25,381	19,737
7.1.1 Charge for the year			
Current service cost		2,501	2,107
Interest cost		2,995	1,543
Actuarial loss on experience adjustment		1,706	1,833
		7,202	5,483
8 OTHER CREDITORS AND ACCRUALS			
Agents' commission payable		68,977	89,641
Security deposit against bond insurance		53,223	40,565
Payable to staff gratuity fund	8.1	6,976	11,744
Tax deducted at source		3,290	2,197
Federal excise duty / Federal insurance fee		23,086	22,918
Workers' welfare fund		-	2,753
Payable against tracker devices and monitoring expenses		-	1,954
		155,552	171,772
8.1 Payable to staff gratuity fund			
8.1.1 Amount recognized in the balance sheet			
Present value of defined benefit obligation	8.1.3	79,885	68,982
Benefits due but not paid during the year		3,173	3,224
		83,058	72,206
Fair value of plan assets	8.1.4	(76,082)	(60,462)
Net liability at end of the year		6,976	11,744
8.1.2 Movement in liability recognized in balance sheet			
Balance at beginning of the year		11,744	7,729
Expense for the year	8.1.5	8,462	6,706
Actuarial (gain) / loss recognized in other comprehensive income		(3,123)	3,331
		17,083	17,766
Contributions to the fund during the year		(10,107)	(6,022)
Balance at end of the year		6,976	11,744

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	2016	2015
	Rupees '000	
8.1.3 Reconciliation of the present value of defined benefits obligation		
Present value of obligations as at beginning of the year	68,982	53,344
Current service cost	8,163	6,622
Interest cost	5,980	5,563
Benefits paid	(4,783)	(733)
Benefits due but not paid	(273)	-
Actuarial loss	1,816	4,186
Present value of obligations as at end of the year	79,885	68,982

8.1.4 Movement in the fair value of plan assets

Fair value of plan assets as at beginning of the year	60,462	49,246
Interest income on plan assets	5,681	5,479
Contribution to the fund	10,107	6,023
Benefits paid	(5,107)	(1,141)
Actuarial gain	4,939	855
Fair value of plan assets as at end of the year	76,082	60,462

8.1.5 Expense for the year

Current service cost	8,163	6,622
Interest cost	5,980	5,563
Interest income on plan assets	(5,681)	(5,479)
Expense for the year	8,462	6,706

8.1.6 The estimated charge to profit and loss account for the defined benefit plan for the year ending 31 December 2017 is Rs. 8.75 million.

8.1.7 Composition of fair value of plan assets

	2016		2015	
	Fair value Rupees '000	Percentage %	Fair value Rupees' 000	Percentage %
Debt instruments	15,948	21%	16,835	28%
Cash and bank balances	3,549	5%	1,980	3%
Mutual funds	56,585	74%	41,647	69%
Fair value of plan assets	76,082	100%	60,462	100%

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8.1.8 Comparison of present value of defined obligation, fair value of plan assets and surplus / (deficit) of gratuity fund for the last four years:

	2016	2015	2014	2013	2012
	Rupees '000				
Present value of defined benefit obligation	79,885	68,982	53,344	41,751	32,793
Fair value of plan assets	(76,082)	(60,462)	(49,246)	(39,414)	(32,966)
Deficit / (surplus)	3,803	8,520	4,098	2,337	(173)
Effect of remeasurement:					
-Actuarial loss on experience adjustment on obligation	1,816	4,186	4,028	4,521	1,561
- Actuarial gain / (loss) on interest income on plan assets	4,939	855	511	(967)	1,009

8.1.9 Sensitivity Analysis

The calculation of the defined benefit obligation is sensitive to the assumption used. The following table summarizes the impact on the defined benefit obligation at the end of the reporting period as a result of a change in the respective assumptions by one percent.

	(Increase) / decrease in Defined Benefit Obligation			
	2016		2015	
	Rupees '000			
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	73,515	87,206	5,349	(6,141)
Future salary growth	87,296	73,312	(6,224)	5,525

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognized within the statement of financial position.

8.1.10 Expected maturity analysis of staff gratuity fund is as follows:

	Rupees '000
Within one year	6,452
Between one to two years	6,774
Between two to five years	25,091
Over five year	436,798

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8.1.11 Significant Actuarial Assumption

The following significant assumptions have been used for valuation of this scheme:

	2016	2015
	(per annum)	
a) Expected rate of increase in salary level	8%	9%
b) Discount rate	8%	9%

8.1.12 Risks

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk, final salary risk, asset volatility, withdrawal and market (investment) risk.

		2016	2015
		Rupees '000	
9	LIABILITIES AGAINST ASSETS		
	SUBJECT TO FINANCE LEASE - secured		
	Present value of minimum lease payments	9.1	70,655
			31,474
9.1	Present value of minimum lease payments		
	Not later than 1 year	16,274	6,797
	Later than 1 year and not later than 5 years	54,381	24,677
		70,655	31,474
9.2	Minimum lease payments		
	Not later than 1 year	20,541	8,881
	Later than 1 year and not later than 5 years	60,957	28,349
		81,498	37,230
	Future finance charges on finance lease	(10,843)	(5,756)
	Present value of finance lease liability	70,655	31,474

9.3 The above represents finance lease entered into with different banks for motor vehicles. The liability has a term of five years.

		2016	2015
		Rupees '000	
10	Others		
	Fund received against leased vehicle	10.1	7,570
	Fund received against vehicle Ijarah	10.1	619
	Others	18,229	17,624
		26,418	19,856

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	2016	2015
	Rupees '000	
10.1 Funds received from executives		
Funds received against leased vehicles	6,251	2,154
Fund received against vehicle Ijarah	619	-
	6,870	2,154

11 CONTINGENCIES AND COMMITMENTS

Contingencies

Tax assessments for Assessment Years 1996-1997 to 1999-2000 were finalized by the tax authorities mainly by curtailing management expenses and thereby raising demands aggregating to Rs. 6.6 million. On appeals filed by the Company, these assessments were set aside by the Income Tax Appellate Tribunal (ITAT). The Company has filed reference applications to the High Court on question of admissibility of management expenses for the Assessment Years 1996-1997 to 1999-2000. The management firmly believes that the matter will be resolved in favor of the Company.

Commitments

The Companies commitment under Ijarah arrangement with Meezan Bank Limited is Rs 9.7 million (2015: Nil). The contracts have a term of five years.

	Note	2016	2015
		Rupees '000	
11.1 Future Minimum Ujrah (lease) payments are as under:			
Not later than 1 year		1,444	-
Later than 1 year and not later than 5 years		8,266	-
		9,710	-
11.2 Ijarah payments recognized in expense during the year		1,264	-

12 CASH AND OTHER EQUIVALENTS

Cash in hand	969	837
Stamps in hand	251	261
	1,220	1,098

13 CURRENT AND OTHER ACCOUNTS

Cash at bank:

Current accounts		13,578	16,086
Deposit accounts			
- local currency	13.1	137,104	97,922
- foreign currency	13.2	-	158
		137,104	98,080
		150,682	114,166

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

13.1 These carry an annual effective markup rate ranging from 3.5% to 7.5% (2015 : 4% to 5%).

13.2 This carry an annual effective markup rate of nil (2015: 0.25%).

14 ADVANCES TO EMPLOYEES

These represents short term interest free advances given in accordance with terms of employment. These are secured and considered good. The maximum amount due from executives at the end of any month during the year was Rs. 1.81 million (2015: Rs. 1.83 million) and outstanding balance at 31 December 2016 was Rs. 0.17 million (2015: Rs. 0.29 million).

	Note	2016 Rupees '000	2015
15 INVESTMENTS			
Held to maturity	15.1	70,091	39,442
Loans and receivables - Certificates of investment	15.2	16,483	18,961
Fair value through profit and loss - held for trading	15.3	1,073,175	839,956
Available for sale	15.4	338,478	259,569
		1,498,227	1,157,928

15.1 Held to maturity

Government securities	15.1.1	70,091	39,442
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15.1.1 Government securities - Pakistan Investment Bonds (PIBs)

PIBs are placed as statutory deposit with State Bank of Pakistan in accordance with the requirements of clause (a) of sub section 2 of section 29 of Insurance Ordinance, 2000. These carry interest at effective rate ranging from 5.63% to 12.54% per annum (2015: 6.5% to 12.5% per annum) and will mature by 21 April 2019 (2015: 18 July 2018). Market value of PIBs carried at amortised cost amounts to Rs. 72.90 million (2015: Rs.44.81 million).

		2016 Rupees '000	2015
15.2 Loans and receivables - Certificates of Investment (COIs)			
Loans and receivables - Certificate of Investments		32,701	35,179
Provision for impairment		(16,218)	(16,218)
		16,483	18,961

These carry interest at effective rate ranging from 6% to 9% per annum (2015: 6.75% to 9% per annum) having maturity for a period of one year (2015: up to one year). The Company has created a provision against certain COIs. Other COIs are placed with a financial institution having long term and short term credit rating AA+ and A1+ respectively.

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

15.3 Fair value through profit and loss - held for trading: Investment in shares / units - quoted

Face		value per share / unit Rupees	Investee Name	Carrying value/ market value	
Number of shares / units				2016	2015
2016	2015				Rupees '000
Open-Ended Mutual Funds					
-	9,098,377	10	ABL Cash Fund	-	93,786
9,593,885	-	10	ABL Government Securities Fund	98,105	-
-	59,314	500	Atlas Money Market Fund	-	30,812
106,790	121,341	500	Alfalah GHP Cash Fund	54,287	62,456
937,654	-	50	Alfalah GHP Income Multiplier Fund	51,047	-
-	1,317,347	50	AKD Cash Fund	-	67,877
2,766,604	-	50	AKD Aggressive Income Fund	147,415	-
-	1,023,440	100	Askari Sovereign Cash Fund	-	106,171
487,626	-	100	Askari High Yield Scheme	50,850	-
-	690,233	100	Faysal Money Market Fund	-	71,729
997,420	-	100	Faysal Margin Trading Fund	102,704	-
-	290,916	100	JS Cash Fund	-	30,651
1,608,421	-	50	JS Income Fund	160,134	-
-	195,091	100	Lakson Money Market Fund	-	20,081
-	899,832	100	MCB Cash Management Optimizer Fund	-	92,775
11,407,968	5,421,328	10	NAFA Income Opportunity Fund	126,155	60,414
201,787	-	50	Pakistan Income Enhancement Fund	10,923	-
-	576,855	100	PICIC Cash Fund	-	59,665
776,143	-	100	PICIC Income Fund	83,577	-
-	809,709	100	Primus Daily Reserve Fund	-	83,125
-	559,794	100	UBL Liquidity Plus Fund	-	57,773
379,372	-	100	UBL Income Opportunity Fund	42,673	-
1,634,958	-	100	UBL Growth and Income Fund	143,662	-
Fixed Line Telecommunication					
-	48,322	10	Pakistan Telecommunication Company Limited	-	797
Non Life Insurance					
-	20,000	10	Century Insurance Company Limited	-	505
39,500	39,545	10	Pak Reinsurance Company Limited	1,643	1,339
				1,073,175	839,956

askari general insurance co. ltd.

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15.4 Available for sale

Investments in units / shares - quoted

Number of shares / units		Face value per share / unit	Investee Name	Carrying value/ market value	
2016	2015	Rupees		2016	2015
				Rupees '000	
Open-End Mutual Funds					
27,275	21,608	100	Dawood Income Fund	1,919	1,492
170,940	187,003	100	JS Large Capital Fund	25,000	20,029
-	116,320	50	Pakistan Stock Market Fund	-	10,000
2,209,669	2,218,753	10	ABL Stock Fund	40,982	31,677
243,129	136,909	50	AKD Opportunity Fund	25,000	11,363
-	190,458	100	PIML Value Equity Fund	-	20,406
373,913	-	50	Alfalah GHP Alpha Fund	27,370	-
82,270	194,839	100	Alfalah GHP Stock Fund	11,183	23,877
-	331,236	50	UBL Stock Advantage Fund	-	20,000
279,033	-	50	MCB Pakistan Stock Market Fund	26,232	-
1,174,719	1,553,584	10	NAFA Stock Fund	20,218	21,165
113,112	307,268	100	JS Growth Fund	25,000	50,266
177,626	-	100	Lakson Equity Fund	20,934	-
Closed-End Mutual Funds					
116,150	116,150	10	First Dawood Mutual Fund	220	220
-	220,000	10	Golden Arrow Fund	-	2,601
-	240	10	Automobile and Parts Indus Motor Company Limited	-	242
Banks					
-	20,000	10	United Bank Limited	-	3,660
Chemicals					
55,000	10,000	10	Engro Corporation Limited	17,106	2,990
50,000	12,500	10	Dawood Hercules Chemicals Ltd	7,374	1,726
10,950	-	10	Biafo Industries Limited	2,660	-
Construction and Materials					
-	100,000	10	Fauji Cement Company Limited	-	3,690
-	50,000	10	Pioneer Cement Limited	-	4,279
-	30,000	10	Cherat Cement Company Ltd	-	2,704
Cement					
15,000	-	10	Bestway Cement Limited	4,199	-
30,000	-	10	Kohat Cement Company Limited	7,855	-
3,500	-	10	Lucky Cement	2,940	-
30,000	-	10	Maple Leaf Cement Limited	3,592	-
Pharmaceutical					
-	1,450	10	Feroz Sons Laboratories	-	1,563
Telecommunications					
-	75,000	10	TRG Pakistan Ltd	-	2,839
Textile					
-	50,000	10	Nishat Chunian Limited	-	2,430
Transport					
-	40,000	10	Pakistan Int Bulk Terminal Ltd	-	1,171
Food Producers					
-	10,000	10	Engro Foods Limited	-	1,645
100,000	-	10	Fauji Foods Limited	9,537	-
Fertilizers					
100,000	-	10	Engro Fertilizers Limited	7,015	-
130,000	-	10	Fauji Fertilizers Company Limited	14,229	-
60,000	-	10	Fauji Fertilizers Bin Qasim Limited	3,190	-

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Number of shares / units		Face value per share / unit	Investee Name	Carrying value/ market value	
2016	2015	Rupees		2016	2015
			Rupees '000		
Oil and Gas					
20,000	-	10	Oil and Gas Development	2,814	-
-	12,000	10	Pakistan Oil Fields Limited	-	4,808
20,000	20,000	10	Pakistan Petroleum Limited	4,366	4,366
20,000	-	10	Pakistan State Oil Company Limited	8,221	-
15,000	-	10	Hascol Petroleum Limited	5,023	-
-	35,000	10	Sui Northern Gas Pipelines Limited	-	1,042
100,000	-	10	Sui Southern Gas Limited	4,124	-
Non Life Insurance					
-	21,000	10	Adamjee Insurance Company Limited	-	5,182
General Insurance					
41,000	-	10	IGI Insurance Limited	9,311	-
General Industries					
-	8,200	10	Packages Limited	-	4,944
Cable & Electrical Goods					
40,000	20,000	10	Pak Electron Ltd	2,794	1,443
Carrying value				340,408	263,820
Provision for diminution in market value				(1,930)	(4,251)
Carrying value				338,478	259,569
Market value				364,783	249,364

16 INVESTMENT PROPERTY

This represents the carrying amount of two offices in Islamabad Stock Exchange building, classified as investment property based on the management's intention to hold the property for earning rentals and / or capital appreciation.

	Note	2016	2015
		Rupees'000	
Cost		52,400	52,400
Depreciation			
Balance at beginning of the year		(6,659)	(5,349)
Depreciation for the year	16.2	(1,310)	(1,310)
		(7,969)	(6,659)
Carrying value		44,431	45,741

16.1 The market value of the investment property is Rs. 85.15 million (2015: Rs. 81.22 million) as on 31 December 2016 as per valuation carried out by an independent valuer. Useful life of the investment property is estimated to be 40 years.

16.2 The amount of depreciation has been allocated to general and administration expenses.

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

	Note	2016 Rupees '000	2015
17 DEFERRED TAXATION			
Deferred tax asset in respect of:			
- Provision for impairment in loans and receivables investments		2,857	2,916
- Provision against premium due but unpaid		5,196	5,196
- Provision against amounts due from other insurers / reinsurers		3,121	3,120
		11,174	11,232
18 PREMIUM DUE BUT UNPAID, - unsecured, considered good			
Considered good	18.1	604,333	514,021
Considered doubtful		17,320	17,320
		621,653	531,341
Provision against doubtful balance		(17,320)	(17,320)
		604,333	514,021

18.1 This includes premium amounting of Rs. 3.51 million (2015: Rs. 5.40 million) and Rs. 84.01 million (2015: Rs. 55.05 million) receivable from the Parent and associated undertakings respectively, the movement of which are follows:

	Note	2016 Rupees '000	2015
Receivable from parent:			
Balance at beginning of the year		5,401	1,624
Insurance premium written (including government levies, administrative surcharge and policies stamps)		26,902	21,410
Premium received during the year		(28,789)	(17,633)
Balance at end of the year		3,514	5,401
Receivable from associated undertakings:			
Balance at beginning of the year		55,048	46,320
Insurance premium written (including government levies, administrative surcharge and policies stamps)		91,408	83,204
Premium received during the year		(62,450)	(74,476)
Balance at end of the year		84,006	55,048

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Notes to the Financial Statements

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	Note	2016 Rupees '000	2015
18.2 Provision for doubtful balances			
Balance at beginning of the year		17,320	9,037
Provision made during the year		-	8,283
Balance at end of the year		17,320	17,320
18.3 Age analysis of amounts receivable for related parties:			
Receivable from parent:			
Up to 1 year		2,991	4,652
1 to 2 years		523	749
		3,514	5,401
Receivable from associated undertakings:			
Up to 1 year		66,659	54,883
1 to 2 years		17,140	165
2 to 3 years		207	-
		84,006	55,048
19 AMOUNTS DUE FROM OTHER INSURERS / REINSURERS - unsecured, considered good			
Considered good		331,494	140,037
Considered doubtful		10,402	10,402
		341,896	150,439
Provision against doubtful balance	19.1	(10,402)	(10,402)
		331,494	140,037
19.1 Provision against doubtful balance			
Balance at beginning of the year		10,402	10,402
Provision made during the year		-	-
Balance at end of the year		10,402	10,402

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Notes to the Financial Statements

For the year ended 31 December 2016

	Note	2016 Rupees '000	2015
20 PREPAYMENTS			
Prepaid reinsurance premium ceded		537,747	437,184
Others		9,696	9,898
		547,443	447,082
21 SUNDRY RECEIVABLES			
Security deposits		8,985	8,699
Advances to suppliers - unsecured, considered good		508	1,147
Receivable against sale of laptops		3,071	-
Deposit against vehicles ljarah		3,918	-
Other receivables - unsecured, considered good	21.1	13,701	12,654
		30,183	22,500

21.1 This includes Rs. 419 thousand (2015: 160 thousand) receivable from Askari Securities Ltd, a related party on account of sale of securities as broker of the Company. The balance is current, unsecured and receivable on demand.

askari general insurance co. ltd.

Notes to the Financial Statements

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22. FIXED ASSETS

	Tangible					Intangible		Total
	Furniture and fixtures	Computers and office equipment	Motor vehicles (Owned)	Motor vehicles (Leased)	Tracking devices	Leasehold improvements	Software licenses	
	Rupees '000							
COST								
As at 01 January 2015	18,993	44,760	9,557	-	62,451	20,085	10,376	10,540
Additions during the year	2,020	8,348	3,703	45,115	-	190	-	29,348
Disposals	(3,065)	(1,936)	(2,291)	-	-	(5,850)	-	-
Transfers / adjustments	-	-	-	-	35,552	-	-	(35,552)
As at 31 December 2015	17,948	51,172	10,969	45,115	98,003	14,425	10,376	4,336
Additions during the year	578	8,636	2,342	65,930	-	1,108	197	1,284
Disposals	(745)	(1,675)	(712)	-	-	(175)	-	-
Transfers / adjustments	-	-	-	-	4,190	-	-	(4,190)
As at 31 December 2016	17,781	58,133	12,599	111,045	102,193	15,358	10,573	1,430
DEPRECIATION AND AMORTISATION								
As at 01 January 2015	11,405	38,137	5,564	-	46,821	17,600	7,914	-
Charge for the year	3,711	6,683	2,441	4,878	16,716	2,350	1,237	-
Depreciation on disposals	(2,704)	(1,936)	(2,147)	-	-	(5,850)	-	-
As at 31 December 2015	12,412	42,884	5,858	4,878	63,537	14,100	9,151	-
Charge for the year	1,501	4,979	2,027	18,090	17,483	406	1,147	-
Depreciation on disposals	(553)	(1,675)	(670)	-	-	(175)	-	-
As at 31 December 2016	13,360	46,188	7,215	22,968	81,020	14,331	10,298	-
Carrying value as at:								
- 31 December 2015	5,536	8,288	5,111	40,237	34,466	325	1,225	4,336
- 31 December 2016	4,421	11,945	5,384	88,077	21,173	1,027	275	1,430
Useful life (years)	10	3	5	5	3	3	5	5

askari general insurance co. ltd.

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	Note	2016 Rupees '000	2015
22.1	Depreciation and amortization is allocated as follows:		
	Management expenses	35,847	27,853
	General and administration expenses	11,096	10,163
		46,943	38,016

22.2 Detail of disposals of fixed assets during the year

Particulars of assets / buyers	Cost	Accumulated depreciation	Book value Rupees '000	Sale proceeds	Gain / (loss) on sale
2016					
Vehicles					
Rizwan Ahmed	555	555	-	173	173
Basharat	114	79	35	230	195
Equipment					
Noor Afsar	63	63	-	5	5
Rana Shafique	345	345	-	25	25
Shoaib	312	312	-	22	22
Wali ur Rehman	335	335	-	13	13
Leasehold Improvements					
Rizwan	170	170	-	31	31
Aggregate value of other items with individual book value not exceeding Rs. 50,000	1,413	1,214	199	207	8
2016 - Total	3,307	3,073	234	706	472
2015 - Total	13,142	12,637	505	2,644	2,139

22.2.1 The above assets were disposed off via auction

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Notes to the Financial Statements

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	Note	2016 Rupees '000	2015
23 NET PREMIUM REVENUE			
Premium revenue (net of reinsurance)		1,211,273	1,048,214
Administrative surcharge	23.1	43,957	43,670
		1,255,230	1,091,884
23.1 Net premium revenue includes administrative surcharge as under:			
Fire and property damage		5,626	5,777
Marine, aviation and transport		4,815	4,957
Motor		29,179	29,408
Accident and health		575	690
Miscellaneous		3,762	2,838
		43,957	43,670
24 MANAGEMENT EXPENSES			
Salaries and other benefits		179,825	166,868
Rent		26,619	22,714
Communication		9,144	8,703
Tracker devices		8,535	16,145
Monitoring of trackers		8,689	8,638
Printing and stationery		1,493	1,388
Traveling and entertainment		3,078	3,038
Depreciation and amortization		35,847	27,853
Repair and maintenance		4,889	5,391
Utilities		7,954	7,226
Advertisement		300	99
Inspection		995	872
Bank charges		315	413
Vehicle ljarah rentals		239	-
Miscellaneous		2,317	1,800
		290,239	271,148

24.1 This includes charges for defined benefit plans, staff compensated absences and defined contribution plans amounting to Rs. 4.82 million (2015: Rs. 3.82 million) , Rs. 4.11 million (2015: Rs. 3.13 million) and Rs. 4.77 million(2015: Rs.4.26 million) respectively.

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Notes to the Financial Statements

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	Note	2016 Rupees '000	2015
25 OTHER INCOME - net			
From non-financial assets			
Gain on disposal of fixed assets	22.2	472	2,139
Reversal of Workers' Welfare Fund		2,753	-
Miscellaneous		3,085	2,413
		6,310	4,552
26 GENERAL AND ADMINISTRATION EXPENSES			
Salaries and other benefits	26.1	123,661	105,427
Rent		15,425	14,701
Communication		3,373	3,758
Printing and stationery		5,405	5,485
Traveling and entertainment		2,678	2,915
Depreciation and amortization	22.1	11,096	11,473
Repair and maintenance		5,796	7,539
Legal and professional		2,844	4,682
Subscription		5,228	4,838
Utilities		3,503	2,987
Advertisement		3,237	1,147
Auditor's remuneration	26.2	1,357	1,014
Bank charges		478	430
Provision against premium due but unpaid	18.1	-	8,283
Vehicle Ijarah rentals		1,025	-
Miscellaneous		2,522	3,256
		187,628	177,935

26.1 This includes charges for defined benefit plans, staff compensated absences and defined contribution plans amounting to Rs. 3.64 million (2015: Rs. 2.88 million), Rs. 3.09 million (2015: Rs. 2.36 million) and Rs. 3.75 million (2015: Rs. 3.35 million) respectively.

	2016 Rupees'000	2015
26.2 Auditor's remuneration		
Audit fee	858	477
Half yearly review	331	184
Other certifications	-	263
Tax advisory services	168	90
	1,357	1,014

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Notes to the Financial Statements

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	2016	2015
	Rupees '000	
27 General Takaful Operations - OPF		
Wakala fee	18,365	295
Management expenses	(6,706)	(511)
Commission expenses	(4,048)	(54)
Modarib's share of PTF investment income	134	3
Investment income	3,533	1,289
General and administration expenses	(5,735)	(2,974)
Profit / (loss) from general takaful operations	5,543	(1,952)

28 PROVISION FOR TAXATION

28.1 Taxation charged to profit and loss account

Current tax	83,651	83,698
Deferred tax	60	(7,290)
	83,711	76,408

28.2 Relationship between tax expense and accounting profit

	2016	2015	2016	2015
	Effective tax rate (%)		Rupees '000	
Profit for the year before taxation			320,516	274,916
Tax at the applicable rate	31.00	32.00	99,360	87,974
Effect of items that are not considered in determining taxable income - net	(3.59)	(2.09)	(11,500)	(5,743)
Effect of amounts chargeable to tax at reduced rate	(1.15)	(2.61)	(3,670)	(7,175)
Effect of change in tax rate	(0.15)	0.49	(479)	1,352
	26.11	27.79	83,711	76,408

28.3 Taxation charged to other comprehensive income

Current tax income	(968)	1,066
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28.4 Tax returns for the Tax Years 2011 to 2016 were assessed in terms of section 120 of the income Tax Ordinance 2001 however the tax authorities are empowered to amend the assessment within five years (05) years from the end of the financial year in which the Commissioner has issued or treated to have issued the assessment order.

28.5 The Board of Directors in their meeting held on March 8, 2017 has proposed cash dividend for the year ended December 31, 2016 (refer note - 38.2) which complies with requirements of section 5A of the Income Tax Ordinance, 2001. Accordingly, no provision for tax on undistributed reserves has been recognized in these financial statements.

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29 EARNING PER SHARE - BASIC AND DILUTED	2016	2015
Profit after tax (Rupees '000)	236,805	(Restated) 198,508
Weighted average number of ordinary shares	52,762,636	46,661,795
Earnings per share (Rupees)	4.49	4.25

29.1 No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

30 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of directors, major shareholders, key management personnel, entities under common control, entities with common directors and employees retirement benefit funds. Army Welfare Trust ("AWT") holds directly and indirectly significant portion of the Company's equity, therefore all subsidiaries and associated undertakings of AWT are related parties of the Company.

The amounts due to and due from associated undertakings are disclosed in note 18 and 21 to the financial statements. Remuneration to chief executive, directors and executives under the terms of their employment are disclosed in note 31 to the financial statements. Transactions with related parties during the year are as follows:

	2016	2015
	Rupees '000	
Transactions with parent:		
Insurance premium written (including government levies administrative surcharge and policies stamps)	26,902	21,410
Premium received during the year	28,789	17,634
Insurance claims paid	9,036	4,376
Rent paid	17,614	16,408
Right shares issued	69,047	-
Share premium received	69,047	-
Bonus shares issued	2,299	-
Dividend Paid	34,473	-
Transactions with associated undertakings:		
Insurance premium written (including government levies administrative surcharge and policies stamps)	91,408	83,204
Premium received during the year	62,450	74,476
Insurance claims paid	7,420	9,730
Purchase of listed securities through broker, ASL including brokerage fee*	255,012	182,145
Sale of listed securities through broker, ASL including brokerage fee*	228,836	172,506
Contribution to staff retirement benefit funds	27,141	21,251

* ASL holds 15,000 shares (2015: 35,000 shares) amounting to Rs 1.02 million (Rs 0.58 million) as security against the transactions as at year end.

askari general insurance co. ltd.

Notes to the Financial Statements

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31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

31.1 The aggregate amounts charged in these financial statements for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	2016		
	Chief Executive	Directors	Executives
	Rupees '000		
Remuneration and bonus	12,332	-	56,412
Housing and utilities	4,679	-	15,561
Provident fund	709	-	2,307
Meeting fee	-	550	-
	17,720	550	74,280
No of person(s)	1	8	29

	2015		
	Chief Executive	Directors	Executives
	Rupees '000		
Remuneration and bonus	10,337	-	37,985
Housing and utilities	4,254	-	9,636
Provident fund	645	-	1,427
Meeting fee	-	586	-
	15,236	586	49,048
No of person(s)	1	8	23

31.2 The Chief Executive and Executives are also provided with the Company's maintained car. They are also entitled to gratuity and leave encashment for which the provision is determined by the actuary.

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32 MANAGEMENT OF FINANCIAL AND INSURANCE RISK

32.1 Financial risk

The Company's activities exposes it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest / mark-up rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risk without any material change from previous year in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing the Company's risk management policies.

i) Credit risk

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counterparties.

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. The management monitors and limits the Company's exposure to credit risk through monitoring of client's exposure and maintaining conservative estimates of provisions for doubtful assets, if required. The management believes it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors.

The carrying amount of financial assets represents the maximum credit exposure, as specified below:

	2016	2015
	Rupees '000	
Bank deposits	150,682	114,166
Investments	86,574	58,403
Advances to employees	1,344	1,488
Premium due but unpaid	604,333	514,021
Amounts due from other insurers / reinsurers	331,494	140,037
Accrued investment income	3,349	2,590
Reinsurance recoveries against outstanding claims	206,705	172,084
Sundry receivables	30,183	22,500
	1,414,664	1,025,289

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The Company does not hold any collateral against the above balances. Provision against receivable is written off when the Company expects that it cannot recover the balance due. Except as already provided for in these financial statements, past due balances were not impaired as they relate to a number of policy holders and other insurers / reinsurers for whom there is no recent history of default. The age analysis of gross receivables is as follows:

	Premium due but unpaid	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Sundry receivables	2016 Aggregate	2015 Aggregate
Rupees '000						
Up to 1 year	503,746	316,182	118,439	30,183	968,550	663,290
1-2 years	100,469	13,006	66,231	-	179,706	82,323
2-3 years	17,669	7,308	3,542	-	28,519	32,484
Over 3 years	-	5,400	18,493	-	23,893	90,278
	621,884	341,896	206,705	30,183	1,200,668	868,375

a) The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Rating Financial institution	Rating		Rating agency	2016	2015
	Short term	Long term			
Rupees' 000					
Askari Bank Limited	AA+	A1+	PACRA	142,347	71,064
Summit Bank Limited	A-	A-1	JCR-VIS	924	39,479
Habib Bank Limited	AAA	A-1+	JCR-VIS	851	933
Faysal Bank Limited	AA	A1+	PACRA	537	1,931
Soneri Bank Limited	AA-	A1+	PACRA	-	1
Silk Bank Limited	A-	A-2	JCR-VIS	4	1
Bank Al Falah Limited	AA	A1+	PACRA	301	686
Bank Islami Pakistan Limited	A+	A1	PACRA	-	56
Bank Al-Habib Limited	AA+	A1+	PACRA	55	15
Meezan Bank Limited	AA	A-1+	JCR-VIS	649	-
The Bank of Punjab	AA	A1+	PACRA	1	-
NRSP Microfinance Bank	A		PACRA	5,013	-
				150,682	114,166

b) Sector wise analysis of gross premiums due but unpaid is as follows:

Financial services	17,694	23,817
Textile and composites	27,766	24,168
Pharmaceuticals	3,819	3,940
Engineering	9,955	8,107
Other manufacturing	11,960	16,474
Construction companies	3,601	6,488
Education	21,426	42,036
Development	28,132	21,689
Telecommunication	6,816	6,835
Logistics	3,319	4,607
Agriculture	9,906	8,395
Other services	245,842	171,533
Poultry Industry	160	157
Sugar Industry	38,677	51,306
Miscellaneous	192,816	141,789
	621,889	531,341

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- c) The credit quality of amounts due from other insurers / reinsurers and reinsurance recoveries against outstanding claims can be assessed with reference to external credit rating as follows:

Rating	2016		Aggregate	2015
	Amount due from other insurers / reinsurers claims	Reinsurance recoveries against outstanding		Aggregate
	Rupees '000			
A or above	335,918	206,705	542,623	297,948
Others	5,978	-	5,978	6,185
	341,896	206,705	548,601	304,133

- d) The Company has diversified portfolio of investment to mitigate the risk. The major credit risk exposure relates to held to maturity investment which are placed with Government of Pakistan and a financial institution as mentioned in note 14.2 to the financial statements. The Company has also maintained a provision against certain certificates of investments as disclosed in note 14.2 to the financial statements.

ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Liquidity requirements are monitored by management to ensure that adequate funds are available to meet any obligations as they arise. To guard against risk, the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities.

The table below summarises the maturity profile of the Company's financial liabilities. The contractual maturities of these liabilities at the year end have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date. Financial liabilities not having a contractual maturity are assumed to mature on the expected date on which these liabilities will be settled.

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	2016			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
Financial liabilities	Rupees '000			
Provision for outstanding claims (including IBNR)	419,120	419,120	419,120	-
Amounts due to other insurers / reinsurers	340,346	340,346	340,346	-
Accrued expenses	22,794	22,794	22,794	-
Other creditors and accruals	155,552	155,552	155,552	-
Unclaimed dividend	1,237	1,237	1,237	-
Liabilities against assets subject to finance lease	81,498	81,498	20,541	60,957
Other liabilities	26,418	26,418	26,418	-
	1,046,965	1,046,965	986,008	60,957

	2015			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Rupees '000			
Provision for outstanding claims (including IBNR)	330,310	330,310	330,310	-
Amounts due to other insurers / reinsurers	165,073	165,073	165,073	-
Accrued expenses	20,234	20,234	20,234	-
Other creditors and accruals	171,772	171,772	171,772	-
Unclaimed dividend	809	809	809	-
Liabilities against assets subject to finance lease	37,230	37,230	8,881	28,349
Other liabilities	17,901	17,901	17,901	-
	743,329	743,329	714,980	28,349

iii) Market risk

- a) Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market variable such as interest / mark up rate, foreign exchange rate and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The market risks associated with the Company's business activities are interest / mark up rate risk and price risk.

Interest / mark up rate risk

Interest / mark-up rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in the market interest / mark up rates. The Company invests in securities and has deposits that are subject to interest / mark up rates risk. The Company limits interest / mark up rate risk by monitoring changes in interest / mark up rates in the currencies in which its cash and investments are denominated. The Company's financial liabilities are not exposed to interest / mark up rate risk. At the balance sheet date exposure to interest bearing financial assets is as follows:

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	2016	2015	2016	2015
	Effective interest rate (%)		Carrying amounts Rupees '000	
Fixed rate financial assets				
Deposit accounts	3.5% to 7.5%	0.25% to 5%	137,104	98,080
Investments	5.63% to 12.54%	6.5% to 12.5%	86,574	58,403
			223,678	156,483

Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not effect the fair value of any financial instrument.

For cash flow sensitivity analysis of variable rate instruments a hypothetical change of 100 basis points in interest rates at the reporting date would have decreased / increased profit for the year by Nil (2015: Rs. Nil).

It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The analysis assumes that all other variables remain constant. actual results might differ from those reflected above.

b) Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company, at present, is not materially exposed to currency risk as majority of the transactions are carried out in Pak Rupees.

c) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company is exposed to price risk since it has investments in quoted securities amounting to Rs. 1,412.86 million (2015: Rs. 1,099.53 million) at the balance sheet date out of which Rs. 1,073.18 million (2015: Rs. 839.96 million) are carried at fair value. The Company manages price risk by monitoring exposure in quoted securities and implementing the strict discipline in internal risk management and investment policies.

The carrying value of investments are based on quoted market prices as of the balance sheet date except for investments held to maturity securities which are measured at their amortized cost, investment in associates which are carried under equity method and available for sale equity instruments which are stated at lower of cost or market value (market value being taken as lower if fall is other than temporary) in accordance with the requirements of the S.R.O. 938 issued by the Securities and Exchange Commission of Pakistan (SECP).

Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

Sensitivity analysis

A 10% increase / (decrease) in market prices of held for trading investments at the year end, would have increased / (decreased) profit before tax by Rs. 107.32 million (2015: Rs. 83.99 million).

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iv) Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all financial assets and financial liabilities approximate their fair values except for available for sale and held to maturity investments whose fair values are determined for disclosure purpose only and have been disclosed in their respective notes to these financial statements.

The basis for determining the fair values is as follows:

Fair value hierarchy

The table below analysis financial instruments carried at fair value, by valuation method. The different levels are defined as below:

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

As at the balance sheet date, the Company's investments in fair value through profit or loss of Rs. 1,073.18 million (2015: Rs. 839.96 million) are carried in the financial statements at their fair values. The fair values for these investments have been determined using the valuation method as described in fair value hierarchy level 1. Fair value of available for sale investments, determined for disclosure purpose only are also determined using the valuation method as described in fair value hierarchy level 1. Fair value of government securities determined for disclosure purpose only are determined using the valuation method as described in fair value hierarchy level 2.

Determination of fair values

Fair values have been determined for measurement / or disclosure purpose based on the following methods:

Investment in fair value through profit and loss account - held for trading

The fair value of held for trading investment is determined by reference to their closing repurchase price / price quoted on the stock exchange at the reporting date.

Available for sale investment

The fair value of available for sale investment is determined by reference to their closing repurchase price / price quoted on the stock exchange at the reporting date. The fair value is determined for disclosure purposes.

Held to maturity investment

Fair value for held to maturity investment is estimated as the present values of future cash flows, discounted at the market rate of interest at the reporting date. The fair values are determined for disclosure purposes.

Non-derivatives financial assets and liabilities

The fair value is estimated based on the present values of future cash flows, discounted at the market rate of interest at the reporting date. However, since these assets and liabilities are due to be settled within one year, their fair values approximate their carrying values.

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v) Capital management

The Company's objectives when managing capital are to safeguard 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 of its business. The management closely monitors the return on capital along with the level of distributions to ordinary shareholders. The Company is compliant with the minimum capital requirement under the Insurance Ordinance 2000.

SECP under S.R.O.828 (I) 2015 dated 18th August 2015 has prescribed the following minimum paid up capital requirement for all non life insurers:

	30 June	31 December
	Rupees '000	
Year 2015	-	300,000
Year 2016	350,000	400,000
Year 2017	450,000	500,000

The Company has adopted a policy of profit capitalization to meet the regulatory requirements for minimum paid up capital and where required call further capital. There was no change in the Company's approach towards capital management during the year.

32.2 Insurance risk

The risk under any one 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 its insurance contracts is that the actual claims exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims is greater than estimated. Insurance events are random, and the actual number and amount of claims will vary from year to year from the level established.

Based on past experience, management is of the view that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome is. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

(a) Frequency and severity of claims

Political, environmental, economical and climatic changes give rise to more frequent and severe extreme events (for example, fire, theft, steal, riot and strike, explosion, earthquake, atmospheric damage, hurricanes, typhoons, river flooding, electric fluctuation, terrorism, war risk, damages occurring in inland transit, burglary, loss of cash in safe and cash in transit, travel and personal accident, money losses, engineering losses and other events) and their consequences (for example subsidence claims). For certain contracts, the Company has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

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Insurance contracts which are divided into direct and facultative arrangements are further subdivided into five segments: fire, marine, motor, accident and health and miscellaneous. The insurance risk arising from these contracts is concentrated in the territories in which the Company operates, and there is a balance between commercial and personal properties / assets in the overall portfolio of insured properties / assets. The Company underwrites insurance contract in Pakistan.

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. The Company has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (for example, subrogation). The claims payments are limited to the extent of sum insured on occurrence of the insured event.

The Company has entered into reinsurance cover / arrangements with local and foreign reinsurers having good credit rating by reputable rating agencies, to reduce its exposure to risks and resulting claims. Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non-proportional facultative reinsurance arrangements are in place to protect the net account in case of a major catastrophe. The effect of such reinsurance arrangements is that the Company recovers the share of claims from reinsurers thereby reducing its exposure to risk. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional reinsurance arrangements, any loss over and above the said limit would be recovered under non-proportional treaty which is very much in line with the risk management philosophy of the Company. In compliance of the regulatory requirement, the reinsurance agreements are duly submitted with Securities and Exchange Commission of Pakistan on an annual basis.

The Company has claims department dealing with the mitigation of risks surrounding claims incurred whether reported or not. This department investigates and settles all claims based on surveyor's report / assessment. The unsettled claims are reviewed individually on a periodic basis and adjusted to reflect the latest information on the underlying facts, contractual terms and conditions, and other factors. The Company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

(b) Sources of uncertainty in the estimation of future claim payments

Claims reported and otherwise are analyzed separately. The development of large losses / catastrophes is analyzed separately. The shorter settlement year for claims allows the Company to achieve a higher degree of certainty about the estimated cost of claims including IBNR. However, the longer time needed to assess the emergence of a subsidence claim makes the estimation process more uncertain for these claims.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value, reinsurance and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome may be different from the original liability established. The liability comprises amount in relations to unpaid reported claims, claims incurred but not reported (IBNR), expected claims settlement costs and a provision for unexpired risks at the end of the reporting year.

Liability in respect of outstanding claims is based on the best estimate of the claims intimated or assessed. In calculating the estimated cost of unpaid claims (both reported and not), the Company estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a prior financial years in relation to such claims) and an estimate based upon actual claims experience using predetermined basis where greater weight is given to actual claims experience as time passes.

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In estimating the liability for the cost of reported claims not yet paid, the Company considers any information available from surveyor's assessment and information on the cost of settling claims with similar characteristics in previous years. Claims are assessed on a case-by-case basis separately.

Statement of age-wise breakup of unclaimed insurance benefit

Particulars	Total amount months	Age-wise Breakup				Beyond 36 months
		1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	
Rupees in '000						
Claims not encashed	79,613	71,435	1,808	4,355	2,015	-

(c) Sensitivity analysis

The risks associated with the insurance contracts are complex and subject to number of variables which complicate quantitative sensitivity analysis. The Company makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Company considers that the liability for insurance claims recognized in the balance sheet is adequate. However, actual experience will differ from the expected outcome.

As the Company enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on profit before tax net of reinsurance.

	Profit before tax		Shareholders' equity	
	2016	2015	2016	2015
Rupees in '000				
10% Increase in loss				
Fire and property damage	(585)	(530)	(404)	(355)
Marine aviation and transport	(689)	(960)	(475)	(643)
Motor	(15,294)	(11,276)	(10,553)	(7,555)
Health	(3,354)	(1,635)	(2,314)	(1,095)
Miscellaneous	(1,320)	(1,423)	(911)	(953)
	(21,242)	(15,824)	(14,657)	(10,601)

A 10% decrease would have had equal but opposite effect on the profit and loss account and shareholders' equity.

(d) Concentration of insurance risk

A concentration of risk may also arise from a single insurance contract issued to a particular type of policyholder, within a geographical location or to types of commercial business. The Company minimizes its exposure to significant losses by obtaining reinsurance from a number of reinsurers, who are dispersed over several geographical regions.

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 with reference to the geographical location, the most important of which is risk survey. The concentration of risk by type of contracts is summarized below by reference to liabilities.

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	Gross sum insured	Reinsurance	Net
	Rupees in '000		
2016			
Fire and property	249,990,765	217,908,041	32,082,724
Marine, aviation and transport	163,773,630	87,498,087	76,275,543
Motor	37,070,223	748,819	36,321,404
Miscellaneous	243,473,785	221,370,579	22,103,206
	694,308,403	530,729,448	177,877,731
2015			
Fire and property	220,963,695	179,864,448	41,099,247
Marine, aviation and transport	153,206,528	92,092,444	61,114,084
Motor	36,206,919	818,276	35,388,643
Miscellaneous	54,003,241	34,812,058	19,191,183
	464,380,383	307,587,226	156,793,157

The Company's class wise major risk exposure is as follows:

	Maximum Gross Risk Exposure	
	2016	2015
	Rupees '000	
Fire and property	12,127,500	8,899,239
Marine, aviation and transport	14,000,000	4,009,500
Motor	34,000	29,000
Liability	530,000	510,000
Miscellaneous	148,654,427	3,862,000

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(e) Claims development tables

The following table shows the development of fire claims over a year of time. The disclosure goes back to the year when the earliest material claim arose for which there is still uncertainty about the amount and timing of i.e. claims payments. For other classes of business, the uncertainty about the amount and timings of claims payment is usually resolved within a year. In accordance with the guidelines issued by the Securities and Exchange Commission of Pakistan vide Circular No. 4/2010 dated 23 January 2010, the claims where uncertainty about the amount and timings of claims payment is usually resolved within a year are not disclosed in the below table.

Analysis on gross basis

Accident Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Rupees '000										
Estimate of Ultimate Claim Cost										
At the end of accident year	123,448	72,270	59,098	74,829	77,425	80,795	41,226	40,106	101,377	670,574
One year later	115,950	76,356	49,985	82,599	65,391	75,292	60,209	48,943	-	574,725
Two years later	116,568	73,494	49,325	81,855	66,609	75,296	61,383	-	-	524,530
Three years later	115,875	73,717	49,118	81,855	68,150	76,160	-	-	-	464,875
Four years later	116,510	73,785	49,018	81,811	67,943	-	-	-	-	389,067
Five years later	116,429	73,762	48,943	81,869	-	-	-	-	-	321,003
Six years later	116,429	74,658	49,579	-	-	-	-	-	-	240,666
Seven years later	116,429	74,658	-	-	-	-	-	-	-	191,087
Eight years later	116,480	-	-	-	-	-	-	-	-	116,480
Estimate of cumulative claim	116,480	74,658	49,579	81,869	67,943	76,160	61,383	48,943	101,377	678,392
Cumulative payments to date	101,075	74,631	48,940	81,766	67,646	75,808	58,799	46,451	69,157	624,273
Liability recognised at the reporting date	15,405	27	639	103	297	352	2,584	2,492	32,220	54,119

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33 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	2016								
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Investment at fair value through profit and loss	1,073,175	-	-	-	-	1,073,175	1,073,175	-	-
Financial assets not measured at fair value									
Cash and bank deposits*	-	-	-	151,902	-	151,902	-	-	-
Loans to employees	-	-	-	1,344	-	1,344	-	-	-
Investments	-	-	-	-	-	-	-	-	-
- Government securities	-	-	70,091	-	-	-	-	-	-
- Certificates of Investment (COIs)	-	-	-	16,483	-	16,483	-	-	-
- Quoted equity securities / mutual funds	-	338,478	-	-	-	338,478	-	-	-
Premiums due but unpaid*	-	-	-	604,333	-	604,333	-	-	-
Amounts due from other insurers / reinsurers*	-	-	-	331,494	-	331,494	-	-	-
Salvage recoveries accrued*	-	-	-	15,603	-	15,603	-	-	-
Accrued investment income*	-	-	-	3,349	-	3,349	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	206,705	-	206,705	-	-	-
Sundry receivables*	-	-	-	30,183	-	30,183	-	-	-
Total assets of Window Takaful Operations	-	-	-	78,051	-	78,051	-	-	-
Financial liabilities not measured at fair value									
Provision for outstanding claims (including IBNR)*	-	-	-	-	419,120	419,120	-	-	-
Amounts due to other insurers / reinsurers*	-	-	-	-	340,346	340,346	-	-	-
Accrued expenses*	-	-	-	-	22,794	22,794	-	-	-
Other creditors and accruals*	-	-	-	-	155,552	155,552	-	-	-
Deposits and other payables*	-	-	-	-	26,418	26,418	-	-	-
Unclaimed dividend*	-	-	-	-	1,237	1,237	-	-	-
Total liabilities of Window Takaful Operations - OPF	-	-	-	-	24,460	24,460	-	-	-
	1,073,175	338,478	70,091	1,439,447	989,927	3,911,118	1,073,175	-	-

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For the year ended 31 December 2016

	2015								
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Investment at fair value through profit and loss	839,956	-	-	-	-	-	839,956	-	-
Financial assets not measured at fair value									
Cash and bank deposits*	-	-	-	115,264	-	-	115,264	-	-
Loans to employees	-	-	-	1,488	-	-	1,488	-	-
Investments									
- Government securities	-	-	39,442	-	-	-	39,442	-	-
- Certificates of Investment (COIs)	-	-	-	18,961	-	-	18,961	-	-
- Quoted equity securities / mutual funds	-	259,569	-	-	-	-	259,569	-	-
Premiums due but unpaid*	-	-	-	514,021	-	-	514,021	-	-
Amounts due from other insurers / reinsurers*	-	-	-	132,049	-	-	132,049	-	-
Salvage recoveries accrued*	-	-	-	6,865	-	-	6,865	-	-
Accrued investment income*	-	-	-	2,590	-	-	2,590	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	172,084	-	-	172,084	-	-
Sundry receivables*	-	-	-	22,500	-	-	22,500	-	-
Total assets of Window Takaful Operations	-	-	-	50,368	-	-	50,368	-	-
Financial liabilities not measured at fair value									
Provision for outstanding claims (including IBNR)*	-	-	-	-	330,310	-	330,310	-	-
Amounts due to other insurers / reinsurers*	-	-	-	-	165,073	-	165,073	-	-
Accrued expenses*	-	-	-	-	20,234	-	20,234	-	-
Other creditors and accruals*	-	-	-	-	171,772	-	171,772	-	-
Deposits and other payables*	-	-	-	-	17,901	-	17,901	-	-
Unclaimed dividend*	-	-	-	-	809	-	809	-	-
Total liabilities of Window Takaful Operations - OPF	-	-	-	-	2,320	-	2,320	-	-
	839,956	259,569	39,442	1,036,190	708,419	2,883,576	839,956	-	-

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

* The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

34 SEGMENT REPORTING

Rupees '000

Business class wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirements of Insurance Ordinance, 2000 and SEC (Insurance) Rules 2002. The following table presents estimated information regarding certain assets and liabilities of the segments for the years ended 31 December 2016 and 2015, unallocated capital expenditure and non-cash expenses during the year.

	Fire and property damage		Marine, aviation and transport		Motor		Accident and Health		Miscellaneous		TOTAL
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
Corporate Segment assets - Conventional	246,965	302,526	115,975	103,221	1,208,726	368,991	546,203	350,876	895,392	299,074	3,013,261
Corporate Segment assets - Takaful OPF	3,572	428	1,132	190	16,105	1,823	-	-	125	-	20,934
Corporate unallocated assets - Conventional											2,441
Corporate unallocated assets - Takaful OPF											635,266
Consolidated total assets											57,117
											<u>3,726,578</u>
											<u>2,849,689</u>
Corporate Segment liabilities - Conventional	259,746	292,979	86,817	97,294	826,082	615,243	421,295	417,734	566,254	329,150	2,160,194
Corporate Segment liabilities - Takaful OPF	3,053	328	312	42	18,397	421	-	-	974	-	22,736
Corporate unallocated Segment liabilities - Conventional											791
Corporate unallocated Segment liabilities - Takaful OPF											156,752
Consolidated total liabilities											1,724
											<u>1,529</u>
											<u>2,341,406</u>
											<u>1,865,924</u>
Capital expenditure	3,973	9,532	3,697	4,708	52,711	53,487	15,839	12,942	3,855	8,055	80,075
Depreciation and amortisation - Conventional	962	1,788	895	883	29,225	21,243	3,833	2,428	933	1,511	35,848
Capital expenditures - Takaful OPF	30	7	14	4	193	42	-	-	1	-	238
Depreciation and amortisation - Takaful OPF	-	2	-	1	1	14	-	-	-	-	17
Unallocated depreciation and amortisation - Conventional											11,096
Unallocated depreciation and amortisation - Takaful OPF											<u>12</u>
											<u>11,473</u>
											<u>-</u>

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

35 DISCLOSURE FOR LISTED COMPANIES FOR ALL SHARES ISLAMIC INDEX SCREENING

35.1 Loans and advances

	2016	2015
	————— Rupees'000 —————	
Advances to employees	1,344	1,488

These advances to employees are non interest bearing.

35.2 Deposits

These include non interest bearing deposits of Rs nil (31 December 2015: Rs nil).

35.3 Segments of business

Segregated revenue earned from different segments has been disclosed in profit and loss accounts / Statement of Comprehensive Income for the year.

	2016	2015
	————— Rupees'000 —————	
35.4 Balance with banks		
Balances carrying interest or markup arrangement	137,104	98,080
Balances not carrying interest or markup arrangement	13,578	16,086
	150,682	114,166

35.5 Profit on bank deposits

Earned under interest/ markup arrangement	5,208	6,406
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askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

	2016	2015
	Rupees'000	
35.6 Gain/ loss on investments		
35.6.1 Realised gain		
Income from trading investments - Gain on trading		
Arrangements permissible under Shariah		
Pakistan Telecommunication Company Ltd	59	-
Primus Islamic Income Fund	1,175	-
Shariah non-compliant arrangements		
Arif Habib Corporation Ltd	-	165
ABL Cash Fund	2,152	117
ABL Government Securities Fund	1,827	5,525
ABL Income Fund	14	73
AKD Aggressive Income Fund	926	2,586
AKD Cash Fund	1,249	391
Alfalah GHP Cash Fund	21	(2)
Alfalah GHP Income Fund	368	-
Alfalah GHP Income Multiplier Fund	69	3,554
Alfalah GHP Money Market Fund	77	229
Alfalah GHP Sovereign Fund	-	3,221
Askari High Yield Scheme	140	5,224
Askari Sovereign Cash Fund	2,090	324
Askari Sovereign Yield Enhancer	177	-
Atlas Income Fund	221	2,442
Atlas Money Market Fund	841	-
Atlas Sovereign Liquid Fund	-	43
Century Insurance Company Limited	64	17
Faysal Bank Ltd	-	106
Faysal Money Market Fund	1,042	64
Faysal Saving Growth Fund	-	1,514
Faysal Financial Sector Opportunity Fund	-	200
HBL Income Fund	356	4,386
JS Cash Fund	840	103
JS Income Fund	-	4
Lakson Money Market Fund	743	-
Lakson Income Fund	-	26
MCB Cash Management Optimizer Fund	2,022	110
MCB Pakistan Sovereign Fund	946	-
MCB Dynamic Cash Fund	-	3,123
MetroBank Pakistan Sovereign Fund	-	4,599
NAFA Income Fund	218	-
NAFA Income Opportunity Fund	1,817	3,824
NIT Government Bond Fund	-	1,913
Pakistan Income Enhancement Fund	137	(388)
Pakistan Cash Management Fund	-	590
PICIC Cash Fund	1,545	134
PICIC Income Fund	311	5,472
Primus Daily Reserve Fund	2,608	633
Primus Income Fund	(368)	10,476
Pak Reinsurance Company Ltd	1	25
UBL Government Securities Fund	226	7,110
UBL Liquidity Plus Fund	275	109
UBL Money Market Fund	-	28
United Growth and Income Fund	4,861	-
World Telecom Ltd	-	(1)
	29,052	68,069

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

	2016	2015
	Rupees'000	
Income from non-trading investments		
Shariah non-compliant arrangements		
Pakistan Investment Bonds	5,211	4,629
Orix Leasing Pakistan Limited	1,263	1,615
Arrangements permissible under Shariah	Nil	Nil
	6,474	6,244
Available for sale investments - Gain on sale of investments		
Arrangements permissible under Shariah		
Attock Refinery Ltd	138	59
ABL Islamic Stock Fund	1,032	-
Biafo Industries	27	-
Bestway Cement Limited	189	-
Century Papers and Board Mills	-	2
Cherat Cement Co Ltd	150	1
Crescent Steel & Allied Products	-	593
Dawood Hurcules Chemicals Ltd	307	-
DG Khan Cement Co Ltd	677	319
Engro Corporation Ltd	391	1,362
Engro Fertilizer Ltd	5	325
Engro Foods Ltd	112	297
Fauji Cement Co Ltd	347	37
Fauji Fertilizer Bin Qasim Ltd	116	-
Ferozsons Laborities Ltd	88	40
Glaxo Welcome Pakistan Ltd	23	117
Ghandara Industries	31	-
Hascol Petroleum Ltd	-	15
Hub Power Co Ltd	5	-
Honda Atlas Cars Pakistan Limited	457	-
Hitech Lubricants Ltd	209	-
Hinopak Motors Limited	7	-
ICI Pakistan Ltd	22	-
INDUS Motor Company Ltd	2,424	301
Kohat Cement Co Ltd	43	54
kot Addu Power Company	19	-
Lucky Cement Co Ltd	179	536
Mapleleaf Cement Factory Ltd	107	443
Mari Petroleum Co Ltd	845	120
Mughal Iron and Steel Industries Ltd	264	14
Nishat Chunian Power Ltd	306	2
Nishat Chunian Ltd	-	3
Nishat Mills Ltd	2	373
National Refinery Ltd	-	130
Oil and Gas Co Ltd	127	34
Packages Ltd	421	7
Pak Electron Ltd	431	11
Pakistan State Oil Co Ltd	24	196
Pakistan Oilfields Limited	631	-
Pakistan Suzuki Motor Co Ltd	70	608
Pakistan International Bulk Terminal	135	28
Pioneer Cement Co Ltd	324	90
Pakistan National Shipping Corporation	44	-
PIML Islamic Equity Fund	40	-
Searle Pakistan Ltd	822	22
Sui Southern Gas Co Ltd	180	-
Sui Northern Gas Pipelines Ltd	84	105
Thal Ltd	-	8

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

	2016	2015
	Rupees'000	
Shariah non-compliant arrangements		
Adamjee Insurance Co Ltd	-	567
Alfalah GHP Alpha Fund	196	-
Alfalah GHP Stock Fund	992	393
Askari Bank Limited	435	-
ABL Stock Fund	7,747	2,417
AKD Opportunity Fund	6,742	5,335
Bank Alfalah Ltd	-	42
Deewan Cement Limited	114	-
Golden Arrow	2,192	-
Habib Bank Ltd	340	-
Jahangir Siddiqi Co Ltd	91	-
JS Bank Ltd	5	-
JS Growth Fund	1,934	-
JS Large Capital Fund	639	4,038
MCB Bank Ltd	817	6
MCB Pakistan Stock Market Fund	1,678	2,983
Murree Brewery Company limited	116	-
National Bank of Pakistan	94	158
NAFA Stock Fund	761	-
PIML Value Equity Fund	739	-
UBL Bank Ltd	317	-
UBL Stock Advantage Fund	202	-
TRG Pakistan Ltd	123	330
	38,134	22,520

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

	2016	2015
	Rupees'000	
35.6.2 Unrealized profit on re-measurement of investments held for trading		
Arrangements premissible under Shariah		
Pakistan Telecommunication Company Ltd	-	(316)
Shariah non-compliant arrangements		
Askari High Yield Scheme	850	-
AKD Aggressive Income Fund	3,297	-
AKD Cash Fund	-	281
ABL Cash Fund	-	375
ABL Government Securities Fund	1,827	-
Alfalah GHP Cash Sovereign Fund	-	-
Alfalah GHP Cash Fund	(585)	272
Alfalah GHP Income Multiplier Fund	1,047	-
Atlas Money Market Fund	-	141
Century Insurance Co Ltd	-	5
Faysal Margin Trading Fund	2,962	-
Faysal Money Market Fund	-	311
JS Income Fund	1,803	-
JS Cash Fund	-	172
Metro Bank Sovereign Fund	-	-
MCB Cash Management Optimizer	-	386
Lakson Money Market Fund	-	56
NAFA Income Opportunity Fund	2,978	414
PICIC Income Fund	2,057	-
PICIC Cash Fund	-	267
Pak Reinsurance co. ltd	306	139
Primus Daily Reserve Fund	-	397
Pakistan Income Enhancement Fund	165	-
UnitedGrowth and Income Fund	5,328	-
UBL Income Opportunity Fund	673	-
UBL Liquidity Fund	-	231
	22,708	3,129
35.7 Dividend income		
Income from trading investments		
Pakistan Telecommunication Company Ltd	97	121
Alfalah GHP Cash Fund	3,194	-
ABL Cash Fund	220	-
ABL Government Securities Fund	174	-
Askari High Yield Scheme	-	1,845
Century Insurance Co Ltd	-	30
Faysal Money Market Fund	1,294	-
JS Income Fund	4,635	-
Pak Reinsurance co. ltd	99	112
	9,713	2,108

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

	2016	2015
	Rupees'000	
Available for sale investments		
Bestway Cement Co Ltd	24	-
Biafo Industries Ltd	425	-
DG Khan Cement Co Ltd	90	-
Dawood Hurcules Chemicals Ltd	348	96
Cherat Cement Co Ltd	-	75
Engro Corporation Ltd	706	130
Engro Fertilizer Ltd	450	-
Engro Fertilizer Co Ltd	75	-
Fauji Cement Co Ltd	62	128
Fauji Fertilizer Bin Qasim Ltd	77	-
Fauji Fertilizer Co Ltd	183	-
Hi-Tech Lubricants Ltd	27	-
Indus Motor Co Ltd	100	20
Kohat Cement Co Ltd	135	-
Maple Leaf Cement Factory Ltd	30	20
Nishat Chunian	125	75
Oil and Gas Co Ltd	75	-
Poineer Cement Co Ltd	-	313
Pakistan Suzuki Motor Co Ltd	-	50
Packages Ltd	150	36
Pakistan Petroleum Ltd	45	159
Pakistan Oil Fields Ltd	420	396
Pak Electron Ltd	10	-
Pakistan State Oil Co Ltd	135	30
Pakistan National Shipping Corporation	10	-
Searle Pakistan Limited	205	-
Adamjee Insurance Co Ltd	-	45
ABL Stock Fund	585	1,688
AKD Opportunity Fund	1,096	-
Alfalah GHP Stock Fund	600	-
Alfalah GHP Alpfa Fund	2,576	-
Bank Alfalah Ltd	-	50
Dawood Income Fund	570	-
Golden Arrow Selected Stock Fund	840	-
Golden Arrow Stock Fund	660	250
Habib Bank Ltd	112	-
IGI Insurance Co Ltd	100	75
JS Growth Fund	233	266
JS Large Capital Fund	-	295
Lakson Equity Fund	183	-
Murree Brewery Co Ltd	63	-
MCB Bank Ltd	304	-
MCB Pakistan Stock Market Fund	200	-
NAFA Stock Fund	1,436	1,331
National Bank of Pakistan	150	0
United Bank Ltd	220	60
Ubl Bank Ltd	-	200
PIML Value Equity Fund	-	426
	13,835	6,213
	23,548	8,321
35.8 Other income		
Tracker Income	75	120
Rental income	3,652	2,887
Gain on sale of fixed assets	472	2,139
Reversal of workers' welfare fund	2,753	-
Others	3,010	2,293
	9,962	7,439

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

36 PROVIDENT FUND

	2016	2015
	Rupees'000	
Size of the fund - total assets	67,909	58,899
Percentage of investment made (based on fair value)	74%	78%
Fair value of investments	50,230	45,916

36.1 The cost of above investments amounted to Rs. 46.14 million (2015: Rs. 45.75 million).

36.2 The break-up of fair value of investments is:

	2016	2015	2016	2015
Percentage	Rupees'000			
Pakistan Stock Market Fund	23%	18%	11,640	8,297
Pakistan Investment Bond	71%	77%	35,578	35,305
NIT Islamic Equity Fund	6%	5%	3,012	2,314
	100%	100%	50,230	45,916

36.3 The investments out of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and rules formulated for this purpose.

36 WINDOW TAKAFUL OPERATIONS

	2016	2015
Assets	Rupees'000	
Cash and bank deposits	10,084	7,578
Investments	43,036	40,258
Current assets - others	24,669	2,496
Fixed assets	262	36
Total assets	78,051	50,368
Total liabilities - current	24,460	2,320
Profit / (Loss) from Window Takaful Operations	5,543	(1,952)

Details of total assets, total liabilities and segment disclosure of window takaful operations are stated in the annexed financial statements.

askari general insurance co. ltd.

Notes to the Financial Statements

For the year ended 31 December 2016

38 GENERAL

38.1 Number of employees

Total number of employees at the end of the year were 407 (2015: 407). Average number of employees during the year were 407 (2015: 396).

38.2 Subsequent event

The Board of Directors of the Company in the meeting held on March 8, 2017 have proposed a final dividend Rs 1 per share and bonus issue of 15%.

38.3 Date of approval

These financial statements have been authorized for issue by the Board of Directors of the Company on March 8, 2017.



Abdul Waheed
President & Chief Executive



Lt Gen Khalid Rabbani (Retd)
Chairman



Brig M. Ibrahim Khan (Retd)
Director



Maj Gen Syed Taqi Naseer Rizvi (Retd)
Director

Annexure

Askari General Insurance Co. Ltd

Window Takaful Operations

Financial Statements

For the year ended 31 December 2016

askari general insurance co. ltd. - Window Takaful Operations

Balance Sheet

As at 31 December 2016

Notes	2016			2015
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	Rupees '000			
Operator's Fund				
Statutory Fund	50,000	-	50,000	50,000
Accumulated profit/(loss)	3,591	-	3,591	(1,952)
	53,591	-	53,591	48,048
Waqf/Participants' Takaful Fund				
Cede money	-	1,000	1,000	1,000
Accumulated surplus/(deficit)	-	2,612	2,612	(279)
	-	3,612	3,612	721
Underwriting Provisions				
Provision for outstanding claims (including IBNR)	-	21,530	21,530	550
Provision for unearned contribution	-	55,248	55,248	4,713
Unearned retakaful rebate	-	2,049	2,049	183
Total underwriting provisions	-	78,827	78,827	5,446
Creditors and Accruals				
Contribution received in advance	-	1,912	1,912	36
Amounts due to other takaful / retakaful operator	-	13,108	13,108	2,660
Unearned wakala fees	21,446	-	21,446	1,785
Wakala fees payable	-	16,538	16,538	2,080
Mudarib fees payable	-	69	69	3
Other creditors and accruals	1,980	2,235	4,215	783
	23,426	33,862	57,288	7,347
Other Liabilities				
Others	1,034	-	1,034	-
TOTAL LIABILITIES	24,460	112,689	137,149	12,793
TOTAL EQUITY AND LIABILITIES	78,051	116,301	194,352	61,562

The annexed notes 1 to 18 form an integral part of these financial statements.



Abdul Waheed
President & Chief Executive



Brig M. Ibrahim Khan (Retd)
Director

	Notes	2016		Aggregate	2015 Aggregate
		Operator's Fund	Participants' Takaful Fund		
Rupees '000					
Cash and Bank Deposits					
Cash and other equivalents	5	-	171	171	42
Current and other accounts	6	10,084	12,503	22,587	10,875
Total Cash and Bank		10,084	12,674	22,758	10,917
Advances to employees					
Investments	7	38	-	38	-
		43,036	40,000	83,036	40,258
Current Assets - Others					
Contribution due but unpaid - unsecured, considered good	8	-	14,940	14,940	2,144
Amount due from other Takaful & Retakaful Operators		-	8,593	8,593	1,286
Deferred commission expense		4,396	-	4,396	323
Retakaful recoveries against outstanding claims		-	6,904	6,904	250
Wakala fees receivable		16,538	-	16,538	2,080
Mudarib fees receivable		69	-	69	3
Deferred Wakala fees		-	21,446	21,446	1,785
Tax deducted at source		703	-	703	-
Prepayments	9	16	11,744	11,760	2,390
Sundry receivables	10	2,909	-	2,909	90
		24,631	63,627	88,258	10,351
Fixed Assets					
Furniture and fixtures	11	30	-	30	36
Computer and office equipment		232	-	232	-
		262	-	262	36
TOTAL ASSETS		78,051	116,301	194,352	61,562

Maj Gen Syed Taqi Naseer Rizvi (Retd)
Director

Lt Gen Khalid Rabbani (Retd)
Chairman

askari general insurance co. ltd. - Window Takaful Operations Profit and Loss Account / Statement of Comprehensive Income

For the year ended 31 December 2016

	Rupees '000				
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	2015 Aggregate
PTF Revenue Account					
Net contribution revenue	190	1,657	34,902	93	271
Wakala expense	(2,343)	(1,084)	(14,833)	(105)	(295)
Net claims	(388)	(2,065)	(15,439)	(91)	(300)
Retakaful rebate	1,418	496	39	41	37
Underwriting Results	(1,123)	(996)	4,669	(62)	(287)
Investment income					
Modarib's share					11
Surplus/(deficit) for the year					(3)
					8
					2,891
OPF Revenue Account					
Wakala fee	2,343	1,084	14,833	105	295
Management expenses	(35)	(302)	(6,352)	(17)	(511)
Commission expense	(1,074)	(702)	(2,251)	(21)	(54)
	1,234	80	6,230	67	(270)
Modarib's share of PTF investment income					
Investment income					3
General and administration expenses					1,288
Profit/(loss) for the year					(2,973)
Other comprehensive income					(1,682)
Total comprehensive income/(loss) for the year					5,543
					(1,952)
					-
					5,543
					(1,952)

Notes

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The annexed notes 1 to 18 form an integral part of these financial statements.



Abdul Waheed
President & Chief Executive



Brig M. Ibrahim Khan (Retd)
Director



Maj Gen Syed Taqi Nasseer Rizvi (Retd)
Director



Lt Gen Khalid Rabbani (Retd)
Chairman

askari general insurance co. ltd. - Window Takaful Operations

Statement of Cash Flows

For the year ended 31 December 2016

	2016	2015
	Rupees '000	
Operating Cash Flows		
a) Underwriting activities:		
Takaful/underwriting activities	82,482	1,903
Contribution received	(8,876)	-
Re-takaful Contribution paid	(4,996)	-
Claims paid	549	-
Re-takaful and other recoveries received	(6,638)	(7)
Commission paid	967	-
Re-takaful rebate received	(6,670)	(322)
Management expenses	56,818	1,574
Net cash flows generated from underwriting activities		
b) Other operating activities:		
Income tax paid	(703)	(90)
General management expenses paid	(5,699)	(2,831)
Net operating receipts	1,679	276
Advances to employees	(38)	-
Net cash used in other operating activities	(4,761)	(2,645)
Total cash flows generated / (used in) from all operating activities	52,057	(1,071)
Investment activities:		
Profit / return received	846	1,041
Dividends received	2,085	-
Payment for investments	(42,800)	(40,258)
Proceeds from desposal of investments	1,162	258
Fixed capital expenditure	(240)	(53)
Total cash flows used in investing activities	(38,947)	(39,012)
Financing activities:		
Contribution to the Operator's Fund	-	50,000
Cede money	-	1,000
Payment against Ijarah	(1,269)	-
Total cash (used in) / generated from financing activities	(1,269)	51,000
Net cash generated from all activities	11,841	10,917
Cash at beginning of the year	10,917	-
Cash at end of the year	22,758	10,917

The annexed notes 1 to 18 form an integral part of these financial statements.



Abdul Waheed
President & Chief Executive



Brig M. Ibrahim Khan (Retd)
Director



Maj Gen Syed Taqi Naseer Rizvi (Retd)
Director



Lt Gen Khalid Rabbani (Retd)
Chairman

askari general insurance co. ltd. - Window Takaful Operations

Statement of Cash Flows

For the year ended 31 December 2016

Reconciliation to Profit and Loss Account:	2016	2015
	Rupees '000	
Operating cash flows	52,057	(1,071)
Depreciation expense	(13)	(17)
Increase in assets other than cash	77,242	10,351
Decrease in liabilities other than running finance	(124,356)	(12,793)
Unrealized loss on investments held for trading	(23)	219
Dividend income	2,085	-
Investment income	1,163	1,080
Profit on bank deposits	845	-
Tax paid	703	-
Deposit against Ijarah	(1,269)	-
Profit/(loss) after taxation	8,434	(2,231)

Attributed to

Operator's Fund	5,543	(1,952)
Participants' Takaful Fund	2,891	(279)
	8,434	(2,231)

Definition of cash :

Cash comprises of cash in hand, bank balances, stamp in hand and short term placements with banks which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

Cash for the purpose of the statement of cash flows consist of:

	2016	2015
	Rupees '000	
Cash and other equivalents	171	42
Current and other accounts	22,587	10,875
	22,758	10,917

The annexed notes 1 to 18 form an integral part of these financial statements.



Abdul Waheed
President & Chief Executive



Lt Gen Khalid Rabbani (Retd)
Chairman



Brig M. Ibrahim Khan (Retd)
Director



Maj Gen Syed Taqi Naseer Rizvi (Retd)
Director

askari general insurance co. ltd. - Window Takaful Operations

Statement of Changes in Fund

For the year ended 31 December 2016

	Operator's Fund		Total
	Statutory Fund	Accumulated Profit (loss) Rupees '000	
Contribution made during the period	50,000		50,000
Total comprehensive loss for the year			
Loss for the period	-	(1,952)	(1,952)
Balance as at 31 December 2015	50,000	(1,952)	48,048
Balance as at 01 January 2016	50,000	(1,952)	48,048
Total comprehensive income for the year			
Profit for the year		5,543	5,543
Balance as at 31 December 2016	50,000	3,591	53,591

	Participants' Takaful Fund		Total
	Cede Money	Accumulated Surplus / (deficit) Rupees '000	
Cede money	1,000	-	1,000
Deficit for the period		(279)	(279)
Balance as at 31 December 2015	1,000	(279)	721
Balance as at 01 January 2016	1,000	(279)	721
Surplus for the year	-	2,891	2,891
Balance as at 31 December 2016	1,000	2,612	3,612

The annexed notes 1 to 18 form an integral part of these financial statements.



Abdul Waheed
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Director



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Director

askari general insurance co. ltd. - Window Takaful Operations

Statement of Contributions

For the year ended 31 December 2016

Business Underwritten inside Pakistan	Contribution written		Unearned contribution reserve		Contribution earned		Retakaful ceded		Prepaid retakaful contribution ceded		Retakaful expense		2016		2015	
	Opening	Closing	Opening	Closing	earned	ceded	Opening	Closing	Net contribution revenue	Net contribution revenue	Net contribution revenue	Net contribution revenue	Net contribution revenue	Net contribution revenue		
	Rupees '000															
Class of Business																
Direct and facultative																
Fire and property damage	15,811	851	8,696	7,966	13,394	1,401	7,019	7,776	190	(91)						
Marine, aviation and transport	4,281	152	787	3,646	2,394	88	493	1,989	1,657	26						
Motor	76,492	3,710	43,069	37,133	3,159	901	1,829	2,231	34,902	336						
Miscellaneous	3,008	-	2,696	312	2,622	-	2,403	219	93	-						
Grand total	99,592	4,713	55,248	49,057	21,569	2,390	11,744	12,215	36,842	271						

The annexed notes 1 to 18 form an integral part of these financial statements.



Abdul Wahheed
President & Chief Executive



Brig M. Ibrahim Khan (Retd)
Director



Maj Gen Syed Taqi Nasseer Rizvi (Retd)
Director



Lt Gen Khalid Habbani (Retd)
Chairman

askari general insurance co. ltd. - Window Takaful Operations

Statement of Claims

For the year ended 31 December 2016

Business Underwritten inside Pakistan	Claims paid	Outstanding Claims		Claims expense	Retakaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims		Retakaful and other recoveries revenue	2015	
		Opening	Closing			Opening	Closing		Net claims expense	Net claims expense
Rupees '000										
Class of Business										
Direct and facultative										
Fire and property damage	1,079	500	3,981	4,560	554	250	3,868	4,172	388	250
Marine, aviation and transport	1,341	-	3,210	4,551	697	-	1,789	2,486	2,065	-
Motor	2,403	50	14,202	16,555	-	-	1,116	1,116	15,439	50
Miscellaneous	173	-	137	310	88	-	131	219	91	-
Grand total	4,996	550	21,530	25,976	1,339	250	6,904	7,993	17,983	300

The annexed notes 1 to 18 form an integral part of these financial statements.



Abdul Wahed
President & Chief Executive



Brig M. Ibrahim Khan (Retd)
Director



Maj Gen Syed Taqi Nasseer Rizvi (Retd)
Director



Lt Gen Khalid Raubbani (Retd)
Chairman

askari general insurance co. ltd. - Window Takaful Operations

Statement of Expenses - OPF

For the year ended 31 December 2016

Business Underwritten inside Pakistan

Class of Business	Commission Paid or payable	Deferred commission		Net commission expense	Other management expenses	2016	2015
		Opening	Closing			Net OPF expenses	Net OPF expenses
Rupees '000							
Direct and facultative							
Fire and property damage	2,395	141	1,462	1,074	35	1,109	(149)
Marine, aviation and transport	833	25	156	702	302	1,004	63
Motor	4,842	157	2,748	2,251	6,352	8,603	651
Miscellaneous	51	-	30	21	17	38	-
Grand total	8,121	323	4,396	4,048	6,706	10,754	565

The annexed notes 1 to 18 form an integral part of these financial statements.



Abdul Wahed
President & Chief Executive



Brig M. Ibrahim Khan (Retd)
Director



Maj Gen Syed Taqi Nasseer Rizvi (Retd)
Director



Lt Gen Khalid Rabbani (Retd)
Chairman

askari general insurance co. ltd. - Window Takaful Operations

Statement of Investment Income

For the year ended 31 December 2016

Participants' Takaful Fund:	2016	2015
	Rupees '000	
Profit on Bank deposits	537	11
Modarib's fee	(134)	(3)
Net investment income	403	8
Operator's Fund		
Profit on bank deposits	308	1,030
Income from trading investments		
Gain on trading	374	39
Dividend income	1,657	-
	2,031	39
Income from available for sale investments		
Gain on sale of investments	789	-
Dividend income	428	-
	1,217	-
Unrealized (loss) / profit on re-measurement of investments held for trading	(23)	219
Net investment income	3,533	1,288

The annexed notes 1 to 18 form an integral part of these financial statements.



Abdul Waheed
President & Chief Executive



Brig M Ibrahim Khan (Retd)
Director



Maj Gen Syed Taqi Naseer Rizvi (Retd)
Director



Lt Gen Khalid Rabbani (Retd)
Chairman

askari general insurance co. ltd. - Window Takaful Operations

Notes to the Financial Statements

For the year ended 31 December 2016

1 Status and nature of business

askari general insurance company limited ("the Operator") has been allowed to undertake Window Takaful Operations (WTO) on 10 August, 2015 by Securities and Exchange Commission of Pakistan under SECP Takaful Rules 2012 to carry on General Window Takaful Operations in Pakistan

For the purpose of carrying on the takaful business, the Operator has formed a Waqf/ Participants' Takaful Fund (PTF) under the Waqf deed. The Waqf deed governs the relationship of Operator and participants for management of takaful operations.

2 Basis of preparation

These financial statements have been prepared in line with the format issued by SECP through SEC (Insurance) Rules, 2002, and SECP circular no 25 of 2015 dated 9 July 2015

These financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.

2.1 Statement of compliance

These financial statements of the WTO have been prepared in accordance with the requirements of accounting standards as applicable in Pakistan. Approved accounting standards which comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. and SECP Takaful Rules, 2012. In case where requirements differ, the provisions of directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012 shall prevail.

The Securities and Exchange Commission of Pakistan (SECP) has allowed the insurance companies to defer the application of International Accounting Standard - 39 (IAS - 39) " Financial Instruments: Recognition and Measurement" in respect of valuation of ' available-for-sale investments'. Accordingly, the requirements of IAS-39, to the extent allowed by SECP as aforesaid, have not been considered in the preparation of these financial statements.

2.2 Basis of measurement

This financial information has been prepared under the historical cost basis.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the Operator's functional and presentation currency. All financial information presented in Pak Rupees has been rounded to the nearest thousand.

2.4 Significant Accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The judgments, estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

askari general insurance co. ltd. - Window Takaful Operations

Notes to the Financial Statements

For the year ended 31 December 2016

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate revised if the revision effects only that period or in the revision and future periods if the revision affects both current an future periods.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

	Note
- Provision for unearned contribution	3.3
- Contribution deficiency reserve	3.4
- Provision for outstanding claims (including IBNR)	3.6
- Useful lives of fixed assets	11

3 Summary of significant accounting policies

3.1 Takaful contracts

Takaful contracts are those contracts where the Participants' Takaful Fund (PTF) has accepted significant Takaful risk from another party (the participants) by agreeing to compensate the participants if a specified uncertain future event adversely affects the policyholders.

Once a contract has been classified as a Takaful contract, it remains a Takaful contract for the remainder of its lifetime, even if the Takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The Operator underwrites non-life takaful contracts that can be categorised into Fire and Property Damage, Marine, Aviation and Transport, Motor, health and accident and Miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Takaful contracts entered into by the Operator under which the contract holder is another Takaful Operator (inwards retakaful) of a facultative nature are included within the individual category of takaful contracts, other than those which fall under Treaty. The takaful risk involved in these contracts is similar to the contracts undertaken by the Operator as takaful operator.

Fire and Property takaful contracts mainly compensate the customers for damage suffered to their property. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the covered properties in their business activities (business interruption cover).

Marine, Aviation and Transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships, and liabilities to third parties and passengers arising from their use.

Motor takaful covers physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

All other takaful contracts like cash in hand, cash in transit, personal accident, infidelity, public liabilities, crop, livestock, travel, bankers and other financial institutions packages, product liabilities, professional indemnity, workers compensation etc. are included under Miscellaneous takaful cover.

3.2 Contribution

For all the takaful contracts, Contributions received / receivable under a takaful policy are recognized as written at the time of issuance of policy. Where Contribution for a policy are payable in installments, full Contribution for the duration of the policy is recognised as written at the inception of the policy and related assets set up for Contribution receivable at a later date. Contributions are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on Contributions.

askari general insurance co. ltd. - Window Takaful Operations

Notes to the Financial Statements

For the year ended 31 December 2016

3.3 Provision for unearned Contribution

The unearned Contribution reserve is the unexpired portion of the Contribution including administrative surcharge which relates to business in force at the balance sheet date. Unearned Contribution have been calculated by applying 1/24th method as specified in the SEC (Insurance) Rules, 2002.

3.4 Contribution deficiency reserve (liability adequacy test)

At each balance sheet date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned contribution liability for that class. It is performed by comparing the expected future liability, after retakaful, from claims and other expenses, including retakaful expense, commissions and other underwriting expenses, expected to be incurred after balance sheet date in respect of policies in force at balance sheet date with the carrying amount of unearned contribution liability. Any deficiency is recognised by establishing a provision (contribution deficiency reserve) to meet the deficit.

No provision has been made as the unearned contribution reserve for each class of business as at the balance sheet date is adequate to meet the expected future liability, after retakaful, from claims and other expenses, including retakaful expenses, commissions and other underwriting expenses, expected to be incurred after balance sheet date in respect of takaful contracts in force at balance sheet date.

The expected ultimate net claim ratios for the unexpired periods of policies in force at balance sheet date for each class of business is as follows:

	2016	2015
Fire and property damage;	26%	36%
Marine, aviation and transport;	34%	45%
Motor;	47%	50%
Miscellaneous	38%	-

3.5 Claims

Claims are charged to PTF income as incurred based on estimated liability for compensation owed under the takaful contracts. It includes claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

3.6 Outstanding claims including incurred but not reported (IBNR)

The liability for IBNR is computed through Chain Ladder Method (Development technique) in light of the guidelines issued by Insurance Division of SECP vide its Circular 9 of 2016 dated March 09, 2016 for estimation of IBNR claims reserve, the liability for IBNR for all classes of business is based on actuary recommendation. Any significant change in assumption used event may affect the management's judgment which could affect the provision made for IBNR. Reinsurance recoveries against outstanding claims and salvage recoveries are recognized as an asset and are measured at the amount expected to be received.

3.7 Retakaful contracts

Retakaful Contribution is recognised as an expense at the time the retakaful is ceded. Rebate from retakaful is recognised in accordance with the policy of recognising contribution revenue.

Retakaful assets represent balances due from retakaful operators and retakaful recoveries against outstanding claims. Retakaful liabilities represent balances due to retakaful operators and are primarily retakaful contribution payable for retakaful contracts and are recognised at the same time when retakaful Contribution are recognised as an expense.

askari general insurance co. ltd. - Window Takaful Operations

Notes to the Financial Statements

For the year ended 31 December 2016

3.8 Commission

3.8.1 Commission expense

Commission expense incurred in obtaining and recording policies is deferred and recognised as an expense in accordance with pattern of recognition of contribution revenue by applying 1/24th method.

3.8.2 Rebate from retakaful operators

Rebate from retakaful operators is deferred and recognised as revenue in accordance with the pattern of recognition of retakaful contribution to which it relates.

3.9 Wakala fees

The Operator manages the general takaful operations for the participants and charges 30% for Fire and Property damage, 30% for Marine, Aviation and Transport, 40% for Motor, 20% for Accident and Health, 35% for miscellaneous, of gross contribution written as wakala fee against the services.

Wakala fee is recognised on the same basis on which the related revenue is recognised. Unexpired portion of wakala fee is recognised as an asset of OPF and a liability of PTF.

3.10 Revenue recognition

3.10.1 Participants' Takaful Fund (PTF)

3.10.1.1 Contribution

The revenue recognition policy for Contribution is given under note 3.2

3.10.1.2 Rebate from retakaful operators

The revenue recognition policy for rebate from retakaful operators is given under note 3.7

3.10.2 Operator's Fund (OPF)

The revenue recognition policy for wakala fee is given under note 3.9

3.10.3 PTF/OPF

3.10.3.1 Investment Income

Return on investments, profit on profit and loss sharing accounts and bank deposits are recognised on accrual basis.

3.11 Provisions

Provisions are recognised when the Operator has a legal or constructive obligation as a result of a past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, the provision are reviewed at balance sheet date and adjusted to reflect current best estimates.

askari general insurance co. ltd. - Window Takaful Operations

Notes to the Financial Statements

For the year ended 31 December 2016

3.12 Fixed assets

3.12.1 Tangible

These are stated at cost less accumulated depreciation and impairment losses, if any, except for capital work in progress which is stated at cost less impairment losses, if any. Depreciation is charged on depreciable amount over the estimated useful life.

Depreciation is charged on monthly basis where full depreciation is charged in the month of addition and no depreciation is charged in the month of disposal.

Subsequent costs are included in the asset's carrying amount or recognised separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the profit and loss account in the year in which they are incurred. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense.

3.13 Financial instruments

3.13.1 Non-derivative financial assets

These are initially recognised on the date that they are originated i.e. on the trade date, which is the date that the WTO becomes a party to the contractual provisions of the instrument. Investments are recognised on settlement date.

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or when the WTO transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the WTO is recognised as a separate asset or liability.

Non-derivative financial assets are classified into the following categories: held to maturity, financial assets at fair value through profit or loss, available for sale investments and loans and receivables.

b) Investment at fair value through profit and loss - Held for trading

These financial assets are acquired principally for the purpose of generating profit from short-term fluctuation in prices or are part of a portfolio for which there is a recent actual pattern of short-term profit taking. Subsequent to initial recognition. These are measured at fair value by reference to quoted market prices with the resulting gain or loss included in net profit or loss for the year in which it arises.

c) Available for sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need of liquidity are classified as available for sale. Subsequent to initial recognition at cost, quoted investments are stated at lower of cost or market value (market value being taken as lower if the fall is other than temporary) in accordance with the requirements of S.R.O. 938 issued by the Securities and Exchange Commission of Pakistan on 12 December 2002. Had WTO adopted IAS 39 "Financial instruments: Recognition and Measurement" the investments available for sale as of 31 December 2016 would have been higher by Rs. 1.34 million (2015: Rs.0.031 million) with the corresponding increase in operator's fund by the same amount. WTO's available for sale investments represent investment in mutual funds. Investment in the unit of these funds is valued at their respective redemption/repurchase price.

askari general insurance co. ltd. - Window Takaful Operations

Notes to the Financial Statements

For the year ended 31 December 2016

d) Loans and receivables

Loans and receivables comprise cash and bank deposits, contribution due but unpaid, amounts due from other Takaful & Retakaful operators. Wakala fee receivable, Mudarib fee receivable and sundry receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, stamps in hand and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Operator in the management of its short-term commitments.

All other loans and receivables

These are stated initially at the fair value, subsequent to initial recognition these are stated at their value as reduced by appropriate provision for impairment. Known impaired receivables are written off, while receivables considered doubtful of recovery are fully provided for.

The allowance for doubtful accounts is based on WTO's assessment of the collectability of counterparty accounts. WTO regularly reviews its debts and receivables that remain outstanding past their applicable payment terms and establishes allowance and potential write-offs by considering factors such as historical experience, credit quality, age of the accounts receivable balances, and current economic conditions that may affect a customer's ability to pay.

3.13.2 Non-derivative financial liabilities

These are initially recognised on the date that they are originated or the date that WTO becomes a party to the contractual provisions of the instrument. WTO derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

These financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Non-derivative financial liabilities comprise amounts due from other takaful/retakaful Mudarib fee payable and other creditors and accruals.

3.13.2 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, WTO has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.14 Management Expenses

Management expenses have been allocated to various revenue accounts on an equitable basis.

3.15 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include cash at bank in current and saving accounts, cash and stamps in hand and bank deposits.

3.16 Foreign currencies

Revenue transactions in foreign currencies are recorded at the rates prevailing on the date of the transactions.

askari general insurance co. ltd. - Window Takaful Operations

Notes to the Financial Statements

For the year ended 31 December 2016

3.17 Impairment

The carrying amount of the Operator's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Provision for impairment are review at each balance sheet date and adjusted to reflect the current best estimates.

3.18 Operating segments

An operating segment is a component of the Operator that engages in business activities from which it may earn revenues and incur expenses. The Operator present segment reporting of operation results using the classes of business as specified under the Insurance Ordinance, 2000, Takaful Rules 2012 and the SEC (Insurance) Rules 2002 as the primary reporting format.

The Operator has five business segments for reporting purposes namely, fire and property, marine, motor, health and accident and miscellaneous. The nature and business activities of these segments are disclosed in note no. 3.1.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

3.19 New accounting standards and IFRIC interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2017:

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.
- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' -effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

askari general insurance co. ltd. - Window Takaful Operations

Notes to the Financial Statements

For the year ended 31 December 2016

- » Annual Improvements 2014-2016 cycles (amendments are effective for annual periods beginning on or after 1 January 2017). The new cycle of improvements contain amendments to the following standards:
- Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 – 'Non-current Assets Held for Sale and Discontinued Operations'. The amendments are not likely to have an impact on Company's financial statements.
 - Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.
 - IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

The above amendments are not likely to have an impact on Company's financial statements.

4 Other creditors and accruals

Notes	2016			2015
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	Rupees '000			
Agents' commission payable	1,290	-	1,290	-
Federal Takaful fee payable	-	124	124	54
Federal excise duty payable	-	2,111	2,111	194
Tax deducted at source	302	-	302	-
Accrued expenses	388	-	388	-
	1,980	2,235	4,215	248

5 Cash and other equivalents

Stamps in hand	-	171	171	42
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6 Current and other accounts

Saving account	10,084	12,503	22,588	10,875
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The rate of profit on profit and loss sharing accounts from various banks ranges from 2.41% to 3.75% (2015: 2.60% to 2.87%) per annum depending on the size of average deposits.

askari general insurance co. ltd. - Window Takaful Operations

Notes to the Financial Statements

For the year ended 31 December 2016

7 Investments

	Notes	Carrying/ Market value			
		Operator's Fund		Participants' Takaful Fund	
		2016	2015	2016	2015
Rupees '000					
Investment at fair value through profit and loss - Held for trading	7.1	25,558	32,758	20,000	-
Available for sale	7.2	17,478	7,531	20,000	-
		43,036	40,289	40,000	-

7.1 Fair value through profit and loss - held for trading Investments

a) Operator's Fund

	Number of units		Face value per unit Rupees	Investee Name	Carrying/Market value	
	2016	2015			2016	2015
Rupees '000						
	71,929	73,521	100	Alfalah GHP Islamic income Fund	7,433	7,537
	-	46,045	100	JS Islamic Government Securities Fund	-	7,562
	74,251	44,243	100	Al-Ameen Islamic Aggressive Income Fund	7,584	7,559
	1,081,656	1,025,546	10	NAFA Islamic Aggressive Income Fund	10,540	10,100
					25,557	32,758

b) Participants' Takaful Fund

	96,701	-	100	MCB Islamic Income Fund	10,000	-
	97,056	-	100	Askari Islamic Income Fund	10,000	-
					20,000	-

7.2 Available for sale investments

a) Operator's Fund

	45,706	39,096	50	Alfalah GHP Islamic Stock Fund	3,297	2,500
	78,831	26,438	100	JS Islamic Fund	11,121	2,500
	23,116	21,369	100	Al-Ameen Shariah Stock Fund	3,061	2,500
				Carrying value	17,479	7,500
				Market value	18,815	7,531

b) Participants' Takaful Fund

	96,701	-	100	MCB Pakistan Islamic Stock Fund	10,000	-
	97,056	-	100	NAFA Islamic Stock Fund	10,000	-
				Carrying value	20,000	-
				Market value	20,000	-

askari general insurance co. ltd. - Window Takaful Operations

Notes to the Financial Statements

For the year ended 31 December 2016

8 Contribution due but unpaid - unsecured

		2016	2015
		Rupees'000	
Considered good	8.1	14,940	2,144

8.1 This includes contribution amounting to Rs. 6.65 million (2015: 1.19 million) receivable from the associated undertakings, the movement of which is as follows:

	2016	2015
	Rupees'000	
Balance as beginning the year	1,188	
Contribution written (including government levies and stamp duties)	9,482	1,188
Contribution received during the year	(4,020)	-
Balance at end of the year	6,650	1,188

8.2 Age analysis of amounts receivable from related parties

Upto 1 year	6,650	1,188
-------------	-------	-------

9 Prepayments

Prepaid Retakaful Contribution Ceded - PTF	11,744	2,390
Others - OPF	16	-
	11,760	2,390

10 Sundry Receivables - OPF

Other Receivable - unsecured, considered good	1,402	90
Receivable against sale of asset	239	-
Deposit against ljarah - vehicles	1,269	-
	2,909	90

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Notes to the Financial Statements

For the year ended 31 December 2016

11 Fixed assets - tangible

	Furniture and Fixture	Computer and office equipment	Total
	Rupees '000		
Cost			
As at 10 August 2015	-	-	-
Addition during the period	53	-	53
As at 31 December 2015	53	-	53
Additions during the year	-	239	239
As at 31 December 2016	53	239	292
Depreciation and amortisation			
As at 10 August 2015	-	-	-
Charge for the period	17	17	-
As at 31 December 2015	17	17	-
Charge for the year	6	7	13
As at 31 December 2016	23	7	30
Carrying value as at:			
- 31 December 2016	30	232	262
- 31 December 2015	36	-	36
Useful life (years)	10	3	

12 Management Expenses - OPF

	Note	2016	2015
		Rupees'000	
Salaries and other benefits	12.1	5,812	511
Communication		60	-
Depriciation		1	-
Repair and maintenance		62	-
Inspection expenses		2	-
Bank charges		6	-
Vehicle Ijarah expenses		764	-
		6,706	511

12.1 These included Rs.169.82 thousand being contribution for employees' provident fund

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Notes to the Financial Statements

For the year ended 31 December 2016

13 General and administration expenses

		2016	2015
		———— Rupees'000 ————	
Salaries and other benefits	13.1	4,318	1,801
Communication		79	31
Printing and stationery		279	120
Depriciation		12	17
Advertisement		274	-
Auditor's remuneration		250	-
Shariah Compliance Audit fee		270	-
Bank Charges		30	4
Vehicle Ijarah expenses		222	-
Cede money		-	1,000
Miscellaneous expenses		2	-
		5,735	2,973

13.1 These included Rs.116.99 thousand being contribution for employees' provident fund

14 Management of takaful and financial risk

The principal risk that is faced under takaful contracts is the possibility that the covered event occurs, the uncertainty of the amount of the resulting claims i.e. the frequency and severity of claims and that the actual claims and benefit payments exceed the carrying amount of the takaful liabilities. By the very nature of the takaful contract, this risk is random and therefore unpredictable. The objective of the Operator is to ensure that sufficient reserves are available to cover these liabilities.

The Operator manages these risks through its underwriting strategy, adequate retakaful arrangements and proactive claims handling. The underwriting strategy aims to minimise takaful risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. The Operator underwrites mainly property, motor, marine cargo and transportation and other miscellaneous business. These classes of takaful are generally regarded as shortterm takaful contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate takaful risk.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Operator has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. For large risks, particularly in property segment of business, risk inspections are carried out before accepting the risks. Similarly, in case of large risks, annual renewals are also preceded by on-site surveys. Where needed, risk mitigation measures are identified and communicated to the clients to improve the risk to an acceptable level.

Retakaful arrangements in place include treaty and facultative arrangements, on proportional and non-proportional basis and also include catastrophe cover. The effect of such retakaful arrangements is that the PTF may not suffer ultimate net takaful losses beyond the PTF's risk appetite in any one year.

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For the year ended 31 December 2016

The Operator's arrangement of retakaful is diversified such that it is neither dependent on a single retakaful operator nor the operations of the Operator are substantially dependent upon any single retakaful contract. The Operator obtains retakaful cover only from companies with sound financial health.

14.1 Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Operator manages these risk through the measures described above. The Operator has limited its exposure to catastrophic and riot events by use of retakaful arrangements.

The Operator also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighbouring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk. The Operator evaluates the concentration of exposures to individual and cumulative takaful risks and establishes its retakaful policy to reduce such exposures to levels acceptable to the Operator. The concentration of risk by type of contracts is summarized below by reference of liabilities.

2016	Gross sum takaful	Sum Retakaful Rupees '000	Net
Fire and property damage	15,588,061	12,398,039	3,190,022
Marine, aviation and transport	5,008,564	1,468,886	3,539,678
Motor	4,099,782	50,640	4,049,142
Miscellaneous	3,605,809	3,228,446	377,363
	28,302,216	17,146,011	11,156,206
2015			
Fire and property damage	1,697,543	1,527,563	169,980
Marine, aviation and transport	193,064	113,859	79,205
Motor	520,427	-	520,427
	2,411,034	1,641,422	769,612

The Operator's class wise major gross risk exposure is as follows:

Class of business	2016	2015
	Rupees'000	
Fire and property damage	733,333	333,500
Marine, aviation and transport	112,000	42,075
Motor	16,500	120,000
Miscellaneous	3,362,817	-

Since the Operator operates in Pakistan only, hence, all the takaful risks relate to policies written in Pakistan.

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14.2 Sources of uncertainty in estimation of future claim payments

The key source of estimation uncertainty at the balance sheet date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under takaful contracts. Such estimates are necessarily based on assumptions about several factors involving varying and possibly significant degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the balance sheet date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the balance sheet date. The details of estimation of outstanding claims (including IBNR) are given under note 3.6.

14.3 Sensitivity analysis

The Operator believes that the claim liabilities under takaful contracts outstanding at the period end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The impact on the PTF surplus of the changes in the claim liabilities net of retakaful is analysed below. The sensitivity to changes in claim liabilities net of retakaful is determined separately for each class of business while keeping all other assumptions constant.

10% increase in loss	Participants' Takaful Revenue		Participants' Takaful Fund	
	2016	2015	2016	2015
	Rupees '000			
Fire and property damage	11	25	7	17
Marine aviation and transport	142	-	97	-
Motor	1,309	5	890	3
Miscellaneous	1	-	1	-
	1,463	30	995	20

A 10% decrease would have had equal but opposite effect on the profit and loss account and shareholders' equity.

14.4 Financial risk

The Operator's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (comprising of currency risk, profit rate risk and other price risk). The Operator's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Operator's financial performance.

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

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For the year ended 31 December 2016

14.5 Credit risk

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The management monitors exposure to credit risk through regular review of credit exposure, undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in similar manner. Due to the nature of financial assets, the Operator believes it is not exposed to any major concentration of credit risk.

The carrying amounts of the following financial assets represent the Operator's maximum exposure to credit risk:

	2016		Aggregate	2015
	Operator's Fund	Participants' Takaful Fund		Aggregate
	Rupees '000			
Bank deposits	10,084	12,503	22,587	10,875
Investments	43,036	40,000	83,036	40,258
Contribution due but unpaid	-	14,940	14,940	2,144
Amount due from other Takaful & Retakaful Operators	-	8,593	8,593	1,286
Retakaful recoveries against outstanding claims	-	6,904	6,904	250
Wakala fees receivable	16,538	-	16,538	2,080
Mudarib fees receivable	69	-	69	3
Sundry receivables	-	2,909	2,909	90
	69,727	85,849	155,576	56,986

The Operator does not hold any collateral against the above balances. Past due policies were not impaired as they relate to the number of policy holders and other Takaful/ retakaful operators for whom there is no recent history of default. The age analysis of gross receivables is as follows:

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For the year ended 31 December 2016

	Contribution due but unpaid	Amount due from other takaful / retakaful operators	2016		Aggregate	2015 Aggregate
			Retakaful recoveries against outstanding claims	Sundry receivables		
Rupees '000						
Upto 1 year	14,866	7,736	6,904	2,909	32,415	3,770
1-2 years	74	857	-	-	931	-
	14,940	8,593	6,904	2,909	33,346	3,770

The credit quality of Operator's bank balances and deposits can be assessed with reference to external credit ratings as follows:

Rating

Financial institution

Financial institution	Rating		Rating agency	2016		2015	
	Short term	Long term		Operator's Fund	Participants' Takaful Fund	Operator's Fund	Participants' Takaful Fund
Rupees '000							
Askari Islamic Bank	A-1+	AA	JCR-VIS	10,084	-	7,578	-
Meezan Bank	A-1+	AA	JCR-VIS	-	12,503	-	3,297
				10,084	12,503	7,578	3,297

The management monitors exposure to credit risk in contribution receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables.

The credit quality of amount due from other takaful & retakaful operators and retakaful recoveries against outstanding claims can be assessed with reference to external credit ratings as follows:

	2016		Aggregate	2015 Aggregate
	Amount due from other Takaful & Retakaful Operators	Retakaful recoveries against Outstanding claims		
Rupees '000				
A or above	7,955	6,759	14,714	225
Others	638	145	782	1,311
	8,593	6,904	15,496	1,536

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For the year ended 31 December 2016

Sector wise analysis of gross contribution due but unpaid is as follows:

	2016	2015
	————— Rupees'000 —————	
Financial services	3,715	-
Taxtile and composites	698	64
Pharmaceuticals	545	-
Engineering	165	-
Other manufacturing	476	942
Education	5	34
Logistics	40	567
Agriculture	663	-
Other services	6,187	511
Sugar Industry	101	-
Miscellaneous	2,345	27
	14,940	2,144

14.6 Liquidity risk

Liquidity risk is the risk that the Operator will encounter difficulty in meeting its obligations associated with financial liabilities. In respect of major loss event, there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected retakaful recoveries.

The objective of the Operator's liquidity management process is to ensure, as far as possible, that it will always have sufficient liquidity to meet its claim and other liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Operator's reputation. It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis, maintaining sufficient cash reserves in bank accounts and a portfolio of highly marketable financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

The table below provides the maturity analysis of the Operator's liabilities as at balance sheet date. The contractual maturities of these liabilities at the year end have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date. Financial liabilities not having a contractual maturity are assumed to mature on the expected date on which these liabilities will be settled.

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Notes to the Financial Statements

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	2016			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Rupees '000			
Financial Liabilities - OPF				
Other creditors and accruals	1,980	1,980	1,980	-
Other liabilities	1,034	1,034	1,034	-
	3,014	3,014	3,014	-
Financial Liabilities - PTF				
Provision for Outstanding Claims (including IBNR)	21,530	21,530	21,530	-
Amount due to other takaful/retakaful operators	13,108	13,108	13,108	-
Wakala fees payable	16,538	16,538	16,538	-
Mudarib fees payable	69	69	69	-
Other creditors and accruals	2,235	2,235	2,235	-
	53,480	53,480	53,480	-
	2015			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Rupees '000			
Financial Liabilities - OPF				
Other creditors and accruals	535	535	535	-
Financial Liabilities - PTF				
Provision for Outstanding Claims (including IBNR)	550	550	550	-
Amount due to other takaful/retakaful operators	2,660	2,660	2,660	-
Wakala fees payable	2,080	2,080	2,080	-
Mudarib fees payable	3	3	3	-
Other creditors and accruals	248	248	248	-
	5,541	5,541	5,541	-

14.7 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market prices such as profit rates, foreign exchange rates and equity prices.

The Operator limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in Government securities, equity and term finance certificates' markets. In addition, the Operator actively monitors the key factors that affect the underlying value of these securities.

Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market profit rates. The Operator has securities and deposits that are subject to profit rate risk. The Operator limits profit rate risk by monitoring changes in profit rates in the currencies in which its financial assets are denominated.

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For the year ended 31 December 2016

The Operator's financial liabilities are not exposed to profit rate risk. The information about Operator's exposure to profit rate risk based on contractual reprising or maturity dates whichever is earlier is as follows:

	2016	2015	2016		2015	
	Profit rate / markup bearing (%)		Carrying amounts		Carrying amounts	
			Operator's Fund	Participants' Takaful Fund	Operator's Fund	Participants' Takaful Fund
			Rupees '000			
Deposit accounts	2.41% to 3.75%	2.60% to 2.87%	10,084	12,503	7,578	3,297
Investments	5.65% to 21.69%	4.11% to 5.98%	43,036	40,000	40,258	-
			53,120	52,503	47,836	3,297

Sensitivity analysis

A 10% increase/(decrease) in market price of held for trading investments at the year end, would have increased/(decreased) profit by Rs.4.55 million (2015: Rs nil)

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. The Operator, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistani Rupees.

14.8 Price risk

Price risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

14.9 Fair value

The fair value of all major financial assets is estimated to be not significantly different from their carrying values.

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	2015								
	Held-for-trading liabilities	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial	Total	Level 1	Level 2	Level 3
	Rupees '000								
Financial assets not measured at fair value - OPF									
Cash and bank deposits - OPF	-	-	-	7,578	-	7,578	-	-	-
Investments	-	-	-	-	-	-	-	-	-
- Mutual funds	-	7,500	-	-	-	7,500	7,500	-	-
Wakala fees receivable	-	-	-	2,080	-	2,080	-	-	-
Mudarib fees receivable	-	-	-	3	-	3	-	-	-
Sundry receivables*	-	-	-	90	-	90	-	-	-
Financial assets not measured at fair value - PTF									
Cash and bank deposits - PTF	-	-	-	3,339	-	3,339	-	-	-
Contribution due but unpaid*	-	-	-	2,144	-	2,144	-	-	-
Amount due from other Takaful & Retakaful Operators*	-	-	-	1,286	-	1,286	-	-	-
Retakaful recoveries against outstanding claims*	-	-	-	250	-	250	-	-	-
Financial liabilities not measured at fair value - OPF									
Other creditors and accruals*	-	-	-	-	535	535	-	-	-
Financial liabilities not measured at fair value - PTF									
Provision for outstanding claims (including IBNR)*	-	-	-	-	550	550	-	-	-
Amounts due to other Takaful / Retakaful Operators*	-	-	-	-	2,660	2,660	-	-	-
Wakala fees payable	-	-	-	-	2,080	2,080	-	-	-
Mudarib fees payable	-	-	-	-	3	3	-	-	-
Other creditors and accruals*	-	-	-	-	248	248	-	-	-
	-	7,500	-	16,770	6,076	30,346	7,500	-	-

*The Operator has not disclosed the fair value of these items because the carrying amounts are a reasonable approximation of the values. Since these are either short term or repriced regularly.

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The Operator measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Fair measurements using quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

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16 Operating segment

Business class wise revenue and results have been disclosed in the profit and loss account prepared in line with the format issued by SECP through SEC (Insurance) Rules, 2002, and SECP circular no 25 of 2015 dated 9 July 2015. The following table presents estimated information regarding certain assets and liabilities of the segments as at 31 December 2016 and 31 December 2015, unallocated capital expenditure and non-cash expenses during the year then ended.

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		TOTAL	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Wakala Fee	2,343	40	1,084	23	14,833	232	105	-	18,365	295
Segment Result	1,234	189	80	(40)	6,230	(419)	67	-	7,611	(270)
Investment income									3,533	1,288
Unallocated general and administration expenses									(5,735)	(2,973)
Deficit for the period									5,409	(1,685)
									5,409	(1,955)
Corporate segment assets	3,572	423	1,132	187	16,105	1,795	125	-	20,934	2,405
Corporate unallocated assets									57,117	47,963
Total assets									78,051	50,368
Corporate segment liabilities	3,053	328	312	42	18,397	421	974	-	22,736	791
Corporate unallocated liabilities									1,724	1,529
Total liabilities									24,460	2,320
Capital expenditures	30	7	14	4	193	42	1	-	239	53
Segment depreciation									1	17
Unallocated depreciation									12	0
Total depreciation									13	17
16.2 Participants' Takaful Fund										
Net contribution revenue	190	(91)	1,657	26	34,902	336	93	-	36,842	271
Underwriting Results	(1,123)	(356)	(996)	15	4,669	54	(62)	-	2,488	(287)
Corporate segment assets	13,775	754	2,518	463	20,300	6,638	3,501	-	40,094	7,855
Corporate unallocated assets									76,207	3,339
Total assets									116,301	11,194
Corporate segment liabilities	14,192	(176)	5,051	656	77,005	9,993	3,264	-	99,512	10,473
Corporate unallocated liabilities									13,177	-
Total liabilities									112,689	10,473

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For the year ended 31 December 2016

17 Related party transactions

The related parties comprise of directors, major shareholders, key management personnel, entities under common control, entities with common directors and employees retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms.

Balance due from associated undertakings are disclosed in note 8 to the financial statements. Transaction with related parties during the year are as follows:

	2016	2015
	————— Rupees'000 —————	
Contribution written (including government levies and stamp duties)	9,482	1,188
Premium received during the year	4,020	-
Takaful benefits paid	881	-
Contribution to staff retirement benefit funds	574	-

18 General

18.1 WTO operations were started on 10th August, 2015. Accordingly the comparatives for Profit and loss Account, statement of cash flows statement of contribution, statement of claims, statement of expenses PTF, statement of expenses OPF and statement of investment income represents amounts relating to the period from 10th August, 2015 to 31st December 2015 and hence are not comparable.

18.2 These financial statements were authorised for issue by the Board of Directors on its meeting held on March 8, 2017.



Abdul Waheed
President & Chief Executive



Lt Gen Khalid Rabbani (Retd)
Chairman



Brig M. Ibrahim Khan (Retd)
Director



Maj Gen Syed Taqi Naseer Rizvi (Retd)
Director

Pattern of Shareholding

As at 31 December 2016

NO. OF SHAREHOLDERS	From	To	SHARES HELD	PERCENTAGE
306	1	100	10817	0.0199
699	101	500	212300	0.3905
228	501	1000	170086	0.3128
388	1001	5000	982691	1.8075
103	5001	10000	737607	1.3567
48	10001	15000	611986	1.1256
8	15001	20000	141653	0.2605
13	20001	25000	281633	0.5180
21	25001	30000	578468	1.0640
7	30001	35000	227579	0.4186
7	35001	40000	261770	0.4815
6	40001	45000	247240	0.4548
4	45001	50000	198220	0.3646
4	50001	55000	212461	0.3908
2	55001	60000	111753	0.2055
4	60001	65000	251215	0.4621
4	65001	70000	271837	0.5000
1	70001	75000	70685	0.1300
2	75001	80000	154483	0.2841
2	85001	90000	177552	0.3266
2	90001	95000	183697	0.3379
3	95001	100000	296257	0.5449
1	110001	115000	114181	0.2100
1	125001	130000	125550	0.2309
1	130001	135000	132925	0.2445
1	135001	140000	139500	0.2566
1	140001	145000	143580	0.2641
3	145001	150000	448920	0.8257
1	150001	155000	153450	0.2822
1	160001	165000	161000	0.2961
1	170001	175000	170100	0.3129
2	175001	180000	350806	0.6452
1	225001	230000	228247	0.4198
1	275001	280000	279000	0.5132
1	295001	300000	300000	0.5518
1	300001	305000	302116	0.5557
1	320001	325000	325000	0.5978
1	385001	390000	385738	0.7095
1	450001	455000	453226	0.8336
1	645001	650000	649500	1.1946
1	695001	700000	697500	1.2829
1	820001	825000	823601	1.5149
1	840001	845000	841800	1.5483
1	890001	895000	893500	1.6434
1	1030001	1035000	1032275	1.8987
1	2345001	2350000	2346000	4.3150
1	4310001	4315000	4311005	7.9293
1	32165001	32170000	32167653	59.1663
1,891		Company Total	54,368,163	100.0000

Pattern of Shareholding

As at 31 December 2016

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Associated companies, undertakings & related parties			
Army Welfare Trust	4	32,174,395	59.18%
NIT/ICP	-	-	-
Directors, CEO, their spouse & minor children			
Lt Gen Khalid Rabbani (Retd)	1	2,664	0.00%
Maj Gen Syed Taqi Naseer Rizvi (Retd)	1	2,664	0.00%
Maj Gen Hamid Mahmud (Retd)	1	699	0.00%
Brig M. Ibrahim Khan (Retd)	1	2,664	0.00%
Brig M. Aslam Khan (Retd)	1	2,664	0.00%
Malik Riffat Mehmood	1	699	0.00%
Abdul Hai Mahmood Bhaimia	1	3,452	0.01%
M. Munir Malik	1	549	0.00%
Executives	-	-	-
Public Sector Companies and Corporations (other than specified above)	-	-	-
Banks, Development Financial Institutions, Non Banking Financial Institutions, Insurance Companies, Modarabas & pension funds (other than specified above)			
Escorts Investment Bank Limited	1	40,031	0.07%
Mutual Funds	-	-	-
Shareholders holding five percent or more voting rights in the Company**			
Muhammad Iqbal	1	4,311,005	7.93%
Individuals - local	1,792	982,492	1.81%
- foreign	29	209,382	0.39%
Others	56	16,634,803	30.60%
Total	1,891	54,368,163	100.00%

There was no trading in shares of the Company by the Directors, Chief Executive, Chief Financial Officer, Company Secretary and their spouses and minor children.

Branch Network

- 1) **Head Office**
Askari general insurance co ltd
3rd Floor, AWT Plaza,
The Mall,
Rawalpindi
Tel No. 051-9028101-2
Fax No. 051-9272424
agicoho@agico.com.pk
- 2) **Abbottabad**
Askari general insurance co ltd
Room No. 10 & 11, 2nd Floor
Silk Plaza, Mansehra Road,
Abbottabad
Tel No. 0992-342439
Fax No. 0992-342440
agicoabt@agico.com.pk
- 3) **Bahawalpur**
Askari general insurance co ltd
2nd Floor, Shahab Plaza, Chowk
One Unit,
Bahawalpur
Tel No. 062-2284201
Fax No. 062-2284203
agicobwp@agico.com.pk
- 4) **Faisalabad -I**
Askari general insurance co ltd
2nd Floor, Platinum Centre,
Kotwali Road,
Faisalabad
Tel No. 041-2412302-5
Fax No. 041-2412301
agicofsd@agico.com.pk
- 5) **Faisalabad-II**
Askari general insurance co ltd
Office No. 13-16, 1st Floor,
Kohinoor One Plaza
Jaranwala Road,
Faisalabad
Tel No. 041-8501862-4
Fax No. 041-8501861
agicofsd2@agico.com.pk
- 6) **Faisalabad-III**
Askari general insurance co ltd
Office No. 401, 3rd Floor,
Business Center
Civil lines,
Faisalabad
Tel No. 041-2408561-2
Fax No. 041-2408563
Agicofsd3@agico.com.pk
- 7) **Gujranwala**
Askari general insurance co ltd
1st Floor, Al-Azhar Plaza, Opp.
Iqbal High School
Ghallah Mandi, GT Road,
Gujranwala
Tel No. 055-3856324
Fax No. 055-3856325
agicogr@agico.com.pk
- 8) **Hyderabad**
Askari general insurance co ltd
1st Floor, Gul Centre, Thandi
Sarak,
Hyderabad
Tel No. 022-2729689
Fax No. 022-2783976
agicohyd@agico.com.pk
- 9) **Islamabad**
Askari general insurance co ltd
11-West Jinnah Avenue,
Blue Area,
Islamabad
Tel No. 051-2270471-3
Fax No. 051-2279566
agicoisb@agico.com.pk
- 10) **Karachi-I & Karachi-II**
Askari general insurance co ltd
Office No. G-167, Mezzanine
Floor, Marium Center
Khalid Bin Waleed Road,
Karachi
Tel No. 021-34306701-6
Fax No. 021-34306709
agicokch@agico.com.pk
- 11) **Karachi Corporate**
Askari general insurance co ltd
3rd Floor, AWT Plaza,
I.I. Chundrigar Road,
Karachi
Tel No. 021-32273513-5
Fax No. 021-32214332
agicokch2@agico.com.pk
- 12) **Karachi-III**
Askari general insurance co ltd
401, 4th Floor, Shaheen Centre
Near Schone Circle, Clifton,
Karachi
Tel No. 021-35308112-4
Fax No. 021-35308114
- 13) **Lahore-1**
Askari general insurance co ltd
2nd Floor, Usman Block,
Awami Complex,
New Garden Town,
Lahore
Tel. No. 042-35860871-5
Fax No. 042-35940136
agicolhr@agico.com.pk
- 14) **Lahore-II**
Askari general insurance co ltd
Office No. 106, 1st Floor,
Lateef Centre, Ichra
100-Ferozpur Road, Lahore
Tel No. 042-37502327-9
Fax No. 042-37502330
Agicolhr3@agico.com.pk
- 15) **Multan**
Askari general insurance co ltd
Golden Heights, Nusrat Road,
Multan
Tel No. 061-4547842
Fax No. 061-4547862
agicomtn@agico.com.pk
- 16) **Peshawar**
Askari general insurance co ltd
6th Floor, State Life Building
The Mall,
Peshawar Cantt
Tel No. 091-5272058
Fax No. 091-5284769
agicopsc@agico.com.pk
- 17) **Rawalpindi-II**
Askari general insurance co ltd
2nd Floor, National Business
Centre, Murree Road
Shamsabad,
Rawalpindi
Tel No. 051-929082-5
Fax No. 051-9292086
agicorwp@agico.com.pk
- 18) **Rawalpindi-III**
Askari general insurance co ltd
1st Floor, Feroz Sons Building
Harding Road Saddar,
Rawalpindi
Tel No. 051-9273661-3
Fax No. 051-9273660
agicorwp3@agico.com.pk
- 19) **Sialkot**
Askari general insurance co ltd
1st Floor, Oberoi Cooperative
Building, Paris Road,
Sialkot
Tel No. 052-4582381
Fax No. 052-4582382
agicoslt@agico.com.pk

















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عسکری جنرل انشورنس کمپنی لمیٹڈ

پراکسی فارم

میں/ہم _____

ساکن _____

بحیثیت ممبر عسکری جنرل انشورنس کمپنی لمیٹڈ بذریعہ ہذا مسمی _____

ساکن _____

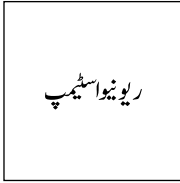
کو یا ان کی عدم دستیابی کی صورت میں مسمی _____

ساکن _____

کو اپنی/ہماری جانب سے پراکسی مقرر کر رہا/رہی ہوں تاکہ وہ بدھ ۲۶ اپریل ۲۰۱۷ء بوقت ۱۱:۰۰ بجے صبح منعقد ہونے والے ۲۲ ویں سالانہ اجلاس عام یا اس کے کسی بھی التواء میں میری/ہماری جگہ شرکت کرے اور ووٹ ڈالے۔

دستخط بروز _____ بتاریخ _____ ۲۰۱۷ء

گواہان:



ممبر (ممبران) کے دستخط

۱۔ دستخط: _____

نام: _____

پتہ: _____

سی این آئی سی یا پاسپورٹ نمبر _____

۲۔ دستخط: _____

نام: _____

پتہ: _____

سی این آئی سی یا پاسپورٹ نمبر _____

اہم نوٹ:

پراکسی کا یہ فارم ہر طرح سے مکمل ہو، لازماً کمپنی کے رجسٹرڈ آفس واقع پی او بکس نمبر 843، تھرڈ فلور، AWT پلازہ، دی مال، راولپنڈی میں اجلاس کے طے شدہ وقت سے کم از کم ۴۸ گھنٹے قبل جمع کر دیا جائے۔

سی ڈی سی شیئرز ہولڈرز اور ان کے پراکسیز سے درخواست ہے کہ ہر ایک اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) یا پاسپورٹ کی مصدقہ نقل کمپنی کو پراکسی فارم جمع کرانے سے قبل اس کے ساتھ منسلک کرے۔

سی ڈی سی شیئرز ہولڈرز یا ان کے پراکسیز سے درخواست ہے کہ اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ بشمول پارٹیسپینٹ کا آئی ڈی نمبر اور ان کے اکاؤنٹ نمبر اپنی شناخت میں سہولت کی غرض سے سالانہ اجلاس عام میں شرکت کے وقت ہمراہ لائیں۔

Form of Proxy

I/We _____ of _____ being Member(s) of askari general insurance co. ltd, holding _____ordinary shares, hereby appoint Mr./Mrs./Miss _____ of _____ or failing him/her _____ of _____ who is also a member of the Company, as my/our proxy to vote for me/us, and on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Wednesday 26th April 2017 at 11 am and at any adjournment thereof.

Folio No.	CDC Account No.		Signature on Rs. 5.00 Revenue Stamp
	Participant ID	Account No.	
			(Signature should agree with the specimen signature registered with the Company)

As we witness my/our hand this _____ day of _____ 2017

Witness:

1

2

Signature _____

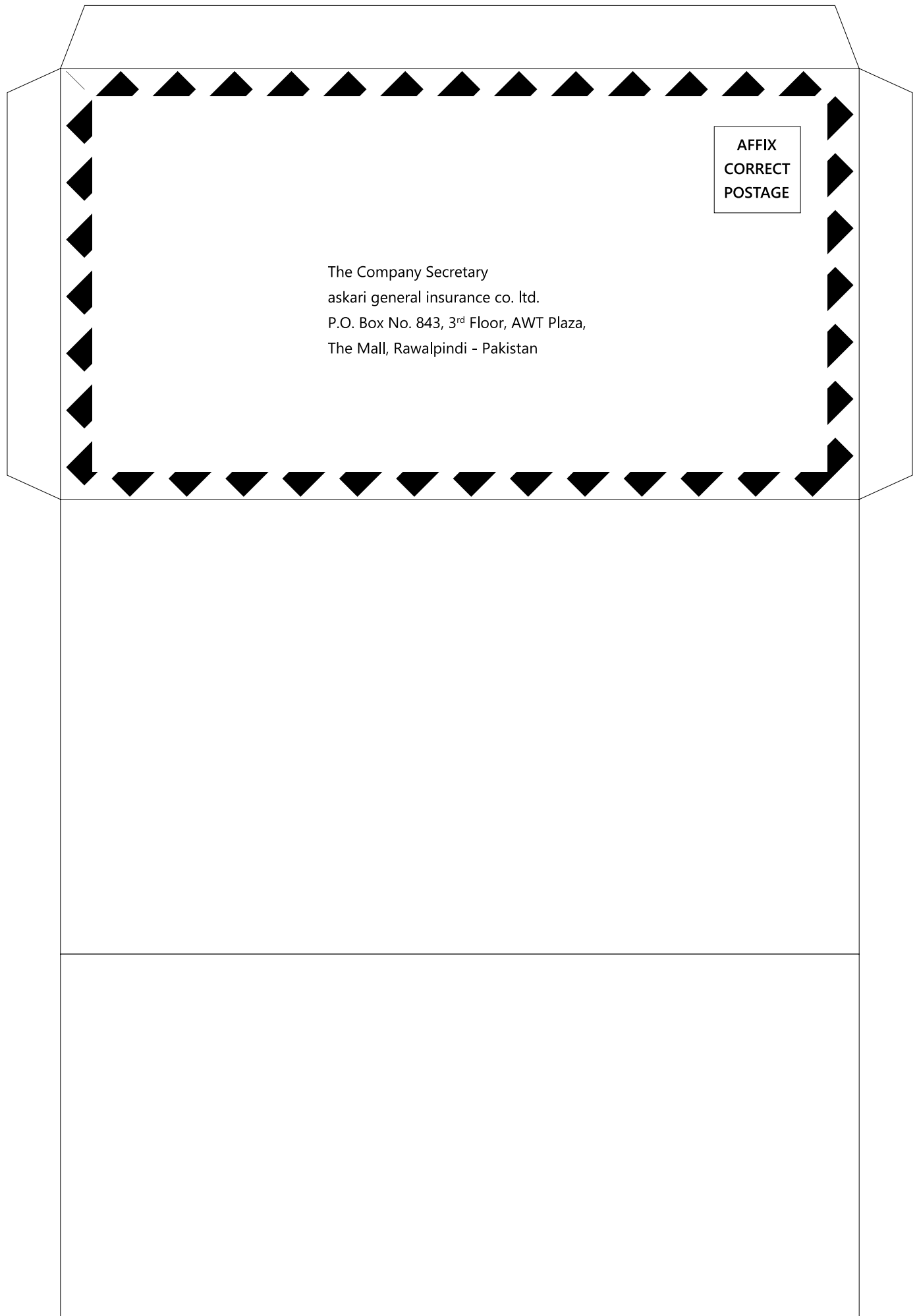
Name _____

Address _____

CNIC No./ Passport No. _____

Notes:

1. A Member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote for him/her. No person shall act as proxy, who is not a member of the Company except Government of Pakistan/Corporate entity may appoint a person who is not a member of the Company. If the member is corporate entity (other than Government of Pakistan) its common seal should be affixed on the instrument.
2. The instrument appointing a proxy duly completed, together with Power of Attorney, if any, under which it is signed or a notarially certificate copy thereof, should be deposited with the Company Secretary , askarigeneral insurance company limited 3rd Floor AWT Plaza, The Mall Rawalpindi, not later than 48 hours before the time of holding the meeting.
3. CDC account holders will further have to comply with the guidelines as laid down by the Circular No.1 dated January 26, 2000, issued by Securities and Exchange Commission of Pakistan.
4. If a member appoints more than one proxy, and more than one instruments of proxy, are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.



AFFIX
CORRECT
POSTAGE

The Company Secretary
askari general insurance co. ltd.
P.O. Box No. 843, 3rd Floor, AWT Plaza,
The Mall, Rawalpindi - Pakistan

Head Office: 3rd Floor, AWT Plaza, The Mall,
Rawalpindi, Pakistan
UAN: 111-444-687
Ph: +92-51-9272425-7
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Email: info@agico.com.pk