



ASKARI LIFE ASSURANCE COMPANY LIMITED

**1ST QUARTER REPORT FOR THE QUARTER ENDED
31ST MARCH 2024**

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VISION

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

MISSION

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

CORE VALUES

1. FINANCIAL ACUMEN

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

2. CUSTOMER CARE

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

3. ETHICAL CONDUCT

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

4. SUSTAINABILITY

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

COMPANY INFORMATION

Board of Directors

Lt. Gen. Nauman Mahmood (Retd.)-Chairman
Rizwan Ullah Khan
Malik Riffat Mahmood
Tariq Hameed
Ayesha Rafique
Javed Yunus
Jehanzeb Zafar- CEO

Board Committees

Audit Committee:

| | |
|------------------------|-----------|
| Tariq Hameed | Chairman |
| Rizwan Ullah Khan | Member |
| Malik Riffat Mahmood | Member |
| Muhammad Nadeem Rajput | Secretary |

Investment Committee:

| | |
|----------------------------|-----------|
| Malik Riffat Mahmood | Chairman |
| Jehanzeb Zafar | Member |
| Mohammad Azmatullah Sharif | Member |
| Rehan Mobin | Member |
| Muhammad Nadeem Rajput | Secretary |

Ethics, Human Resource Remuneration & Nomination Committee:

| | |
|-------------------|-------------|
| Ayesha Rafique | Chairperson |
| Rizwan Ullah Khan | Member |
| Jehanzeb Zafar | Member |
| Waqas Waseem | Secretary |

Management Committees

Risk Management & Compliance Committee:

| | |
|----------------------------|--------------------|
| Tariq Hameed | Member |
| Jehanzeb Zafar | Member |
| Mohammad Azmatullah Sharif | Member |
| Rehan Mobin | Member |
| Atif Shamim Syed | Member & Secretary |

Underwriting & Reinsurance Committee:

| | |
|----------------------------|--------------------|
| Jehanzeb Zafar | Member |
| Mohammad Azmatullah Sharif | Member |
| Sumair Sarwar | Member & Secretary |

Claim Settlement Committee:

| | |
|-------------------|--------------------|
| Rizwan Ullah Khan | Chairman |
| Jehanzeb Zafar | Member |
| Rehan Mobin | Member |
| Bushra Aftab | Member & Secretary |

Appointed Actuary

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

Legal Advisor

Saiduddin & Co

External Auditor

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

Registered Office

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

Head Office

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

Phone: +92 (021) 3629941-44, 021-111-225-275

Fax: +92(021)35630429

Website

www.askarilife.com

Email:

info@askarilife.com

Share Registrar

THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial Street 2,
D.H.A., Phase VII,
Karachi-75500

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

Fax: +92 (021) 35310191

E-mail: secretariat@thk.com.pk

Web: www.thk.com.pk

Directors' Review Report

We are pleased to present the unaudited financial statements for the first quarter ended March 31, 2024

Financial Highlights

| Financial Statement Line item | 31-Mar-2024 | 31-Mar-2023 |
|---------------------------------------|---------------|-------------|
| | Rs. in ('000) | |
| Gross premium revenue | 366,803 | 417,224 |
| Investment and other income | 89,508 | 55,135 |
| Net Insurance Benefits | 87,048 | 84,120 |
| Acquisition expense | 157,033 | 164,970 |
| Marketing and administration expenses | 89,784 | 73,473 |
| Other expenses | 2,859 | 2,216 |
| (Loss)/profit after tax | (56,509) | (61,776) |
| Loss per share | (0.38) | (0.41) |

Financial Analysis of the Company

Gross Premium:

The Gross Premium income of the Company for the 1st quarter was Rs.366.80 million as compared to Rs. 417.22 million for the same quarter of the year 2023. A decline of 12% was noted due to prevailing market conditions which had affected the savings and investment capacity of people. Meanwhile, Company has consolidated distribution structure to improve financial and operational efficiency for better customer experience to ensure long term retention.

Further, Individual and Group life premium income stood at Rs. 253.08 million and Rs. 113.72 million compared to Rs. 254.03 million and 163.2 million respectively, for the same quarter of last year. This shows a decline of 0.38% and 30% respectively. The Company continues to take steps to maintain a profitable client portfolio in the long term.

Investment:

The Investment and other income (including returns on Bank Deposits) for the first quarter of 2024 showed improvements and stood at Rs 89.51 million as compared to Rs 55.14 million for the same quarter of 2023. Company has maintained prudent and balanced investment strategy resulting in competitive returns for our policyholders.

Further, the Company's Investment portfolio also showing improvements and stood at Rs.1,898.12 million as at 31st March, 2024, as compared to Rs 1,871.30 million as at 31st December, 2023.

Net Insurance Benefits:

The overall net insurance benefits expense for the first quarter of 2024 is Rs 87.05 million as compared to Rs 84.12 million, the same quarter of 2023 showing an increase of 3%, despite a growing individual customer base. As the portfolio keeps growing, Company has been actively managing claims and risk to maintain desired profitability.

Expenses:

The Marketing & Administration expenses for the first quarter of 2024 have increased by 22% and stood at Rs.89.78 million as compared to Rs 73.47 million for the same quarter of 2023. The increase in expenses is primarily attribute to inflationary impact along with investment on initiatives to improve customer services and IT/operational efficiency. The other expenses stood at Rs.2.86 million, compared to Rs. 2.22 million in the same quarter of 2023. Loss after tax for the first quarter of 2024 is Rs.56.51 million as compared to Rs. 61.78 million of the same quarter of 2023.

The management of your Company is confident that investments made in development of new infrastructure, innovative products, dedicated management team and business strategy will prove to be greatly beneficial for the Company in the long run.

Future Outlook

Pakistan economy is facing significant challenges including balance of payment gaps and high debt payments which will pose significant hurdles to the government's economic revival agenda. However, expected financial assistance in the shape of investment from friendly countries is expected to provide some sort of relief to the economy. Despite adverse scenario, your management is fully committed and shall continue to focus on risk management and underwriting discipline for better management of the business.

Alongside our efforts to increase distribution footprint and enhance product uptake, our focus remains on customer retention and providing prompt need-based services. Our journey of innovation and market development shall continue and we are confident that with these plans in place, we will claim our due market share of the life insurance in Pakistan.

Acknowledgment

The Directors take this opportunity to extend their gratitude to the regulators and reinsurers for their continued guidance and support to the Company. The Board also extended its wishes to the Company's policyholders and corporate clients for placing their trust and confidence in our organization.

The Board would also like to place their appreciation to the shareholders, whose loyalty and dedication to the Company is a source of great encouragement for us.

On behalf of the Board of Directors



Director
April 24, 2024



Chief Executive Officer

۳۱ مارچ ۲۰۲۳ء کو ختم ہونے والی سہ ماہی کیلئے کے مالیاتی حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالیاتی سرخیاں

| ۳۱ مارچ ۲۰۲۳ء | ۳۱ مارچ ۲۰۲۲ء | مالیاتی حساب کے سلسلے سے متعلقہ |
|---------------|---------------|---------------------------------|
| 000 روپوں میں | | |
| 417,224 | 366,803 | مجموعی پریئم سے آمدنی |
| 55,135 | 89,508 | سرمایہ کاری اور دیگر آمدنی |
| 84,120 | 87,048 | خالص بیمہ فوائد |
| 164,970 | 157,033 | اخراجات برائے حصول |
| 73,473 | 89,784 | مارکیٹنگ اور انتظامی اخراجات |
| 2,216 | 2,859 | دیگر اخراجات |
| (61,776) | (56,509) | بعد از ٹیکس (نقصان) فائدہ |
| (0.41) | (0.38) | فی حصص نقصان |

کمپنی کا مالی تجربہ

مجموعی پریئم

سال ۲۰۲۳ء کی پہلی سہ ماہی کے 417.22 ملین روپے کے مقابلے میں، ۳۱ مارچ ۲۰۲۳ء کو ختم ہونے والی سہ ماہی کے لئے کمپنی کا مجموعی پریئم آمدنی 366.80 ملین روپے رہی، جس میں 12 فیصد کمی دیکھنے میں آئی جو مارکیٹ کے موجودہ حالات کی وجہ سے تھی، جس نے لوگوں کی بچت اور سرمایہ کاری کی صلاحیت کو متاثر کیا۔ اسی اثنا میں، کمپنی نے صارف کو طویل المدت طور پر قائم رہنے کو یقینی بنانے کے لئے بہتر تجربے کی جانب مالی اور آپریشنل صلاحیت کو بہتر بنانے کے لئے مستحکم تقسیمی ڈھانچہ رکھا ہوا ہے۔

مزید برآں، ۲۰۲۳ء کی پہلی سہ ماہی کی انفرادی اور گروپ انکم آمدنی، پچھلے سال کی اسی سہ ماہی کی بالترتیب 254.03 ملین روپے اور 163.2 ملین روپے کی آمدنی کے مقابلے میں 253.08 ملین روپے اور 113.72 ملین روپے رہی جو بالترتیب 0.38 فیصد اور 30 فیصد کمی کی ظاہر کرتی ہے۔ آنے والے وقتوں میں منافع بخش صارف پورٹ فولیو کو برقرار رکھنے کے لئے کمپنی کی طرف سے اٹھائے گئے اقدامات جاری رکھے ہوئے ہے۔

سرمایہ کاری

۲۰۲۳ء کی پہلی سہ ماہی کے لئے سرمایہ کاری آمدنی اور دیگر آمدنی (شمول بینک میں موجود رقم پر منافع)، نے بہترین دکھائی اور ۳۰۲۳ء کی اسی سہ ماہی کے 55.14 ملین روپے کے مقابلے میں 89.51 ملین روپے رہی۔ کمپنی نے محتاط اور متوازن سرمایہ کاری کی حکمت عملی قائم رکھی ہے جو ہمارے پالیسی ہولڈرز کے لئے تقابلی منافع جات کا نتیجہ ثابت ہوئی ہے۔

مزید یہ کہ کمپنی کی سرمایہ کاری کے حجم میں بھی بہتری دیکھنے میں آئی جو، دسمبر ۲۰۲۳ء کے پچھلے سال کے 1,871.30 ملین روپے کے مقابلے میں ۳۱ مارچ ۲۰۲۳ء کو 1,898.12 ملین روپے رہا۔

خالص بیرونواکد

۲۰۲۳ء کی اسی سہ ماہی کے 84.12 بلین روپے کے مقابلے میں ۲۰۲۲ء کی پہلی سہ ماہی کے لئے، مجموعی خالص بیرونواکد کے اخراجات 87.05 بلین روپے رہے جس میں باوجود بڑھتے ہوئے انفرادی صارف کی بنیاد کے 3 فیصد اضافہ دیکھنے میں آیا۔ جیسے جیسے حجم کی نشوونما جاری ہے، کمپنی مطلوبہ منافع برقرار رکھنے کے لئے کلیمز اور خطرے کا فعال طور پر انتظام چلا رہی ہے۔

اخراجات

مارکیٹنگ اور انتظامی اخراجات ۲۰۲۳ء کی اسی سہ ماہی کے مقابلے میں جو کہ 73.47 بلین روپے تھے ۲۰۲۲ء کی پہلی سہ ماہی میں 22 فیصد اضافے سے 89.78 بلین روپے ہو گئے۔ اخراجات میں یہ اضافہ بنیادی طور پر صارف کی خدمات کو اور آئی ٹی آپریشنل صلاحیت کو بہتر بنانے کے لئے پیش قدمیوں پر سرمایہ کاری کے ساتھ ساتھ افراتذکر کے اثر سے مطابقت رکھتا ہے۔ دیگر اخراجات، ۲۰۲۳ء کی اسی سہ ماہی کے 2.22 بلین روپے کے مقابلے میں 2.86 بلین روپے رہے۔ ۲۰۲۳ء کی اسی سہ ماہی کے 61.78 بلین روپے کے مقابلے میں ۲۰۲۲ء کی پہلی سہ ماہی میں بعد از ٹیکس نقصان 56.51 بلین روپے رہا۔

آپ کی کمپنی کی انتظامیہ پر امید ہے کہ کمپنی کے نئے انفراسٹرکچر کی ترقی میں، جدید پروڈکٹس میں کی گئی سرمایہ کاری اور سرگرم انتظامی ٹیم اور کاروباری حکمت عملی آنے والے وقتوں میں کمپنی کے لئے بہت ناکندہ سند ثابت ہوگی۔

مستقبل پر نظر

پاکستان کی معیشت نمایاں چیلنجز کا سامنا کر رہی ہے بشمول ادائیگیوں میں وقفوں میں توازن کے اور قرضوں کی شدید ادائیگی کے جو حکومت کے معاشی بحالی کے ایجنڈے میں نمایاں رکاوٹیں ظاہر کرے گا، البتہ دو ستارہ ممالک سے سرمایہ کاری کی شکل میں ممکنہ معاشی امداد سے معیشت میں کچھ بہتری کا امکان ہے۔ باوجود منفی منظر نامے کے، آپ کی انتظامیہ مکمل طور پر پابند ہے اور کاروبار بہتر انتظام کے لئے خطرے کے انتظام اور بیرونی کاری کے اصول پر توجہ مرکوز رکھنا جاری رکھے گی۔

تفصیلی نوٹ پرنٹ کو بڑھانے کے لئے اور پروڈکٹ پروجیکٹ کے عمل میں اضافہ کرنے کے لئے ہماری کوششوں کے ساتھ ساتھ، ہماری توجہ صارف کے قیام پر اور ضرورت کی بنیاد پر فوری خدمات فراہم کرنے پر مرکوز ہے گی۔ جذب اور مارکیٹ میں پھیلنے کے لئے ہمارا سفر جاری رہے گا اور ہمیں بھروسہ ہے کہ ان منصوبوں کی موجودگی میں، ہم پاکستان میں بیرونی حیات کی مارکیٹ میں اپنا حصہ حاصل کر لیں گے۔

اظہار تشکر

ڈائریکٹرز، کمپنی کی حمایت اور مسلسل رہنمائی کیلئے اپنے ریگولیشنز اور ری انشوررز کے شکور ہیں۔ بورڈ کمپنی کے خیر خواہ پالیسی ہولڈرز اور کارپوریٹ صارفین، حصص کنندگان اور عملے کے تمام افراد کا بھی خلوص دل سے شکریہ ادا کرنا چاہتا ہے جنہوں نے ہمارے ادارے میں اپنا اعتماد اور اعتبار قائم رکھا۔

بورڈ اپنے حصص یافتگان کا بھی شکر گزار ہے جن کی کمپنی کے لئے خیر خواہی اور وقف ہمارے لئے حوصلہ افزائی کا ایک ذریعہ ہے۔


چیف ایگزیکٹو آفیسر

بورڈ آف ڈائریکٹرز کی جانب سے

ڈائریکٹر

تاریخ: ۲۳ اپریل ۲۰۲۳ء



askarilife

**Condensed interim financial statements (un-audited)
For the three months period ended March 31, 2024**

ASKARI LIFE ASSURANCE COMPANY LIMITED

ASKARI LIFE ASSURANCE COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
 AS AT MARCH 31, 2024

| | | March 31, 2024 | December 31, 2023 |
|---|------|------------------------------|----------------------|
| | Note | Un-Audited | Audited |
| | | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| Property and equipment | 6 | 12,074 | 13,840 |
| Right of use assets | 7 | 29,254 | 32,776 |
| Intangible assets | 8 | - | - |
| Investments | | | |
| Equity securities | 9 | 9,254 | 9,379 |
| Government securities | 10 | 1,270,996 | 1,241,127 |
| Mutual funds | 11 | 410,699 | 340,793 |
| Loans secured against life insurance policies | | 5,382 | 5,382 |
| Insurance receivables | | 27,640 | 66,814 |
| Other loans and receivables | | 82,601 | 50,590 |
| Taxation payments less provision | | 53,292 | 51,343 |
| Prepayments | | 5,074 | 6,953 |
| Cash and bank | 12 | 207,172 | 280,005 |
| TOTAL ASSETS | | 2,113,438 | 2,099,002 |
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND RESERVES ATTRIBUTABLE TO COMPANY'S EQUITY HOLDERS | | | |
| Share capital | | 1,501,720 | 1,501,720 |
| Money ceded to Waqf Fund | | 500 | 500 |
| Retained earnings arising from business other than participating business attributable to the shareholders (Ledger Account D) | | (1,749,715) | (1,686,916) |
| Unrealised gain on available-for-sale financial assets | | 9,109 | 6,323 |
| Accumulated losses | | (48,568) | (54,858) |
| Advance against equity | | 630,000 | 630,000 |
| TOTAL EQUITY | | 343,046 | 396,769 |
| LIABILITIES | | | |
| Insurance liabilities | 13 | 1,497,722 | 1,394,368 |
| Retirement benefit obligations | | 59,956 | 54,018 |
| Premium received in advance | | 85,567 | 71,503 |
| Insurance / reinsurance payables | | 44,838 | 46,404 |
| Other creditors and accruals | | 55,963 | 104,834 |
| Lease liability against right of use assets | | 26,346 | 31,106 |
| TOTAL LIABILITIES | | 1,770,392 | 1,702,233 |
| TOTAL EQUITY AND LIABILITIES | | 2,113,438 | 2,099,002 |

CONTINGENCIES AND COMMITMENTS

14

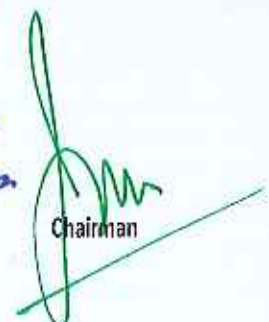
The annexed notes from 1 to 31 form an integral part of these financial statements.


 Chief Financial Officer


 Chief Executive Officer


 Director


 Director


 Chairman

ASKARI LIFE ASSURANCE COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

| | March 31, 2024 (Un-Audited) | March 31, 2023 (Un-Audited) |
|---|-----------------------------------|-----------------------------------|
| Note | ----- (Rupees in '000) ----- | |
| Gross premium / contribution revenue | 366,803 | 417,224 |
| Re insurance premium / contribution ceded | (85,272) | (125,043) |
| Net premium / contribution revenue | 15 281,531 | 292,181 |
| Investment income | 16 68,422 | 51,038 |
| Net realised fair value gains / (losses) on financial assets | 17 13,847 | - |
| Net fair value gains / (losses) on financial assets at fair value | 18 (206) | (55) |
| Other income | 19 7,445 | 4,152 |
| | <u>89,508</u> | <u>55,135</u> |
| Total income | 371,039 | 347,316 |
| Insurance benefits | 176,926 | 162,743 |
| Reinsurance recoveries | (89,878) | (78,623) |
| Net insurance benefits expense | 20 87,048 | 84,120 |
| Net change in insurance liabilities (other than outstanding claims) | 89,964 | 84,150 |
| Acquisition expenses | 21 157,033 | 164,970 |
| Marketing and administration expenses | 22 89,784 | 73,473 |
| Other expenses | 23 2,859 | 2,216 |
| Total expenses | 339,640 | 324,809 |
| Loss before tax | (55,649) | (61,613) |
| Income tax expense | (860) | (163) |
| Loss for the period | (56,509) | (61,776) |
| Other comprehensive income: | | |
| Unrealised gain on remeasurement of available-for-sale financial assets | 2,786 | 788 |
| | <u>2,786</u> | <u>788</u> |
| Total comprehensive loss for the period | (53,723) | (60,988) |
| Loss per share - Rupees | (0.38) | (0.41) |

The annexed notes from 1 to 31 form an integral part of these financial statements.


 Chief Financial Officer


 Chief Executive Officer


 Director


 Director


 Chairman

ASKARI LIFE ASSURANCE COMPANY LIMITED
 CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

| | Note | March 31, 2024 (Un-Audited) | March 31, 2023 (Un-Audited) |
|---|------|-----------------------------------|-----------------------------------|
| ----- (Rupees in '000) ----- | | | |
| Operating Cashflows | | | |
| (a) Underwriting activities | | | |
| Insurance premium / contribution received | | 385,165 | 442,160 |
| Claims paid | | (125,622) | (132,677) |
| Commission paid | | (122,830) | (150,169) |
| Marketing and administrative expenses paid | | (167,210) | (154,443) |
| Net cash used in underwriting activities | | (30,497) | 4,871 |
| (b) Other operating activities | | | |
| Income tax paid | | (2,809) | (2,677) |
| Other operating payments | | (7,102) | (7,471) |
| Gratuity paid | | (167) | - |
| Other operating receipts | | 4,116 | 5,614 |
| Net cash flow / (used in) from other operating activities | | (5,962) | (4,534) |
| Total cash used in from all operating activities | | (36,459) | 337 |
| Investment activities | | | |
| Profit received | | 41,475 | 34,687 |
| Dividend received | | 1,893 | 4,829 |
| Payment for purchase of investments | | (1,729,455) | (1,356,898) |
| Proceeds from disposal of investments | | 1,650,731 | 1,112,910 |
| Addition to property and equipment | | (1,038) | (405) |
| Proceeds from sale of property and equipment | | 20 | - |
| Total cash flow generated from / (used in) from investing activities | | (36,374) | (204,877) |
| Financing activities | | | |
| Advance received against equity | | - | 100,000 |
| Total cash generated from financing activities | | - | 100,000 |
| Net increase in cash and cash equivalents | | (72,833) | (104,540) |
| Cash and cash equivalents at beginning of period | | 280,005 | 254,525 |
| Cash and cash equivalents at end of period | 12 | 207,172 | 149,985 |
| Reconciliation to profit and loss account | | | |
| Operating cash flows | | (36,459) | 337 |
| Depreciation expense on property and equipment | | (2,781) | (2,788) |
| Amortisation expense on intangible assets | | - | (11) |
| Depreciation on right of use asset | | (3,521) | (2,923) |
| Profit on disposal of property and equipment | | (2) | - |
| Net realised fair value gains/(losses) on financial assets | | 13,847 | - |
| Dividend and other investment income | | 75,869 | 55,190 |
| (Decrease) / increase in assets other than cash | | (106,078) | (34,428) |
| Decrease / (Increase) in liabilities | | 2,822 | (77,098) |
| Net fair value gain / (losses) on financial assets at fair value | | (206) | (55) |
| Loss after taxation | | (56,509) | (61,776) |

The annexed notes from 1 to 31 form an integral part of these financial statements.


 Chief Financial Officer


 Chief Executive Officer


 Director


 Director


 Chairman

| | Revenue reserves | | Retained earnings arising from business other than participating business attributable to the shareholders (Ledger Account D) | Money Ceded to Waqf Fund | Unrealised gain on available-for-sale financial assets | Advance against equity | Total Equity |
|--|------------------|--------------------|---|--------------------------|--|------------------------|--------------|
| | Share Capital | Accumulated losses | | | | | |
| Balance as at January 1, 2023 | 1,501,720 | (65,064) | (1,508,107) | 500 | 275 | 430,000 | 359,324 |
| Total comprehensive loss for the period | - | (61,776) | - | - | - | - | (61,776) |
| Change in fair value of available for sale investments | - | - | - | - | 788 | - | 788 |
| Deficit for the period in statutory funds | - | 67,182 | (67,182) | - | - | - | - |
| Advance against equity | - | - | - | 100,000 | - | - | 100,000 |
| Balance as at March 31, 2023 | 1,501,720 | (59,658) | (1,575,289) | 500 | 1,063 | 530,000 | 398,336 |
| Balance as at January 1, 2024 | 1,501,720 | (54,858) | (1,686,916) | 500 | 6,323 | 630,000 | 396,769 |
| Total comprehensive loss for the period | - | (56,509) | - | - | - | - | (56,509) |
| Change in fair value of available for sale investments | - | - | - | - | 2,786 | - | 2,786 |
| Deficit for the period in statutory funds | - | 62,799 | (62,799) | - | - | - | - |
| Advance against equity | - | - | - | - | - | - | - |
| Balance as at March 31, 2024 | 1,501,720 | (48,568) | (1,749,715) | 500 | 9,109 | 630,000 | 343,046 |

Note

(Rupees in '000)

Balance as at January 1, 2023
 Total comprehensive loss for the period
 Change in fair value of available for sale investments
 Deficit for the period in statutory funds
 Advance against equity
 Balance as at March 31, 2023
 Balance as at January 1, 2024
 Total comprehensive loss for the period
 Change in fair value of available for sale investments
 Deficit for the period in statutory funds
 Advance against equity
 Balance as at March 31, 2024

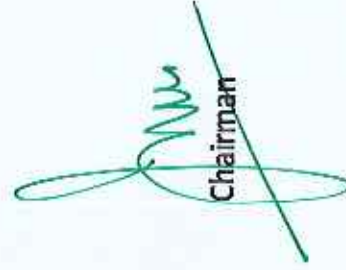
The annexed notes from 1 to 31 form an integral part of these financial statements.


 Chief Financial Officer


 Chief Executive Officer


 Director


 Director


 Chairman

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

1. LEGAL, STATUS AND NATURE OF BUSINESS

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

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

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

Islamabad Office: Building # D-110, 6th Road, Near Total Petrol Pump, Satellite Town, Rawalpindi.

Army Welfare Trust as a Holding Company holds 66.65% (2022: 66.65%) shares of the Company.

- 1.2** The Company is engaged in life insurance and window family takaful business including ordinary life business and accidental and health business.

In accordance with the requirement of Insurance Ordinance, 2000, the Company has established a Shareholder Fund and separate Statutory Funds in respect of each class of its life insurance business. The Statutory Funds established by the Company, in accordance with the advice of Appointed Actuary are as follow:

- Ordinary Life
- Universal Life
- Accidental and Health

The Company commenced the Window Takaful Operations in 2019. Company's Board of Directors in its meeting held on October 24, 2018 approved the contribution of seed money of Rs.50 million from shareholder's fund for the commencement of operation. The Window Takaful Operation is also approved by SECP and Company has also established Individual Family Takaful and Group Family Takaful Funds

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

2 BASIS FOR PRESENTATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

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

2.2 Accounting Standards, IFRIC Interpretations and Amendments which became effective during the period

There are certain adoptions, amendments and interpretations with respect to the approved accounting standards that are not yet effective and are not expected to have any material impact on the Company's condensed interim financial statements in the period of initial application.

3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for valuation of certain investments at their market value.

4 FUNCTIONAL AND PRESENTATION CURRENCY

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed financial statements are in the line with the audited annual accounts for the year ended December 31, 2023.

ASKARI LIFE ASSURANCE COMPANY LIMITED
 NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

6 PROPERTY AND EQUIPMENT

| | March 31, 2024 (Un-Audited) | December 31, 2023 (Audited) |
|-------------------------|-----------------------------------|-----------------------------------|
| | -----Rupees in '000----- | |
| Property and equipments | 12,074 | 13,840 |
| | <u>12,074</u> | <u>13,840</u> |

| | March 31, 2024 (Un-Audited) | | March 31, 2023 (Un-Audited) | |
|--------------------------|--------------------------------|------------|--------------------------------|-----------|
| | Addition | Deletion | Addition | Deletion |
| | -----Rupees in '000----- | | | |
| Furniture & fixture | 104 | 242 | 236 | - |
| Office equipment | 74 | 40 | 40 | - |
| Computer and accessories | 860 | 200 | 129 | 35 |
| | <u>1,038</u> | <u>482</u> | <u>405</u> | <u>35</u> |

7 RIGHT TO USE OF ASSETS

| | March 31, 2024 (Un-Audited) | December 31, 2023 (Audited) |
|---------------------|-----------------------------------|-----------------------------------|
| | -----Rupees in '000----- | |
| Right of use assets | 29,254 | 32,776 |
| | <u>29,254</u> | <u>32,776</u> |

| | March 31, 2024 (Un-Audited) | | March 31, 2023 (Un-Audited) | |
|------------------------|--------------------------------|----------|--------------------------------|----------|
| | Addition / Adjustment | Deletion | Addition / Adjustment | Deletion |
| | -----Rupees in '000----- | | | |
| Right to use of assets | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

8 INTANGIBLE ASSETS

| | March 31, 2024 (Un-Audited) | December 31, 2023 (Audited) |
|-------------------|-----------------------------------|-----------------------------------|
| | -----Rupees in '000----- | |
| Intangible assets | - | - |
| | <u>-</u> | <u>-</u> |

| | March 31, 2024 (Un-Audited) | | March 31, 2023 (Un-Audited) | |
|-------------------|--------------------------------|----------|--------------------------------|----------|
| | Addition | Deletion | Addition | Deletion |
| | -----Rupees in '000----- | | | |
| Intangible assets | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

9 INVESTMENTS IN EQUITY SECURITIES

| | March 31, 2024 (Un-Audited) | | | December 31, 2023 (Audited) | | | | |
|--|-----------------------------|-----------------|----------------|-----------------------------|--------------|--------------------------|----------------|--------------|
| | Cost | Unrealised Gain | Impairment | Fair Value | Cost | Unrealised Gain / (Loss) | Impairment | Fair Value |
| AVAILABLE FOR SALE | | | | | | | | |
| Related party | | | | | | | | |
| Listed Shares | | | | | | | | |
| East West Insurance Company Limited | 281 | 173 | - | 454 | 281 | 173 | - | 454 |
| Others | | | | | | | | |
| Listed Shares | | | | | | | | |
| Kohat Cement Company Limited | 340 | 245 | - | 585 | 340 | 269 | - | 609 |
| D. G. Khan Cement Company Limited | 512 | - | (317) | 195 | 512 | - | (280) | 232 |
| Habib Bank Limited | 1,351 | - | (620) | 731 | 1,351 | - | (575) | 776 |
| Ghandhara Industries Limited | 1,633 | - | (997) | 636 | 1,633 | - | (958) | 675 |
| Millar Tractor Limited | 744 | 670 | - | 1,414 | 744 | 660 | - | 1,404 |
| Bifo Industries Limited | 350 | - | (135) | 215 | 350 | - | (102) | 248 |
| Descon Oxychem Limited | 101 | 15 | - | 116 | 101 | 30 | - | 131 |
| Packages Limited | 2,221 | 18 | - | 2,239 | 2,221 | (101) | - | 2,120 |
| Al-Shahzeer Corporation | 78 | - | (55) | 23 | 78 | - | (47) | 31 |
| Friesland Campina Engro Pakistan Limited | 323 | - | (121) | 202 | 323 | - | (77) | 246 |
| Ferozsons Laboratories Limited | 1,958 | 412 | - | 2,370 | 1,958 | 425 | - | 2,383 |
| AGP Limited | 103 | (29) | - | 74 | 103 | (33) | - | 70 |
| | 9,995 | 1,504 | (2,245) | 9,254 | 9,995 | 1,423 | (2,039) | 9,379 |

9.1 Movement in accumulated impairment losses on available for sale investments.

| | March 31, 2024 | December 31, 2023 |
|---------------------------------------|----------------|-------------------|
| Opening balance | (Un-Audited) | (Audited) |
| (Provision) / reversal for the period | (2,039) | (2,028) |
| Closing balance | (206) | (836) |
| | (2,245) | (2,864) |

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

ASKARI LIFE ASSURANCE COMPANY LIMITED
 NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

10 INVESTMENTS IN GOVERNMENT SECURITIES

| | March 31, 2024 (Un-Audited) | | | | December 31, 2023 (Audited) | | | |
|-----------------------------------|-----------------------------|---------------------|------------------|---------------------|-----------------------------|---------------------|------------|------------------|
| | Maturity Year | Effective Yield (%) | Face Value | Principal Repayment | Carrying Value | Effective Yield (%) | Face Value | Carrying Value |
| Rupees in '000 | | | | | | | | |
| HELD TO MATURITY | | | | | | | | |
| 10 year Pakistan Investment Bond: | 21-Apr-26 | 9.19% | 10,000 | on Maturity | 9,918 | 9.19% | 10,000 | 9,909 |
| 10 year Pakistan Investment Bond: | 21-Apr-26 | 8.07% | 22,500 | on Maturity | 22,788 | 8.07% | 22,500 | 22,830 |
| 10 year Pakistan Investment Bond: | 21-Feb-29 | 21.10% | 39,200 | on Maturity | 39,331 | 23.42% | 39,200 | 39,336 |
| 10 year Pakistan Investment Bond: | 09-Dec-30 | 20.97% | 42,200 | on Maturity | 40,715 | 22.14% | 42,200 | 40,672 |
| 03 Months Treasury Bills | 25-Jan-24 | 21.84% | - | on Maturity | - | 21.84% | 171,630 | 168,100 |
| 03 Months Treasury Bills | 07-Feb-24 | 21.29% | - | on Maturity | - | 21.29% | 148,320 | 145,104 |
| 03 Months Treasury Bills | 21-Mar-24 | 21.32% | - | on Maturity | - | 21.32% | 56,400 | 53,852 |
| 03 Months Treasury Bills | 11-Jan-24 | 22.14% | - | on Maturity | - | 22.14% | 35,025 | 34,793 |
| 03 Months Treasury Bills | 18-Apr-24 | 20.47% | 179,905 | on Maturity | 178,107 | - | - | - |
| 03 Months Treasury Bills | 02-May-24 | 20.44% | 155,000 | on Maturity | 152,271 | - | - | - |
| 05 Months Treasury Bills | 13-Jun-24 | 21.43% | 22,445 | on Maturity | 21,511 | - | - | - |
| 05 Months Treasury Bills | 04-Apr-24 | 20.97% | 11,740 | on Maturity | 11,715 | - | - | - |
| 06 Months Treasury Bills | 30-May-24 | 21.33% | 71,620 | on Maturity | 69,194 | 21.33% | 71,620 | 65,814 |
| 06 Months Treasury Bills | 13-Jun-24 | 21.36% | 128,160 | on Maturity | 122,841 | 21.36% | 128,160 | 116,877 |
| 5 Years GOP Sukuks | 09-Dec-25 | 21.03% | 329,450 | on Maturity | 329,908 | 21.84% | 329,450 | 330,243 |
| 5 Years GOP Sukuks | 29-Oct-26 | 21.90% | 31,500 | on Maturity | 31,707 | 21.84% | 31,500 | 31,707 |
| 5 Years GOP Sukuks | - | - | - | on Maturity | - | 22.67% | 14,600 | 14,684 |
| 5 Years GOP Sukuks | - | - | - | on Maturity | - | 22.67% | 29,600 | 29,751 |
| 5 Years GOP Sukuks | - | - | - | on Maturity | - | 22.67% | 19,500 | 19,597 |
| 5 Years GOP Sukuks | - | - | - | on Maturity | - | 23.00% | 20,100 | 19,567 |
| 5 Years GOP Sukuks | - | - | - | on Maturity | - | 22.73% | 25,000 | 24,961 |
| 5 Years GOP Sukuks | - | - | - | on Maturity | - | 25.54% | 23,000 | 22,947 |
| 5 Years GOP Sukuks | - | - | - | on Maturity | - | 22.68% | 31,500 | 31,408 |
| 5 Years GOP Sukuks | - | - | - | on Maturity | - | 22.76% | 7,000 | 6,957 |
| 5 Years GOP Sukuks | 06-Oct-26 | 21.95% | 10,200 | on Maturity | 10,349 | - | - | - |
| 5 Years GOP Sukuks | 06-Oct-26 | 21.91% | 65,300 | on Maturity | 66,304 | - | - | - |
| 5 Years GOP Sukuks | 06-Oct-26 | 22.16% | 11,300 | on Maturity | 11,421 | - | - | - |
| 5 Years GOP Sukuks | 09-Dec-25 | 20.53% | 14,100 | on Maturity | 14,218 | - | - | - |
| 5 Years GOP Sukuks | 06-Oct-26 | 22.05% | 14,500 | on Maturity | 14,686 | - | - | - |
| 5 Years GOP Sukuks | 06-Oct-26 | 21.99% | 23,300 | on Maturity | 23,623 | - | - | - |
| 5 Years GOP Sukuks | 09-Dec-25 | 20.52% | 25,400 | on Maturity | 25,380 | - | - | - |
| 5 Years GOP Sukuks | 09-Dec-25 | 21.01% | 4,700 | on Maturity | 4,702 | - | - | - |
| 1 Year GOP Sukuks | - | - | - | on Maturity | - | 23.71% | 11,000 | 10,988 |
| 1 Year GOP Sukuks | 17-Apr-24 | 23.52% | 31,500 | on Maturity | 31,465 | - | - | - |
| 1 Year GOP Sukuks | 30-Apr-25 | 23.45% | 21,000 | on Maturity | 19,660 | - | - | - |
| 1 Year GOP Sukuks | 12-Jul-24 | 22.77% | 7,000 | on Maturity | 6,979 | - | - | - |
| 1 Year GOP Sukuks | 17-Apr-24 | 20.51% | 12,000 | on Maturity | 12,005 | - | - | - |
| | | | <u>1,284,020</u> | | <u>1,270,996</u> | | | <u>1,241,127</u> |

11 INVESTMENTS IN MUTUAL FUNDS

| | March 31, 2024 (Un-Audited) | | December 31, 2023 (Audited) | | | |
|-----------------------------------|-----------------------------|-----------------|-----------------------------|---------|-----------------|----------------|
| | Cost | Unrealised gain | Carrying Value | Cost | Unrealised gain | Carrying Value |
| | Rupees in '000 | | | | | |
| AVAILABLE FOR SALE | | | | | | |
| NBP islamic money market fund | 49,913 | 1,813 | 51,726 | 146 | 16 | 162 |
| Alhamra islamic money market fund | - | - | - | 8,883 | - | 8,883 |
| ABL islamic cash fund | 5,778 | - | 5,778 | 5,540 | - | 5,540 |
| Faysal baal aaridani fund | 95,562 | 1,610 | 97,172 | - | - | - |
| NBP islamic daily dividend fund | - | - | - | 8,703 | - | 8,703 |
| NBP Islamic Income Fund | - | - | - | 10,000 | 53 | 10,053 |
| HBL Islamic Money Market Fund | - | - | - | 4,642 | 8 | 4,650 |
| HBL Islamic Income Fund | - | - | - | 22,090 | 62 | 22,152 |
| Meezan Sovereign Fund | - | - | - | 63,630 | 2,047 | 65,677 |
| Faysal Islamic Sovereign Fund | - | - | - | 81,457 | 1,520 | 82,977 |
| Al Ameen Islamic Sovereign Fund | - | - | - | 36,753 | 512 | 37,265 |
| MCB Pakistan Sovereign Fund | - | - | - | 16,600 | 262 | 16,862 |
| Alfalah Islamic Sovereign Plan II | - | - | - | 77,449 | 420 | 77,869 |
| Alhamra Cash Management Optimizer | 84,395 | 1,385 | 85,780 | - | - | - |
| HBL Islamic Savings Fund Plan-I | 31,750 | 235 | 31,985 | - | - | - |
| Meezan Cash Fund | 50,911 | 918 | 51,829 | - | - | - |
| Alfalah Islamic Money Market Fund | 84,785 | 1,644 | 86,429 | - | - | - |
| | 403,094 | 7,605 | 410,699 | 335,893 | 4,900 | 340,793 |

ASKARI LIFE ASSURANCE COMPANY LIMITED
 NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

| 12 CASH AND BANK | March 31, 2024 (Un-Audited) | December 31, 2023 (Audited) |
|---|-----------------------------------|-----------------------------------|
| | ----- Rupees in '000 ----- | |
| Cash and Stamps | 1,615 | 906 |
| Cash at bank | | |
| - current account | 60,235 | 121,485 |
| - saving account | 145,322 | 157,614 |
| Cash and cash equivalents | <u>207,172</u> | <u>280,005</u> |
| 13 INSURANCE LIABILITIES | | |
| Reported outstanding claims (including claims in payment) | 13.1 169,679 | 156,289 |
| Incurring but not reported claims (IBNR) | 13.2 7,111 | 20,566 |
| Investment component of account value policies / certificates | 13.3 1,311,973 | 1,177,450 |
| Liabilities under individual conventional insurance / takaful contracts | 13.4 2,952 | 2,902 |
| Liabilities under group insurance / group family takaful contracts (other than investment linked) | 13.5 4,351 | 9,953 |
| Other insurance / family takaful liabilities | 13.6 1,656 | 27,208 |
| | <u>1,328,043</u> | <u>1,238,079</u> |
| | <u>1,497,722</u> | <u>1,394,368</u> |
| 13.1 Reported outstanding claims | | |
| Gross of Reinsurance / Re takaful | | |
| Payable within one year | 358,247 | 306,749 |
| Payable over a period of time exceeding one year | 8,127 | 8,319 |
| | <u>366,374</u> | <u>315,068</u> |
| Recoverable from Reinsurance / Re takaful | | |
| Receivable within one year | (189,593) | (151,483) |
| Receivable over a period of time exceeding one year | (7,102) | (7,296) |
| | <u>(196,695)</u> | <u>(158,779)</u> |
| Net reported outstanding claims | <u>169,679</u> | <u>156,289</u> |
| 13.2 Incurring but not reported claims | | |
| Gross of reinsurance | 23,285 | 64,556 |
| Reinsurance recoveries | (16,174) | (43,990) |
| Net of reinsurance | <u>7,111</u> | <u>20,566</u> |
| 13.3 Investment component of universal life and account value policies / certificates | | |
| Investment component of account value policies | <u>1,311,973</u> | <u>1,177,450</u> |
| 13.4 Liabilities under individual conventional insurance / takaful contracts | | |
| Gross of reinsurance | 3,440 | 3,390 |
| Reinsurance credit | (488) | (488) |
| Net of reinsurance | <u>2,952</u> | <u>2,902</u> |
| 13.5 Liabilities under Group Insurance / Group Family Takaful Contracts (other than Investment linked) | | |
| Gross of reinsurance | 33,609 | 49,985 |
| Reinsurance credit | (29,258) | (40,032) |
| Net of reinsurance | <u>4,351</u> | <u>9,953</u> |
| 13.6 Other insurance liabilities | | |
| Gross of reinsurance | 2,729 | 27,812 |
| Reinsurance recoveries | (1,073) | (604) |
| | <u>1,656</u> | <u>27,208</u> |

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

- 14.1.1 There is pending adjudication bearing No. 125/2012 before the Session Court, South, Karachi in respect of an employee who was previously working on contract basis at company's Hyderabad branch and committed fraud. As the company is taken over by AWI (the buyer) it was agreed with the previous management (the seller) that if at any stage the Company or any of its director(s) become party and as such any liability is imposed by any court on the company or its director(s) in this regard, the accrued liability would be paid by the sellers to the company for onward payment to the affectedes at earliest. The company will accordingly ensure timely and fair payment of liability.

That to guarantee the covenants made by the seller above and to fully indemnify the Buyer against any liability/loss the Sellers have furnished in favour of the buyer an irrevocable and unconditional Insurance Guarantee from a AA+ rated insurance company, East West Insurance Company Limited bearing number EWI/HO/PB-009/01/2017 to an amount of PKR 118.467 million. Further to this effect a duly executed and notarized undertaking dated 13-01-2017 has also been furnished by the Sellers to the Federal Insurance Ombudsman.

- 14.1.2 Pakistan Steel Mill had filed instant suit against East and West Life Assurance Company (the "EWLA") in respect of the claims of their employees amounting to Rs. 4 million. The claim had been repudiated by the previous management on the grounds of delayed intimation. The Company is contesting the case in and is at the stage of appointment of commissioner. In view of Company's legal consultant, the Company has a prima facie case and unfavourable outcome is not expected.
- 14.1.3 During the year 2019, Sindh Revenue Board (SRB) vide notification No. SRB 3-4/5/2019 dated May 8, 2019 extended the exemption on life insurance till June 30, 2019. With effect from July 1, 2019, life insurance has been made taxable at the rate of 3% on individual life and group life insurance at the rate of 13%. Further, the Punjab Revenue Authority (PRA) also withdrew the exemption on life insurance and made the same subject to Punjab Sales Tax (PST). The Company collectively through the forum of Insurance Association of Pakistan (IAP) had filed a writ / constitutional petition in the Lahore High Court (LHC) and in the High Court of Sindh (HCS) on September 28, 2019 and November 28, 2019 against PRA and SRB respectively.

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

In view of the above the Company has not started invoicing sales tax to its customers. The amount of sales tax involved is around Rs. 173.9 million computed on the basis of risk-based premium, as per the advice of the legal advisor. Moreover, based on legal view, sales tax cannot be levied as insurance is not a service.

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

- 14.1.4 During the year 2019, SECP has conducted the anti-money laundering audit, as a result of which SECP imposed a penalty of Rs. 400,000, vide order No. ID/Enf/EWLA/2017-297 dated March 24, 2020 for the non-compliance made by the company. The company has filed an appeal against the said order before the Appellate bench of SECP. The company and its legal advisor is confident that any unfavourable outcome is not expected.
- 14.1.5 Before acquisition of the East and West Life Assurance Company (the "EWLA") by Army Welfare Trust (AWT), SECP had imposed penalty of Rs.120,000/- and Rs. 200,000/- on the EWLA vide order No. EMD/Enf/EWLA/2016/4299 and order No. ID/Enf/EWLA/2017/8348 respectively. The appeals on the said orders were filed before the Appellate bench of SECP by EWLA.
- The Appellate Bench of the Securities & Exchange Commission of Pakistan disposed of Appeal No. 37 of 2016 on November 16, 2021 through Order dated November 16, 2021. The said order set aside the impugned order to the extent of penalty imposed on Chairman, CEO, and Directors of the Company, whereas, Impugned Order was upheld and the appeal was dismissed to the fine imposed on the Company. The other appeal against is pending and the outcome is awaited.

ASKARI LIFE ASSURANCE COMPANY LIMITED
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- 14.1.6** There is a case filed by the Nobel Hospital against the BWLA in learned court, Lahore for the recovery of health insurance bill amounting to Rs. 1.6 million (approx). After the acquisition, the Company is in coordination with the relevant parties for the possible resolution of the case.
- 14.1.7** There is outstanding petition filed by the Punjab Employees Social Security Institution (PESSI) against BWLA in Insurance Tribunal, Lahore for the recovery of the group claims of their employees amounting to Rs.11.8 million (approx). After the acquisition, the Company is in co-ordination with the relevant parties for the possible resolution of the case.
- 14.1.8** An incident was discovered where an agent misappropriated a premium of Rs. 7 Million from a prospective customer. The Company took timely action and apprehended the agent. The case was also reported to the police. The agent provided a written confession and submitted post dated cheques for recovery of the amount. As of December 31, 2023, the Company has made significant recovery against the out-standing amount. The Company has taken a legal advisor on board to resolve the matter.

14.2 Commitments

Operating leases

| | March 31, 2024 (Un-Audited) | December 31, 2023 (Audited) |
|---|-----------------------------------|-----------------------------------|
| | ----- Rupees in '000 ----- | |
| Not later than one year | 38,211 | 38,259 |
| Later than one year and not later than five years | 107,624 | 114,289 |
| | <u>145,835</u> | <u>152,548</u> |

15 NET INSURANCE PREMIUM / CONTRIBUTION REVENUE

| | March 31, 2024 (Un-Audited) | March 31, 2023 (Un-Audited) |
|---|-----------------------------------|-----------------------------------|
| | ----- Rupees in '000 ----- | |
| Gross Premiums / Contributions revenue | | |
| Regular Premium / Contributions Individual Policies* | | |
| First year | 101,720 | 123,772 |
| Second year renewal | 71,936 | 64,549 |
| Subsequent year renewal | 67,426 | 37,659 |
| Single premium / Contribution individual policies | 11,999 | 28,054 |
| Group policies without cash value | 113,722 | 163,190 |
| Total Gross Premiums / Contribution | <u>366,803</u> | <u>417,224</u> |
| Less: Reinsurance Premium / Contribution Ceded | | |
| On individual life first year business | 1,619 | 738 |
| On individual life second year business | 1,118 | 376 |
| On individual life renewal business | 1,020 | 253 |
| On group policies | 81,517 | 123,677 |
| Less : Reinsurance commission on risk premium | (2) | (1) |
| Total Reinsurance Premium / Contribution Ceded | <u>85,272</u> | <u>125,043</u> |
| Net Premium / Contribution Revenue | <u>281,531</u> | <u>292,181</u> |

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

ASKARI LIFE ASSURANCE COMPANY LIMITED
 NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

| | March 31, 2024 (Un-Audited) | March 31, 2023 (Un-Audited) |
|--|-----------------------------------|-----------------------------------|
| | ----- Rupees in '000 ----- | |
| 16 INVESTMENT INCOME | | |
| Income from equity securities | | |
| <i>Available for Sale</i> | | |
| Dividend income | 1,893 | 4,828 |
| Income from debt securities | | |
| <i>Held to Maturity</i> | | |
| Return on government securities | 66,529 | 46,210 |
| | <u>68,422</u> | <u>51,038</u> |
| 17 NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS | | |
| Available for sale | | |
| Realised gains/(losses) on: | | |
| Mutual funds | 13,847 | - |
| Total | <u>13,847</u> | <u>-</u> |
| 18 NET FAIR VALUE GAINS/ (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE | | |
| Reversal/(impairment) in value of available for sale investments | <u>(206)</u> | <u>(55)</u> |
| 19 OTHER INCOME | | |
| Return on bank balances | 7,447 | 4,048 |
| Gain on sale of property and equipment | (2) | - |
| Miscellaneous | - | 104 |
| | <u>7,445</u> | <u>4,152</u> |
| 20 NET INSURANCE BENEFITS | March 31, 2024 (Un-Audited) | March 31, 2023 (Un-Audited) |
| | ----- Rupees in '000 ----- | |
| Gross Claims | | |
| Claims under individual policies | | |
| by death | 11,460 | 3,516 |
| by maturity | 7,212 | 3,010 |
| by surrender | 33,177 | 17,207 |
| Total gross individual policy claims | 51,849 | 23,733 |
| Claims under group policies | | |
| by death | 115,915 | 135,393 |
| by insured event other than death | 9,162 | 3,617 |
| Total gross group policy claims | 125,077 | 139,010 |
| Total gross claims | 176,926 | 162,743 |
| Less: Reinsurance recoveries | | |
| On Individual life claims | (4,356) | (658) |
| On Group life claims | (85,522) | (77,965) |
| Total reinsurance recoveries | (89,878) | (78,623) |
| Net insurance benefit expense | <u>87,048</u> | <u>84,120</u> |

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

| | March 31, 2024 (Un-Audited) | March 31, 2023 (Un-Audited) |
|--|-----------------------------------|-----------------------------------|
| | Note ----- Rupees in '000 ----- | |
| 21 ACQUISITION EXPENSES | | |
| Remuneration to insurance intermediaries on individual policies: | | |
| Commission to agent on first year premiums | 66,572 | 81,352 |
| Commission to agent on second year premiums | 8,024 | 6,991 |
| Commission to agent on subsequent renewal premiums | 2,054 | 1,113 |
| | <u>76,650</u> | <u>89,456</u> |
| Remuneration to insurance intermediaries on group policies: | | |
| Commission | 10,356 | 11,045 |
| Other acquisition costs | | |
| Employee benefit cost | 49,513 | 47,817 |
| Advertisements and sales promotion | 7,852 | 4,475 |
| Vehicle running expenses | 2,264 | 2,245 |
| Depreciation on property and equipment | 748 | 873 |
| Repair and maintenance | 339 | 320 |
| Travel and conveyance | 505 | 410 |
| Miscellaneous | 145 | 657 |
| Electricity, gas and water | 606 | 448 |
| Ijara rental | 1,563 | 1,162 |
| Postage, telegrams and telephone | 1,215 | 1,053 |
| Entertainment | 369 | 349 |
| Policy stamps | 941 | 1,607 |
| Rent, rates and taxes | 2,710 | 2,720 |
| Printing and stationery | 358 | 333 |
| Bank charges | 249 | - |
| | <u>70,027</u> | <u>64,469</u> |
| | <u>157,033</u> | <u>164,970</u> |
| 22 MARKETING AND ADMINISTRATION EXPENSES | | |
| Employee benefit cost | 51,709 | 44,826 |
| Advertisements and sales promotion | 2,850 | 2,312 |
| Depreciation on right of use assets | 3,521 | 2,923 |
| Vehicle running expenses | 6,047 | 4,470 |
| Travel and conveyance | 693 | 1,298 |
| Repair and maintenance | 6,237 | 4,445 |
| Depreciation on property and equipment | 2,033 | 1,915 |
| Postage, telegrams and telephone | 2,655 | 2,644 |
| Printing and stationery | 1,764 | 2,761 |
| Finance charges on lease liability against right of use asset | 1,972 | 411 |
| Entertainment | 679 | 559 |
| Ijara Rental | 4,283 | 899 |
| Rent, rates and taxes | 1 | 136 |
| Electricity, gas and water | 896 | 270 |
| Insurance | 1,580 | 1,809 |
| Fees, subscription and periodicals | 77 | 26 |
| Miscellaneous | 591 | 235 |
| Amortisation of intangible assets | - | 11 |
| Bank charges | 114 | 186 |
| Annual supervision fee SECP | 2,082 | 1,337 |
| | <u>89,784</u> | <u>73,473</u> |
| 23 OTHER EXPENSES | | |
| Legal and professional charges | 832 | 202 |
| Appointed actuary fees | 1,017 | 1,017 |
| Auditors' remuneration | - | 202 |
| Shariah Advisor Fee | 690 | 600 |
| Director fee | 320 | 195 |
| | <u>2,859</u> | <u>2,216</u> |

ASKARI LIFE ASSURANCE COMPANY LIMITED
 NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

24 SEGMENTAL INFORMATION

24.1 Revenue Account by Statutory Fund

For the three months period ended March 31, 2024

| | Statutory funds | | | | | Total |
|---|-------------------------|----------------|----------------------------|---------------------------|----------------------|------------------|
| | Ordinary Life | Universal Life | Accident & health business | Individual Family Takaful | Group Family Takaful | |
| | ----- Rs in '000' ----- | | | | | |
| Income | | | | | | |
| Premium / Contributions less reinsurance | 23,885 | 45,786 | - | 203,530 | 8,330 | 281,531 |
| Net investment income | 3,969 | 33,621 | 577 | 35,099 | 2,356 | 75,622 |
| Total net income | 27,854 | 79,407 | 577 | 238,629 | 10,686 | 357,153 |
| Insurance benefits and expenditure | | | | | | |
| Insurance benefits including bonuses, net of reinsurance recoveries | 32,789 | 25,175 | - | 21,754 | 7,330 | 87,048 |
| Management expenses less recoveries | 30,208 | 32,774 | - | 169,104 | 10,854 | 242,940 |
| Total insurance benefits and expenditure | 62,997 | 57,949 | - | 190,858 | 18,184 | 329,988 |
| (Deficit)/ surplus of income over claims and expenditure | (35,143) | 21,458 | 577 | 47,771 | (7,498) | 27,165 |
| Add: Policyholders' liabilities at beginning of the period | 13,581 | 556,955 | - | 654,380 | 13,163 | 1,238,079 |
| Less: Policyholders' liabilities at end of the period | 6,732 | 559,507 | - | 756,394 | 5,410 | 1,328,043 |
| (Deficit)/surplus | (28,294) | 18,906 | 577 | (54,243) | 255 | (62,799) |
| Movement in policyholders' liabilities | (6,849) | 2,552 | - | 102,014 | (7,753) | 89,964 |
| Transfers from shareholders' fund | | | | | | |
| - Capital contributions from shareholders' fund | - | - | - | 58,500 | - | 58,500 |
| Balance of statutory fund at beginning of the period | 67,264 | 564,367 | 9,802 | 689,086 | 15,903 | 1,346,422 |
| Balance of statutory fund at end of the period | 32,121 | 585,825 | 10,379 | 795,357 | 8,405 | 1,432,087 |

ASKARI LIFE ASSURANCE COMPANY LIMITED
 NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

| For the three months period ended March 31, 2023 | Statutory funds | | | | | Total |
|--|-------------------------|----------------|----------------------------|-------------------------------------|----------------------|-----------------|
| | Ordinary Life | Universal Life | Accident & health business | Individual Family Takaful Contracts | Group Family Takaful | |
| | ----- Rs in '000' ----- | | | | | |
| Income | | | | | | |
| Premium / Contribution reinsurers | 25,414 | 54,775 | - | 197,887 | 14,105 | 292,181 |
| Net investment income | 6,132 | 20,981 | 343 | 14,928 | 1,947 | 44,331 |
| Total net income | 31,546 | 75,756 | 343 | 212,815 | 16,052 | 336,512 |
| Claims and expenditure | | | | | | |
| Claims, including bonuses, net of reinsurance recoveries | 51,123 | 13,078 | - | 9,979 | 9,940 | 84,120 |
| Management expenses less recoveries | 28,974 | 32,891 | - | 160,745 | 12,814 | 235,424 |
| Total claims and expenditure | 80,097 | 45,969 | - | 170,724 | 22,754 | 319,544 |
| (Deficit)/surplus of income over claims and expenditure | (48,551) | 29,787 | 343 | 42,091 | (6,702) | 16,968 |
| Add: Policyholders' liabilities at beginning of the period | 96,771 | 422,858 | - | 293,696 | 6,775 | 820,100 |
| Less: Policyholders' liabilities at end of the period | 54,894 | 447,467 | - | 396,806 | 5,083 | 904,250 |
| (Deficit) / Surplus | (6,674) | 5,178 | 343 | (61,019) | (5,010) | (67,182) |
| Movement in policyholders' liabilities | (41,877) | 24,609 | - | 103,110 | (1,692) | 84,150 |
| Transfers from shareholders' fund | | | | | | |
| - Capital contributions from shareholders' fund | 5,500 | - | - | 55,000 | 2,000 | 62,500 |
| Balance of statutory fund at beginning of the period | 117,091 | 441,537 | 7,938 | 308,157 | 13,526 | 888,249 |
| Balance of statutory fund at end of the period | 74,040 | 471,324 | 8,281 | 405,248 | 8,824 | 967,717 |

ASKARI LIFE ASSURANCE COMPANY LIMITED
 NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

25 Segment Statement of financial position

| | Shareholders' fund | Statutory funds | | | | March 31, 2024 (Un-audited) | December 31, 2023 (Audited) | |
|---|--------------------|----------------------|----------------|----------------------------|---------------------------|--------------------------------|--------------------------------|----------------------|
| | | Ordinary Life | Universal Life | Accident & health business | Individual Family Takaful | | | Group Family Takaful |
| | | -----Rs in '000----- | | | | | | |
| Property and equipment | 12,074 | - | - | - | - | 13,840 | | |
| Right of use assets | 29,254 | - | - | - | - | 32,776 | | |
| Intangible assets | - | - | - | - | - | - | | |
| Investments | 220,936 | 23,013 | 676,362 | 7,703 | 732,980 | 1,690,949 | | |
| Loans secured against life insurance policies | - | 1,488 | 3,894 | - | - | 5,382 | | |
| Insurance receivables | - | 38,291 | (11,027) | 376 | - | 27,640 | | |
| Other loans and receivables | 33,815 | 1,444 | 9,222 | 1,195 | 34,460 | 82,601 | | |
| Taxation - payments less provision | 53,292 | - | - | - | - | 53,292 | | |
| Prepayments | 5,074 | - | - | - | - | 5,074 | | |
| Cash & Bank | 4,594 | 53,274 | 18,707 | 4,865 | 106,533 | 207,172 | | |
| Total assets | 359,039 | 117,510 | 697,158 | 14,139 | 875,973 | 2,113,438 | | |
| Insurance liabilities net of reinsurance recoveries | - | 64,884 | 639,892 | 3,599 | 769,968 | 1,497,722 | | |
| Retirement benefit obligations | 59,956 | - | - | - | - | 59,956 | | |
| Premium received in advance | - | 11,331 | 22,340 | - | 51,896 | 54,018 | | |
| Insurance / reinsurance payables | - | 3,727 | 1,440 | 161 | 12,834 | 71,503 | | |
| Lease liability against right of use assets | 26,346 | - | - | - | - | 46,404 | | |
| Other creditors and accruals | 33,723 | 12,181 | 7,169 | - | 320 | 104,834 | | |
| Total Liabilities | 120,025 | 92,123 | 670,841 | 3,760 | 835,018 | 31,106 | | |
| | | | | | | 1,770,392 | | |
| | | | | | | 2,099,002 | | |

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM TIME FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

26 WINDOW TAKAFUL OPERATIONS

The statement of financial position of Window Takaful Operations as at March 31, 2024 and its financial performance for the period ended March 31, 2024 is as follows:

26.1 Statement of Financial Position
As at March 31, 2024

| Operator's Sub Fund | Statutory funds | | Aggregate | Aggregate |
|--|---------------------------|----------------------|--------------------------------|--------------------------------|
| | Individual Family Takaful | Group Family Takaful | March 31, 2024 (Un-audited) | December 31, 2023 (Audited) |
| -----Rupees in '000----- | | | | |
| Share capital and reserves | | | | |
| Funds received from Shareholders' Fund | - | - | - | - |
| Capital returned to Shareholders' Fund | - | - | - | - |
| Accumulated Surplus / (Deficit) | 8,860 | - | 8,860 | 16,661 |
| Qard-e-Hasna contributed by the Window Takaful Operator | - | - | - | - |
| Net shareholders' equity | 8,860 | - | 8,860 | 16,661 |
| Balance of statutory fund (including Technical reserves Rs. 767.762 million (December 31, 2023: Rs.667.543 million) | - | 794,701 | 794,901 | 688,327 |
| Deferred liabilities | | | | |
| Staff retirement benefits | - | - | - | - |
| Creditors and accruals | | | | |
| Outstanding claims | - | 13,568 | 13,967 | 23,044 |
| Contributions received in advance | - | 51,896 | - | 49,430 |
| Amount due to takaful / re-takaful operators | - | 12,834 | 26,676 | 40,873 |
| Amounts due to agents | 430 | - | 430 | 33,341 |
| Other creditors and accruals | 2,460 | - | 2,460 | 6,300 |
| | 2,890 | 78,298 | 121,831 | 152,988 |
| Total liabilities | 2,890 | 872,999 | 916,732 | 841,315 |
| Commitments | - | - | - | - |
| Total equity and liabilities | 11,750 | 872,999 | 925,592 | 857,976 |

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

| | Statutory funds | | Aggregate | Aggregate | |
|--|----------------------|---------------------------|----------------------|-----------------------------|-----------------------------|
| | Operator's Sub Fund | Individual Family Takaful | Group Family Takaful | March 31, 2024 (Un-audited) | December 31, 2023 (Audited) |
| -----Rupees in '000----- | | | | | |
| Cash and bank deposits | | | | | |
| Cash and others | 1,239 | - | - | 1,239 | 680 |
| Current and other accounts | 6,748 | 100,548 | 17,197 | 124,493 | 218,607 |
| Deposits maturing within 12 months | - | - | - | - | - |
| | <u>7,987</u> | <u>100,548</u> | <u>17,197</u> | <u>125,732</u> | <u>219,287</u> |
| Unsecured loans to employees | - | - | - | - | - |
| Investments | | | | | |
| Government securities | 525 | 373,060 | 12,241 | 385,826 | 326,963 |
| Listed securities | - | - | - | - | - |
| Open end mutual funds | - | 359,506 | 17,603 | 377,109 | 291,871 |
| Provision for diminution in value | - | - | - | - | - |
| | <u>525</u> | <u>732,566</u> | <u>29,844</u> | <u>762,935</u> | <u>618,834</u> |
| Current assets - others | | | | | |
| Contributions due but unpaid | - | - | - | - | - |
| Amount due from takaful / re-takaful operators | - | - | - | - | - |
| Sundry receivables | - | - | - | - | - |
| Investment income accrued | 1,112 | 33,801 | 1,134 | 36,047 | 19,029 |
| Advances and deposits | 878 | - | - | 878 | 826 |
| Prepayments | - | - | - | - | - |
| Taxation - payments less provision | - | - | - | - | - |
| Inter fund balance | 1,248 | 6,084 | (7,332) | - | - |
| | <u>3,238</u> | <u>39,885</u> | <u>(6,198)</u> | <u>36,925</u> | <u>19,855</u> |
| Fixed assets | | | | | |
| Tangible assets | | | | | |
| Furniture & fixture, office equipments | - | - | - | - | - |
| Motor vehicles | - | - | - | - | - |
| Right of use | - | - | - | - | - |
| Computer equipments | - | - | - | - | - |
| Intangible assets | | | | | |
| Softwares | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total assets | <u><u>11,750</u></u> | <u><u>872,999</u></u> | <u><u>40,843</u></u> | <u><u>925,592</u></u> | <u><u>857,976</u></u> |

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

26.2 Revenue Account
For the three months period ended March 31, 2024

| Statutory Funds | | ---Aggregate--- | |
|-------------------------------------|-------------------------|-----------------------------------|-----------------------------------|
| Universal Life Family Takaful | Group Family Takaful | March 31, 2024 (Un-Audited) | March 31, 2023 (Un-Audited) |

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

26.2.1 Participants' Investment Fund (PIF)

Income

Allocated contribution

Investment income

Total net income

| | | | |
|---------|---|---------|---------|
| 109,632 | - | 109,632 | 103,587 |
| 32,956 | - | 32,956 | 13,605 |
| 142,588 | - | 142,588 | 117,192 |

Less: Claims and Expenditure

Claims

Takaful operator fee

| | | | |
|--------|---|--------|--------|
| 17,517 | - | 17,517 | 8,555 |
| 18,791 | - | 18,791 | 13,100 |
| 36,308 | - | 36,308 | 21,655 |

Excess of Income over Claims and expenditure

| | | | |
|---------|---|---------|--------|
| 106,280 | - | 106,280 | 95,537 |
|---------|---|---------|--------|

Add: Technical reserves at the beginning of the period

Less: Technical reserves at the end of the period

Income retained in PIF

| | | | |
|---------|---|---------|---------|
| 649,884 | - | 649,884 | 649,884 |
| 754,024 | - | 754,024 | 373,711 |
| 2,140 | - | 2,140 | 2,140 |

Movement in technical reserves

| | | | |
|-----------|---|-----------|---------|
| (106,280) | - | (106,280) | 274,033 |
|-----------|---|-----------|---------|

Surplus before distribution

Movement in technical reserves

| | | | |
|---------|---|---------|--------|
| 106,280 | - | 106,280 | 95,537 |
|---------|---|---------|--------|

Transfers from

Qard-e-Hasna contributed by Window Takaful Operator

| | | | |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

Money ceded to Waqf

Balance of PIF at the beginning of the period

| | | | |
|---------|---|---------|---------|
| - | - | - | - |
| 662,258 | - | 662,258 | 299,708 |

Balance of PIF at the end of the period

| | | | |
|---------|---|---------|---------|
| 768,538 | - | 768,538 | 395,245 |
|---------|---|---------|---------|

ASKARI LIFE ASSURANCE COMPANY LIMITED
 NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

26.3 Revenue Account

For the three months period ended March 31, 2024

| Statutory Funds | | Aggregate | Aggregate |
|---------------------------|----------------------|--------------------------------|--------------------------------|
| Individual Family Takaful | Group Family Takaful | March 31, 2024 (Un-Audited) | March 31, 2023 (Un-Audited) |

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

26.3.1 Participants' Takaful Fund (PTF)

Income

Contribution net of retakaful

Net investment income

Other income

| | | | |
|--------|--------|---------|---------|
| 93,898 | 8,330 | 102,228 | 108,405 |
| 1,317 | 1,700 | 3,017 | 2,484 |
| - | - | - | - |
| 95,215 | 10,030 | 105,245 | 110,889 |

Less: Claims and Expenditure

Claims

Takaful operator fee

| | | | |
|--------|-------|---------|---------|
| 4,237 | 7,330 | 11,567 | 11,364 |
| 90,797 | 2,587 | 93,384 | 97,793 |
| 95,034 | 9,917 | 104,951 | 109,157 |

Excess / (Deficit) of Income over Claims and expenditure

| | | | |
|-----|-----|-----|-------|
| 181 | 113 | 294 | 1,732 |
|-----|-----|-----|-------|

Add: Technical reserves at the beginning of the period

Less: Technical reserves at the end of the period

Deficit retained in PTF

| | | | |
|-------|--------|--------|----------|
| 4,496 | 13,163 | 17,659 | 9,388 |
| 2,370 | 5,410 | 7,780 | 28,178 |
| 2,307 | 7,866 | 10,173 | (17,058) |

Movement in technical reserves

| | | | |
|-------|-------|-------|---------|
| (181) | (113) | (294) | (1,732) |
|-------|-------|-------|---------|

Surplus before distribution

Movement in technical reserves

| | | | |
|-----|-----|-----|-------|
| 181 | 113 | 294 | 1,732 |
|-----|-----|-----|-------|

Transfers from

Qard-e-Hasna contributed by Window Takaful Operator

| | | | |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

Money ceded to Waqf

Balance of PTF at the beginning of the period

| | | | |
|--------|----|--------|--------|
| - | - | - | - |
| 25,982 | 87 | 26,069 | 15,525 |

Balance of PTF at the end of the period

| | | | |
|--------|-----|--------|--------|
| 26,163 | 200 | 26,363 | 17,257 |
|--------|-----|--------|--------|

ASKARI LIFE ASSURANCE COMPANY LIMITED
 NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

26.4 Operators' Sub Fund (OSF)

| | Statutory Funds | | Aggregate | Aggregate |
|---|---------------------------|----------------------|--------------------------------|--------------------------------|
| | Individual Family Takaful | Group Family Takaful | March 31, 2024 (Un-Audited) | March 31, 2023 (Un-Audited) |
| | -----Rupees in '000'----- | | | |
| Income | | | | |
| Allocation fee | 5,834 | - | 5,834 | 25,834 |
| Investment income | 826 | 656 | 1,482 | 786 |
| Takaful operator fee | 95,170 | 2,587 | 97,757 | 80,187 |
| Certificate admin fee | 5,355 | - | 5,355 | 3,458 |
| Wakalat-ul-Istismar | 3,229 | - | 3,229 | 1,414 |
| | 110,414 | 3,243 | 113,657 | 111,679 |
| Less: Expenses | | | | |
| Acquisition cost | 119,394 | 2,987 | 122,381 | 129,599 |
| Administration expenses | 49,708 | 7,869 | 57,577 | 43,961 |
| Total management cost | 169,102 | 10,856 | 179,958 | 173,560 |
| Excess of (expenditure)/over income | | | | |
| Add: Technical reserves at the beginning of the period | - | - | - | - |
| Less: Technical reserves at the end of the period | - | - | - | - |
| | - | - | - | - |
| Surplus / (Deficit) | (58,688) | (7,613) | (66,301) | (61,881) |
| Movement in technical reserves | - | - | - | - |
| Capital Contribution during the period | 58,500 | - | 58,500 | 57,000 |
| Qard-e-Hasna contributed to the Participants Takaful Fund | - | - | - | - |
| Balance of OSF at the beginning of the period | 844 | 15,817 | 16,661 | 6,452 |
| Balance of OSF at the end of the period | <u>656</u> | <u>8,204</u> | <u>8,860</u> | <u>1,571</u> |

ASKARI LIFE ASSURANCE COMPANY LIMITED
 NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

26.5 Statement of Contribution

For the three months period ended March 31, 2024

| Statutory Funds | | Aggregate | |
|---------------------------|----------------------|--------------------------------|--------------------------------|
| Individual Family Takaful | Group Family Takaful | March 31, 2024 (Un-Audited) | March 31, 2023 (Un-Audited) |

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

Gross Contributions

Regular contributions individual family takaful*

| | | | | |
|---------------------------|--------|---|--------|---------|
| - First year | 96,193 | - | 96,193 | 114,329 |
| - Second year | 63,953 | - | 63,953 | 53,488 |
| - Subsequent year renewal | 36,967 | - | 36,967 | 3,934 |

| | | | | |
|--|-------|--------|--------|--------|
| Single Contribution individual family takaful | 9,444 | - | 9,444 | 27,194 |
| Group family takaful contribution without cash value | - | 32,718 | 32,718 | 50,534 |

| | | | | |
|----------------------------------|----------------|---------------|----------------|----------------|
| Total Gross Contributions | 206,557 | 32,718 | 239,275 | 249,479 |
|----------------------------------|----------------|---------------|----------------|----------------|

Participants' Investment Fund

| | | | | |
|--------------------------------|----------------|----------|----------------|----------------|
| Allocated regular contribution | 100,831 | - | 100,831 | 77,753 |
| Allocated single contribution | 8,801 | - | 8,801 | 25,834 |
| | 109,632 | - | 109,632 | 103,587 |

Less: Retakaful Contribution Ceded

| | | | | |
|------------------------------------|-------|--------|--------|--------|
| On individual first year business | 1,519 | - | 1,519 | 700 |
| On individual second year business | 973 | - | 973 | 306 |
| On individual renewal business | 535 | - | 535 | 52 |
| On group family takaful | - | 24,388 | 24,388 | 36,429 |

| | | | | |
|--------------------------|---------------|--------------|----------------|----------------|
| Net Contributions | 93,898 | 8,330 | 102,228 | 108,405 |
|--------------------------|---------------|--------------|----------------|----------------|

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

ASKARI LIFE ASSURANCE COMPANY LIMITED
 NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

26.6 Statement of Claims

For the three months period ended March 31, 2024

| | Statutory Funds | | Aggregate | Aggregate |
|---|---------------------------|----------------------|--------------------------------|--------------------------------|
| | Individual Family Takaful | Group Family Takaful | March 31, 2024 (Un-Audited) | March 31, 2023 (Un-Audited) |
| -----Rupees in '000----- | | | | |
| Gross claims | | | | |
| Claims under individual family takaful | | | | |
| - by death | 8,561 | - | 8,561 | 2,148 |
| - by covered event other than death | - | - | - | - |
| by maturity | - | - | - | - |
| - by surrender | 17,050 | - | 17,050 | 8,489 |
| Total gross individual family takaful claims | 25,611 | - | 25,611 | 10,637 |
| Claims under group family takaful | | | | |
| - by death | - | 36,580 | 36,580 | 46,000 |
| - by covered event other than death | - | 2,280 | 2,280 | 2,751 |
| Total group family takaful claims | - | 38,860 | 38,860 | 48,751 |
| Total Gross Claims | 25,611 | 38,860 | 64,471 | 59,388 |
| Participants' Investment Fund (PIF) | | | | |
| Claims under individual family takaful | | | | |
| - by death | 467 | - | 467 | 467 |
| - by covered event other than death | - | - | - | - |
| - by maturity | - | - | - | - |
| - by surrender | 17,050 | - | 17,050 | 17,050 |
| Total gross individual family takaful claims | 17,517 | - | 17,517 | 17,517 |
| Participants' Takaful Fund (PTF) | | | | |
| Claims under individual family takaful | | | | |
| - by death | 8,094 | - | 8,094 | 2,082 |
| - by covered event other than death | - | - | - | - |
| - by maturity | - | - | - | - |
| - by surrender | - | - | - | - |
| Total gross individual family takaful claims | 8,094 | - | 8,094 | 2,082 |
| Claims under group family takaful | | | | |
| - by death | - | 36,580 | 36,580 | 46,000 |
| - by covered event other than death | - | 2,280 | 2,280 | 2,751 |
| Total group family takaful claims | - | 38,860 | 38,860 | 48,751 |
| Less: Retakaful recoveries | | | | |
| On individual family takaful first year claims | 3,857 | - | 3,857 | 658 |
| On individual family takaful second year claims | - | - | - | - |
| On individual family takaful renewal claims | - | - | - | - |
| On group takaful claims | - | 31,530 | 31,530 | 38,811 |
| Net Claims | 21,754 | 7,330 | 29,084 | 19,919 |

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

26.7 Statement of Expenses

For the three months period ended March 31, 2024

| Operators' Sub Fund | Statutory funds | | Aggregate | Aggregate |
|---|---------------------------|----------------------|--------------------------------|--------------------------------|
| | Individual Family Takaful | Group Family Takaful | March 31, 2024 (Un-Audited) | March 31, 2023 (Un-Audited) |
| -----Rupees in '000----- | | | | |
| Acquisition costs | | | | |
| Remuneration to takaful intermediaries on individual family takaful: | | | | |
| - Commission on first year contributions | 64,135 | - | 64,135 | 77,081 |
| - Commission on second year contributions | 7,585 | - | 7,585 | 6,277 |
| - Commission on subsequent renewal contributions | 1,260 | - | 1,260 | 193 |
| | 72,980 | - | 72,980 | 83,551 |
| Remuneration to takaful intermediaries on group family takaful: | | | | |
| - Commission | - | 1,579 | 1,579 | 2,703 |
| Other acquisition costs: | | | | |
| Employee benefit cost | 32,731 | 954 | 33,688 | 32,804 |
| Depreciation on right of use assets | - | - | - | - |
| Advertisements and sales promotion | 5,716 | 152 | 5,868 | 2,354 |
| Vehicle running expenses | 582 | 199 | 781 | 946 |
| Depreciation on property and equipment | 611 | - | 611 | 522 |
| Repair and maintenance | 273 | - | 273 | 234 |
| Travel and conveyance | 331 | 12 | 343 | 189 |
| Electricity, gas and water | 495 | - | 495 | 351 |
| Ijara rental | 1,127 | 52 | 1,179 | 662 |
| Postage, telegrams and telephone | 858 | 15 | 873 | 706 |
| Entertainment | 289 | - | 289 | 266 |
| Policy stamps | - | 1 | 1 | 1,405 |
| Rent, rates and taxes | 2,212 | - | 2,212 | 2,130 |
| Printing and stationery | 291 | - | 291 | 261 |
| Bank charges | 219 | 23 | 242 | - |
| Miscellaneous | 145 | - | 145 | 515 |
| | 46,414 | 1,408 | 47,822 | 43,315 |
| Total acquisition cost | 119,394 | 2,987 | 122,381 | 129,599 |
| Administration expenses | | | | |
| Employee benefit cost | 27,905 | 4,421 | 32,326 | 25,963 |
| Advertisements and sales promotion | 1,444 | 229 | 1,673 | 1,244 |
| Depreciation on right of use assets | 1,784 | 283 | 2,067 | 1,573 |
| Vehicle running expenses | 3,266 | 518 | 3,784 | 2,575 |
| Travel and conveyance | 364 | 58 | 422 | 705 |
| Repair and maintenance | 3,161 | 501 | 3,662 | 2,393 |
| Depreciation on property and equipment | 1,031 | 163 | 1,194 | 1,031 |
| Postage, telegrams and telephone | 1,577 | 250 | 1,827 | 1,833 |
| Printing and stationery | 1,112 | 176 | 1,288 | 1,765 |
| Finance charges on lease liability against right of use asset | 1,000 | 158 | 1,158 | 221 |
| Entertainment | 344 | 55 | 399 | 316 |
| Ijara rental | 2,317 | 367 | 2,684 | 561 |
| Rent, rates and taxes | 1 | - | 1 | 73 |
| Electricity, gas and water | 454 | 72 | 526 | 145 |
| Insurance | 801 | 127 | 928 | 973 |
| Fees, subscription and periodicals | 39 | 6 | 45 | 14 |
| Miscellaneous | 377 | 52 | 429 | 165 |
| Amortisation of intangible assets | - | - | - | 6 |
| Bank charges | 73 | 12 | 85 | 139 |
| Annual supervision fee SRCP | 1,054 | 167 | 1,221 | 719 |
| Legal and professional charges | 435 | 69 | 504 | 109 |
| Appointed actuary fees | 573 | 91 | 664 | 608 |
| Auditors' remuneration | - | - | - | 122 |
| Director fee | - | - | - | 105 |
| Shariah Advisor Fee | 596 | 94 | 690 | 600 |
| | 49,708 | 7,869 | 57,577 | 43,961 |
| Gross management expenses | 169,102 | 10,856 | 179,958 | 173,560 |

ASKARI LIFE ASSURANCE COMPANY LIMITED
 NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

26.8 Statement of Investment Income
 For the three months period ended March 31, 2024

| Statutory fund | | Aggregate | Aggregate |
|---------------------------------|-------------------------|-----------------------------------|-----------------------------------|
| Individual Family Takaful | Group Family Takaful | March 31, 2024 (Un-Audited) | March 31, 2023 (Un-Audited) |

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

Participants' Investment Fund (PIF)

| | | | | |
|---|---------------|----------|---------------|---------------|
| On government securities | 17,631 | - | 17,631 | 10,324 |
| On other fixed income securities and deposits | 3,034 | - | 3,034 | 182 |
| Dividend income | 1,337 | - | 1,337 | 3,099 |
| Gain on sale of investments | 10,954 | - | 10,954 | 3,099 |
| Net investment income of PIF | 32,956 | - | 32,956 | 16,704 |

Participants' Takaful Fund (PTF)

| | | | | |
|---|--------------|--------------|--------------|--------------|
| On government securities | 50 | 652 | 702 | 1,736 |
| On other fixed income securities and deposits | 64 | 239 | 303 | 167 |
| Dividend income | 17 | 215 | 232 | 581 |
| Gain on sale of investments | 1,186 | 594 | 1,780 | 581 |
| Net investment income of PTF | 1,317 | 1,700 | 3,017 | 3,065 |

Operators' Sub Fund (OSI)

| | | | | |
|---|------------|------------|--------------|------------|
| On government securities | 122 | 596 | 718 | 136 |
| On other fixed income securities and deposits | 704 | 60 | 764 | 650 |
| Net investment income of OSI | 826 | 656 | 1,482 | 786 |

| | | | | | |
|------------------------------|----------------|---------------|--------------|---------------|---------------|
| Net investment income | (a+b+c) | 35,099 | 2,356 | 37,455 | 20,555 |
|------------------------------|----------------|---------------|--------------|---------------|---------------|

27 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
 Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and
 Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------|----------------|------------------|----------|------------------|
| March 31, 2024 | | | | |
| Government securities | - | 1,270,996 | - | 1,270,996 |
| Listed securities | 9,254 | - | - | 9,254 |
| Open end mutual funds | 410,699 | - | - | 410,699 |
| | 419,953 | 1,270,996 | - | 1,690,949 |
| December 31, 2023 | | | | |
| Government securities | - | 1,241,127 | - | 1,241,127 |
| Listed securities | 9,379 | - | - | 9,379 |
| Open end mutual funds | 340,793 | - | - | 340,793 |
| | 350,172 | 1,241,127 | - | 1,591,299 |

ASKARI LIFE ASSURANCE COMPANY LIMITED

NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

28 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of holding Company, associated companies, staff retirement fund, Directors and key management personnel. The transactions with related parties are in normal course of business. Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows:

| Relationship | Transactions | March 31, | March 31, |
|--|-------------------------------------|------------------------------|----------------------|
| | | 2024 (Un-Audited) | 2023 (Un-Audited) |
| | | ----- (Rupees in '000) ----- | |
| Holding company | Premium revenue | - | 273 |
| Holding company | Advance received against equity | - | 100,000 |
| Associated undertaking | Premium revenue | 9,447 | 11,479 |
| Associated undertaking | Insurance benefits | 9,304 | 16,228 |
| Holding company | Expenses and acquisition cost | 162 | 223 |
| Associated undertaking | Expenses and acquisition cost | 444 | 1,830 |
| Key Management Personnel | Remuneration | 22,656 | 16,935 |
| Related Party | Balances | March 31, | December 31, |
| | | 2024 | 2023 |
| | | (Un-Audited) | (Audited) |
| Holding Company | | | |
| Army Welfare Trust | Due from insurance contract holders | 242 | 242 |
| Army Welfare Trust | Advance against equity | 630,000 | 630,000 |
| Army Welfare Trust | Accrued expenses | - | 11 |
| Associated undertakings | | | |
| Askari Guards Limited | Due from insurance contract holders | 1,845 | 5,227 |
| Askari Fuels | Due from insurance contract holders | 11 | 11 |
| Askari Development Holding Pvt Limited | Due from insurance contract holders | 381 | 381 |
| AWT Investment | Due from insurance contract holders | 25 | 25 |
| Askari Chartered Aviation Services (ACS) | Due from insurance contract holders | 2 | 2 |
| Fauji Security Services | Due from insurance contract holders | 4 | 4 |

| Related Party | Balances | March 31, 2024 (Un-Audited) | December 31, 2023 (Audited) |
|--|-------------------------------------|-----------------------------------|-----------------------------------|
| MEDASK | Due from insurance contract holders | - | 92 |
| Real Estate (Head Office) | Due from insurance contract holders | 54 | 54 |
| AWT Housing Scheme Karachi | Due from insurance contract holders | 2 | 2 |
| Askari Lagoon | Due from insurance contract holders | 28 | 28 |
| Army Welfare Sugar Mills | Due from insurance contract holders | 6 | 6 |
| MAEDASK | Due from insurance contract holders | 92 | - |
| Askari Travel & Tour | Due from insurance contract holders | 16 | 16 |
| AWT Housing Scheme - Lahore | Due to insurance contract holders | 1 | 1 |
| Blue Lagoon | Due to insurance contract holders | 5 | 6 |
| Askari Woolen Mills | Due to insurance contract holders | 1 | 1 |
| Askari General Insurance Company Limited | Due to insurance contract holders | 668 | 668 |
| Askari Shoes | Due to insurance contract holders | 1 | 1 |
| Askari Farms & Seeds Products | Due to insurance contract holders | 27 | 27 |
| Askari Guards Limited | Outstanding claims | 8,348 | 16,528 |
| Fauji Security Services | Outstanding claims | 3,600 | 4,800 |
| Army Welfare Sugar Mills | Outstanding claims | 2,450 | 50 |
| Blue Lagoon | Outstanding claims | 600 | 3,600 |
| Askari General Insurance Company Limited | Outstanding claims | 2,500 | - |
| MEDASK | Outstanding claims | 1,200 | - |
| Askari Fuels | Outstanding claims | - | 25 |
| Askari Travel & Tours | Accrued expenses | - | 187 |
| Askari General Insurance Company Limited | Accrued expenses | - | 180 |
| Gratuity payable to staff | Staff retirement benefits | 59,956 | 54,018 |
| East West Insurance Company Limited | Equity investments | 454 | 454 |

29 GENERAL

Figures have been rounded off to the nearest thousand.

30 CORRESPONDING FIGURE

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

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on

24 APR 2024


Chief Financial Officer . Chief Executive Officer


Director


Director


Chairman

Branch Network

Branch Network

Head Office – Karachi

Office No.1104, 11th Floor, Emerald Tower, Plot
No. G-19, Block 5, KDA Improvement Scheme
No.5, Clifton, Karachi, Pakistan.
Telephone: (021) 111-225-275, Fax: (92-21) 35147540
Email: company.secretary@askarilife.com

Registered Office:

8th Floor, Army Welfare Trust, AWT Plaza,
The Mall, Rawalpindi, Pakistan.
Email: info@askarilife.com

Karachi Office

Office No. 103 & 104, Marine Point,
Mezzanine Floor, Plot Survey No. DC-1, Block No. 9, Scheme No. 5, Clifton, Karachi

Lahore Regional

Development Center

Plot # 524, Block-15, Sector B-1,
Quaid-e-Azam Town Scheme,
College Road, Lahore, Pakistan.
Email: rdc.lahore@askarilife.com

Karachi Regional

Development Center

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

Rawalpindi Offices

Building # D-110, 6th Road,
Near Total Petrol Pump, Satellite Town,
Rawalpindi.
Email: rdc.islamabad@askarilife.com

Contact No:

UAN : 021-111 -225- 275

**1st Floor, AWT Plaza building,
The Mall Road, Rawalpindi**