



**Condensed interim financial statements (un-audited)
For the nine months period ended September 30, 2023**

ASKARI LIFE ASSURANCE COMPANY LIMITED

ASKARI LIFE ASSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2023

		September 30, 2023	December 31, 2022
		Un-Audited	Audited
	Note	------(Rupees in '000)-----	
ASSETS			
Property and equipment	6	16,461	20,636
Right of use assets	7	36,297	12,576
Intangible assets	8	-	12
Investments			
Equity securities	9	6,638	6,287
Government securities	10	1,294,873	1,024,452
Mutual funds	11	251,854	145,510
Loans secured against life insurance policies		5,446	5,824
Insurance receivables		41,141	100,272
Other loans and receivables		62,703	22,302
Taxation - payments less provision		43,959	29,737
Prepayments		5,816	1,927
Cash and bank	12	86,384	254,525
TOTAL ASSETS		1,851,572	1,624,060
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)		(1,697,856)	(1,508,107)
Unrealised gain on available-for-sale financial assets		28	275
Accumulated losses		(44,498)	(65,064)
Advance against equity		630,000	430,000
TOTAL EQUITY		389,894	359,324
LIABILITIES			
Insurance liabilities	13	1,188,810	951,820
Retirement benefit obligations		47,570	35,421
Premium received in advance		80,007	82,933
Insurance / reinsurance payables		51,933	58,403
Other creditors and accruals		62,542	122,312
Lease liability against right of use assets		30,816	13,847
TOTAL LIABILITIES		1,461,678	1,264,736
TOTAL EQUITY AND LIABILITIES		1,851,572	1,624,060
CONTINGENCIES AND COMMITMENTS			
	14		

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Financial Officer	Chief Executive Officer	Director	Director	Chairman
Rehan Mobin	Jehanzeb Zafar	Malik Riffat Mahmood	Air Vice Marshal Mohammad Athar Shams (Retd)	Lt Gen Naveed Mukhtar (Retd)

ASKARI LIFE ASSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Nine months ended		Quarter ended	
	September 30, 2023 (Un-Audited) ------(Rupees in '000)-----	September 30, 2022 (Un-Audited) ------(Rupees in '000)-----	September 30, 2023 (Un-Audited) ------(Rupees in '000)-----	September 30, 2022 (Un-Audited) ------(Rupees in '000)-----
Gross premium / contribution revenue	1,057,057	831,411	344,229	331,598
Re insurance premium / contribution ceded	(300,810)	(175,480)	(99,265)	(82,639)
Net premium / contribution revenue	756,247	655,931	244,964	248,959
Investment income	193,584	79,973	76,392	33,231
Net realised fair value gains / (losses) on financial assets	2,759	562	682	476
Net fair value gains / (losses) on financial assets at fair value	411	(608)	471	(217)
Other income	14,533	8,242	5,614	3,049
	211,287	88,169	83,159	36,539
Total income	967,534	744,100	328,123	285,498
Insurance benefits	484,638	376,748	161,903	94,561
Reinsurance recoveries	(268,143)	(282,733)	(94,719)	(60,565)
Net insurance benefits expense	216,495	94,015	67,184	33,996
Net change in insurance liabilities (other than outstanding claims)	214,487	204,305	81,669	85,214
Acquisition expenses	461,304	489,820	141,861	169,004
Marketing and administration expenses	231,567	165,146	84,750	55,943
Other expenses	12,299	16,569	6,268	10,330
Total expenses	919,657	875,840	314,548	320,491
Loss before tax	(168,618)	(225,755)	(53,609)	(68,989)
Income tax expense	(565)	(342)	(208)	(139)
Loss for the period	(169,183)	(226,097)	(53,817)	(69,128)
Other comprehensive income:				
Unrealised loss on remeasurement of available-for-sale financial assets	(247)	(1,709)	565	(50)
	(247)	(1,709)	565	(50)
Total comprehensive loss for the period	(169,430)	(227,806)	(53,252)	(69,178)
Loss per share - Rupees	(1.13)	(1.51)	(0.36)	(0.46)

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Financial Officer Chief Executive Officer
Rehan Mobin **Jehanzeb Zafar**

Director
**Malik Riffat
Mahmood**

Director
**Air Vice Marshal
Mohammad Athar
Shams (Retd)**

Chairman
**Lt Gen Naveed
Mukhtar (Retd)**

ASKARI LIFE ASSURANCE COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)
Note	------(Rupees in '000)-----	
Operating Cashflows		
(a) Underwriting activities		
Insurance premium / contribution received	1,057,651	863,239
Reinsurance premium / contribution received	34,979	-
Claims paid	(480,635)	(335,863)
Commission paid	(309,121)	(310,826)
Marketing and administrative expenses paid	(450,628)	(362,677)
Net cash used in underwriting activities	(147,754)	(146,127)
(b) Other operating activities		
Income tax paid	(14,786)	(5,567)
Other operating payments	(15,732)	(7,891)
Gratuity paid	(1,619)	(2,700)
Other operating receipts	11,066	4,689
Net cash flow / (used in) from other operating activities	(21,071)	(11,469)
Total cash used in from all operating activities	(168,825)	(157,596)
Investment activities		
Profit received	156,835	63,402
Dividend received	22,342	10,197
Payment for purchase of investments	(4,707,489)	(3,359,622)
Proceeds from disposal of investments	4,333,293	3,194,912
Addition to property and equipment	(5,447)	(7,010)
Proceeds from sale of property and equipment	1,150	1,545
Total cash flow generated from / (used in) from investing activities	(199,316)	(96,576)
Financing activities		
Advance received against equity	200,000	260,000
Total cash generated from financing activities	200,000	260,000
Net increase in cash and cash equivalents	(168,141)	5,828
Cash and cash equivalents at beginning of period	254,525	143,773
Cash and cash equivalents at end of period	86,384	149,601
	12	
Reconciliation to profit and loss account		
Operating cash flows	(168,825)	(157,596)
Depreciation expense on property and equipment	(8,490)	(7,926)
Amortisation expense on intangible assets	(13)	(304)
Depreciation on right of use asset	(8,966)	(6,540)
Profit on disposal of property and equipment	17	19
Net realised fair value gains/(losses) on financial assets	2,759	562
Dividend and other investment income	208,100	88,196
(Decrease) / increase in assets other than cash	(15,738)	78,984
Decrease / (Increase) in liabilities	(178,438)	(220,884)
Net fair value gain / (losses) on financial assets at fair value	411	(608)
Loss after taxation	(169,183)	(226,097)

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Financial Officer	Chief Executive Officer	Director	Director	Chairman
Rehan Mobin	Jehanzeb Zafar	Malik Riffat Mahmood	Air Vice Marshal Mohammad Athar Shams (Retd)	Lt Gen Naveed Mukhtar (Retd)

ASKARI LIFE ASSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Share Capital	Revenue reserves	Retained earnings	Money Ceded to Waqf Fund	Other Reserves	Advance against equity	Total Equity
		Accumulated losses	arising from business other than participating business attributable to the shareholders (Ledger Account D)		Unrealised gain on available-for-sale financial assets		
Note	------(Rupees in '000)-----						
Balance as at January 1, 2022	1,501,720	(72,857)	(1,222,977)	500	2,283	100,000	308,669
Total comprehensive loss for the period	-	(226,097)	-	-	-	-	(226,097)
Change in fair value of available for sale investments	-	-	-	-	(1,709)	-	(1,709)
Deficit for the period in statutory funds	-	234,711	(234,711)	-	-	-	-
Advance against equity	-	-	-	-	-	260,000	260,000
Balance as at September 30, 2022	<u>1,501,720</u>	<u>(64,243)</u>	<u>(1,457,688)</u>	<u>500</u>	<u>574</u>	<u>360,000</u>	<u>340,863</u>
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	-	(169,183)	-	-	-	-	(169,183)
Change in fair value of available for sale investments	-	-	-	-	(247)	-	(247)
Deficit for the period in statutory funds	-	189,749	(189,749)	-	-	-	-
Advance against equity	-	-	-	-	-	200,000	200,000
Balance as at September 30, 2023	<u>1,501,720</u>	<u>(44,498)</u>	<u>(1,697,856)</u>	<u>500</u>	<u>28</u>	<u>630,000</u>	<u>389,894</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Financial Officer

Rehan Mobin

Chief Executive Officer

Jehanzeb Zafar

Director

Malik Riffat Mahmood

Director

**Air Vice Marshal
Mohammad Athar
Shams (Retd)**

Chairman

**Lt Gen Naveed
Mukhtar (Retd)**

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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

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

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.

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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 Rupees (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, 2022.

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

6 PROPERTY AND EQUIPMENT

	September 30, 2023 (Un-Audited)	December 31, 2022 (Audited)
	-----Rupees in '000-----	
Property and equipments	16,461	20,636
	<u>16,461</u>	<u>20,636</u>

	September 30, 2023 (Un-Audited)		September 30, 2022 (Un-Audited)	
	Addition	Deletion	Addition	Deletion
	-----Rupees in '000-----			
Office equipment	49	-	701	-
Furniture and fixtures	889	-	2,095	-
Computer and accessories	3,228	441	2,715	926
Lease improvements	174	-	-	-
Vehicles	1,107	796	1,499	1,499
	<u>5,447</u>	<u>1,237</u>	<u>7,010</u>	<u>2,425</u>

7 RIGHT TO USE OF ASSETS

	September 30, 2023 (Un-Audited)	December 31, 2022 (Audited)
	-----Rupees in '000-----	
Right of use assets	36,297	12,576
	<u>36,297</u>	<u>12,576</u>

	September 30, 2023 (Un-Audited)		September 30, 2022 (Un-Audited)	
	Addition / Adjustment	Deletion	Addition / Adjustment	Deletion
	-----Rupees in '000-----			
Right to use of assets	32,688	40,725	-	5,862
	<u>32,688</u>	<u>40,725</u>	<u>-</u>	<u>5,862</u>

8 INTANGIBLE ASSETS

	September 30, 2023 (Un-Audited)	December 31, 2022 (Audited)
	-----Rupees in '000-----	
Intangible assets	-	12
	<u>-</u>	<u>12</u>

	September 30, 2023 (Un-Audited)		September 30, 2022 (Un-Audited)	
	Addition	Deletion	Addition	Deletion
	-----Rupees in '000-----			
Intangible assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

9 INVESTMENTS IN EQUITY SECURITIES

	September 30, 2023 (Un-Audited)				December 31, 2022 (Audited)			
	Cost	Unrealised Gain	Impairment	Fair Value	Cost	Unrealised Gain / (Loss)	Impairment	Fair Value
----- Rupees in '000 -----								
AVAILABLE FOR SALE								
Related party								
Listed Shares								
East West Insurance Company Limited	281	210	-	491	281	368	-	649
Others								
Listed Shares								
Kohat Cement Company Limited	340	100	-	440	340	44	-	384
D. G. Khan Cement Company Limited	512	-	(382)	130	512	-	(357)	155
Habib Bank Limited	1,351	-	(718)	633	1,351	-	(905)	446
Ghandhara Industries Limited	1,633	-	(1,191)	442	1,633	-	(1,198)	435
Millat Tractor Limited	744	-	266	1,010	744	(33)	-	711
Bifo Industries Limited	350	-	(220)	130	350	-	(226)	124
Descon Oxychem Limited	101	35	-	136	101	27	-	128
Packages Limited	2,221	(748)	-	1,473	2,221	(740)	-	1,481
Al-Shaheer Corporation	78	-	(52)	26	78	-	(52)	26
Friesland Campina Engro Pakistan Limited	323	-	(156)	167	323	-	(126)	197
Ferozsans Laboratories Limited	1,958	(447)	-	1,511	1,958	(472)	-	1,486
AGP Limited	103	(54)	-	49	103	(38)	-	65
	9,995	(904)	(2,453)	6,638	9,995	(844)	(2,864)	6,287

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

	September 30, 2023 (Un-Audited)	December 31, 2022 (Audited)
	-----Rupees in '000-----	
Opening balance	(2,864)	(3,320)
(Provision) / reversal for the period	411	2,148
Closing balance	(2,453)	(2,864)

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

10 INVESTMENTS IN GOVERNMENT SECURITIES

	September 30, 2023 (Un-Audited)				December 31, 2022 (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 Bonds	21-Apr-26	9.19%	10,000	on Maturity	9,900	9.19%	10,000	9,874
10 year Pakistan Investment Bonds	21-Apr-26	8.07%	22,500	on Maturity	22,851	8.07%	22,500	22,942
10 year Pakistan Investment Bonds	21-Feb-29	23.42%	39,200	on Maturity	39,341	11.21%	39,200	39,355
10 year Pakistan Investment Bonds	09-Dec-30	22.75%	42,200	on Maturity	40,630	7.81%	42,200	40,508
03 Months Treasury Bills	9-Mar-23	-	-	on Maturity	-	16.97%	187,985	182,223
03 Months Treasury Bills	26-Jan-23	-	-	on Maturity	-	15.70%	131,795	130,338
03 Months Treasury Bills	23-Feb-23	-	-	on Maturity	-	16.88%	29,180	28,469
03 Months Treasury Bills	23-Feb-23	-	-	on Maturity	-	16.76%	34,200	33,372
03 Months Treasury Bills	18-May-23	19.27%	185,890	on Maturity	-	-	-	-
03 Months Treasury Bills	4-May-23	17.94%	63,465	on Maturity	-	-	-	-
03 Months Treasury Bills	6-Apr-23	16.99%	31,225	on Maturity	-	-	-	-
03 Months Treasury Bills	20-Apr-23	17.82%	137,100	on Maturity	-	-	-	-
03 Months Treasury Bills	1-Jun-23	20.97%	186,375	on Maturity	-	-	-	-
06 Months Treasury Bills	23-Feb-23	-	-	on Maturity	-	15.81%	65,105	63,617
06 Months Treasury Bills	9-Feb-23	-	-	on Maturity	-	15.79%	60,875	59,840
12 Months Treasury Bills	18-May-23	0.00%	-	on Maturity	-	14.75%	21,500	20,364
12 Months Treasury Bills	12-Jan-23	-	-	on Maturity	-	11.48%	16,500	16,438
03 Months Treasury Bills	5-Oct-23	22.75%	84,355	on Maturity	84,093	-	-	-
03 Months Treasury Bills	19-Oct-23	22.90%	33,310	on Maturity	32,918	-	-	-
03 Months Treasury Bills	2-Nov-23	21.99%	193,325	on Maturity	189,414	-	-	-
03 Months Treasury Bills	16-Nov-23	22.96%	141,230	on Maturity	137,189	-	-	-
03 Months Treasury Bills	30-Nov-23	23.39%	94,740	on Maturity	91,175	-	-	-
03 Months Treasury Bills	14-Dec-23	22.76%	109,350	on Maturity	104,465	-	-	-
1 Year GOP Sukuks	20-Feb-24	22.73%	25,000	on Maturity	24,968	-	-	-
1 Year GOP Sukuks	8-Mar-24	25.54%	23,000	on Maturity	22,977	-	-	-
1 Year GOP Sukuks	17-Apr-24	22.68%	31,500	on Maturity	31,484	-	-	-
1 Year GOP Sukuks	12-Jul-24	22.76%	7,000	on Maturity	6,990	-	-	-
1 Year GOP Sukuks	07-Aug-24	23.71%	11,000	on Maturity	10,985	-	-	-
5 Years GOP Sukuks	09-Dec-25	21.84%	329,450	on Maturity	330,204	21.84%	329,450	330,614
5 Years GOP Sukuks	29-Oct-26	21.84%	31,500	on Maturity	31,731	14.30%	31,500	31,767
5 Years GOP Sukuks	29-Jul-25	22.67%	14,600	on Maturity	14,693	15.03%	14,600	14,731
5 Years GOP Sukuks	29-Jul-25	22.67%	29,600	on Maturity	29,765	-	-	-
5 Years GOP Sukuks	29-Jul-25	22.67%	19,500	on Maturity	19,605	-	-	-
5 Years GOP Sukuks	30-Apr-25	23.00%	20,100	on Maturity	19,495	-	-	-
					1,294,873		1,024,452	

11 INVESTMENTS IN MUTUAL FUNDS

	September 30, 2023 (Un-Audited)			December 31, 2022 (Audited)		
	Cost	Unrealised gain	Carrying Value	Cost	Unrealised gain	Carrying Value
----- Rupees in '000 -----						
AVAILABLE FOR SALE						
NBP islamic money market fund	146	8	154	129	9	138
Alhamra islamic money market fund	12,796	-	12,796	19,357	-	19,357
ABL islamic cash fund	14,779	-	14,779	11,493	-	11,493
Alfalah islamic rozana amdani fund	46,560	-	46,560	11,120	-	11,120
Faysal halal amdani fund	-	-	-	16,784	1,079	17,863
NBP islamic daily dividend fund	8,338	-	8,338	12,522	-	12,522
Meezan Rozana Amdani Fund	-	-	-	12,539	-	12,539
Meezan Daily Income Fund	28,458	-	28,458	9,743	-	9,743
Faysal Islamic Cash Fund	5,442	-	5,442	17,956	-	17,956
HBL Islamic Cash Fund	37,804	-	37,804	18,544	-	18,544
NBP Financial Sector Income Fund	15,749	415	16,164	14,204	31	14,235
Faysal Islamic Sovereign Fund	55,814	509	56,323	-	-	-
Al-Ameen Islamic Cash Plan 1	25,036	-	25,036	-	-	-
	250,922	932	251,854	144,391	1,119	145,510

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

12 CASH AND BANK	September 30, 2023 (Un-Audited)	December 31, 2022 (Audited)
	----- Rupees in '000 -----	
Cash and Stamps	1,041	1,454
Cash at bank		
- current account	28,581	113,881
- saving account	56,762	139,190
Cash and cash equivalents	86,384	254,525
13 INSURANCE LIABILITIES		
Reported outstanding claims (including claims in payment)	13.1 154,223	131,719
Incurred but not reported claims (IBNR)	13.2 13,470	8,832
Investment component of account value policies / certificates	13.3 976,845	691,718
Liabilities under individual conventional insurance / takaful contracts	13.4 3,757	1,683
Liabilities under group insurance / group family takaful contracts (other than investment linked)	13.5 11,024	87,834
Other insurance / family takaful liabilities	13.6 29,491	30,034
	1,034,587	820,101
	1,188,810	951,820
13.1 Reported outstanding claims		
Gross of Reinsurance / Re takaful		
Payable within one year	313,446	307,367
Payable over a period of time exceeding one year	12,551	14,626
	325,997	321,993
Recoverable from Reinsurance / Re takaful		
Receivable within one year	(160,845)	(177,155)
Receivable over a period of time exceeding one year	(10,929)	(13,119)
	(171,774)	(190,274)
Net reported outstanding claims	154,223	131,719
	September 30, 2023 (Un-Audited)	December 31, 2022 (Audited)
	----- Rupees in '000 -----	
13.2 Incurred but not reported claims		
Gross of reinsurance	65,461	82,101
Reinsurance recoveries	(51,991)	(73,269)
Net of reinsurance	13,470	8,832
13.3 Investment component of universal life and account value policies / certificates		
Investment component of account value policies	976,845	691,718
13.4 Liabilities under individual conventional insurance / takaful contracts		
Gross of reinsurance	4,169	1,742
Reinsurance credit	(412)	(59)
Net of reinsurance	3,757	1,683
13.5 Liabilities under Group Insurance / Group Family Takaful Contracts (other than Investment linked)		
Gross of reinsurance	120,199	131,244
Reinsurance credit	(109,175)	(43,410)
Net of reinsurance	11,024	87,834
13.6 Other insurance liabilities		
Gross of reinsurance	36,795	31,308
Reinsurance recoveries	(7,304)	(1,274)
	29,491	30,034

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 AWT (the buyer) it was agreed with the previous management (the seller) that if any stage the Company or any of its director(s) become party and as such any liability is imposed by any Court on the Company or its Director(s) in this regard, the accrued liability would be paid by the sellers to the Company for onward payment to the affectees at earliest. The Company will accordingly ensure timely and fair payment of liability.

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

14.1.2 Pakistan Steel Mill had filed instant suit against the Company in respect of the claims of their employees amounting to Rs. 4 million. The claim had been repudiated by the previous management on the grounds of delayed intimation. The Company is contesting the case in and is at the stage of appointment of commissioner. In view of Company's legal consultant, the Company has a prima facie case and unfavourable outcome is not expected.

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. 150.2 million computed on the basis of risk based premium, as per the advice of the legal advisor. Moreover, based on legal view, sales tax cannot be levied as insurance is not a service.

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

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.

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

14.1.7 There is outstanding petition filed by the Punjab Employees Social Security Institution (PESSI) against EWLA in Insurance Tribunal, Lahore for the

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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 paid back the amount in the form of 7 monthly post-dated cheques of PKR 1 million each. As of September 30, 2023, the first cheque was credited into the company account. The next three cheques bounced due to insufficient balance in the agent account. The company has informed the lawyer who is employing legal procedures for recovery of the amount in full.

14.2 Commitments

Operating leases

	September 30, 2023 (Un-Audited)	December 31, 2022 (Audited)
	----- Rupees in '000 -----	
Not later than one year	25,711	14,030
Later than one year and not later than five years	72,679	41,547
	<u>98,390</u>	<u>55,577</u>

15 NET INSURANCE PREMIUM / CONTRIBUTION REVENUE	Nine months ended		Quarter ended	
	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Gross Premiums / Contributions revenue				
Regular Premium / Contributions Individual Policies*				
First year	304,803	384,584	93,960	122,748
Second year renewal	190,510	95,184	61,756	30,348
Subsequent year renewal	111,755	50,078	42,662	21,381
Single premium / Contribution individual policies	44,072	45,817	8,814	18,580
Group policies without cash value	405,917	255,748	137,037	138,541
Total Gross Premiums / Contribution	<u>1,057,057</u>	<u>831,411</u>	<u>344,229</u>	<u>331,598</u>
Less: Reinsurance Premium / Contribution Ceded				
On individual life first year business	2,186	1,369	623	298
On individual life second year business	1,281	212	579	80
On individual life renewal business	814	414	366	246
On group policies	296,543	173,493	97,705	82,018
Less : Reinsurance commission on risk premium	(14)	(8)	(8)	(3)
Total Reinsurance Premium / Contribution Ceded	<u>300,810</u>	<u>175,480</u>	<u>99,265</u>	<u>82,639</u>
Net Premium / Contribution Revenue	<u>756,247</u>	<u>655,931</u>	<u>244,964</u>	<u>248,959</u>

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

16 INVESTMENT INCOME

Income from equity securities

Available for Sale

Dividend income	22,343	10,197	9,615	3,360
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Income from debt securities

Held to Maturity

Return on government securities	171,241	69,776	66,777	29,871
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	<u>193,584</u>	<u>79,973</u>	<u>76,392</u>	<u>33,231</u>
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17 NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS

Available for sale

Realised gains/(losses) on:

Mutual funds	2,759	562	682	476
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Total	<u>2,759</u>	<u>562</u>	<u>682</u>	<u>476</u>
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18 NET FAIR VALUE GAINS/ LOSSES ON FINANCIAL ASSETS AT FAIR VALUE

Reversal/(impairment) in value of available for sale investments	411	(608)	471	(217)
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19 OTHER INCOME

Return on bank balances	14,353	6,574	5,582	2,996
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Return on term deposits	-	1,532	-	-
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Gain on sale of property and equipment	17	19	11	19
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Miscellaneous	163	117	21	34
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	<u>14,533</u>	<u>8,242</u>	<u>5,614</u>	<u>3,049</u>
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ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
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20	NET INSURANCE BENEFITS	Nine months ended		Quarter ended	
		September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)
		----- Rupees in '000 -----		----- Rupees in '000 -----	
	Gross Claims				
	Claims under individual policies				
	by death	38,132	15,219	22,559	7,794
	by insured event other than death	-	35	-	35
	by maturity	10,682	8,208	3,617	1,689
	by surrender	73,794	34,728	39,085	8,125
	Total gross individual policy claims	122,608	58,190	65,261	17,643
	Claims under group policies				
	by death	356,553	307,837	96,692	73,593
	by insured event other than death	5,477	10,721	(50)	3,325
	Total gross group policy claims	362,030	318,558	96,642	76,918
	Total gross claims	484,638	376,748	161,903	94,561
	Less: Reinsurance recoveries				
	On Individual life claims	(21,581)	(6,458)	(16,407)	(2,609)
	On Group life claims	(246,562)	(276,275)	(78,312)	(57,956)
	Total reinsurance recoveries	(268,143)	(282,733)	(94,719)	(60,565)
	Net insurance benefit expense	216,495	94,015	67,184	33,996
21	ACQUISITION EXPENSES				
	Remuneration to insurance intermediaries on individual policies:				
	Commission to agent on first year premiums	197,207	254,407	59,695	81,404
	Commission to agent on second year premiums	20,522	7,947	6,824	2,690
	Commission to agent on subsequent renewal premiums	3,544	1,429	1,245	596
		221,273	263,783	67,764	84,690
	Remuneration to insurance intermediaries on group policies:				
	Commission	33,892	31,158	13,609	14,624
	Other acquisition costs				
	Employee benefit cost	134,130	137,947	40,492	52,078
	Depreciation on right of use assets	-	163	-	2
	Advertisements and sales promotion	32,974	21,200	6,396	4,243
	Vehicle running expenses	7,244	5,343	2,445	1,905
	Depreciation on property and equipment	2,633	2,550	882	908
	Repair and maintenance	1,055	2,745	427	1,335
	Travel and conveyance	2,542	4,757	888	796
	Electricity, gas and water	2,964	2,075	1,509	1,003
	Ijara rental	3,807	1,825	684	622
	Postage, telegrams and telephone	2,621	2,061	817	732
	Entertainment	2,255	1,467	915	810
	Policy stamps	3,912	4,475	1,124	1,468
	Rent, rates and taxes	7,457	6,991	2,861	2,990
	Printing and stationery	1,326	1,268	512	795
	Insurance	302	-	302	-
	Bank charges	20	12	6	3
	Miscellaneous	897	-	228	-
		206,139	194,879	60,488	69,690
		461,304	489,820	141,861	169,004

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	Nine months ended		Quarter ended	
	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)
22 MARKETING AND ADMINISTRATION EXPENSES	----- Rupees in '000 -----			
Employee benefit cost	138,119	104,921	50,487	35,493
Advertisements and sales promotion	3,077	3,696	50	1,211
Depreciation on right of use assets	8,966	6,377	3,121	2,127
Vehicle running expenses	14,950	9,200	5,454	4,221
Travel and conveyance	3,614	2,943	1,054	1,793
Repair and maintenance	16,538	10,806	6,253	2,971
Depreciation on property and equipment	5,857	5,376	1,965	1,659
Postage, telegrams and telephone	7,233	4,217	2,212	1,270
Printing and stationery	8,333	5,714	3,189	1,220
Finance charges on lease liability against right of use asset	886	978	214	265
Entertainment	3,952	1,453	1,080	616
Ijara Rental	6,520	1,441	3,917	225
Rent, rates and taxes	141	395	-	304
Electricity, gas and water	2,280	1,876	1,268	757
Insurance	7,514	3,045	3,436	1,104
Fees, subscription and periodicals	182	355	86	117
Miscellaneous	1,301	853	642	430
Amortisation of intangible assets	13	304	-	84
Bank charges	753	478	322	76
Annual supervision fee SECP	1,338	718	-	-
	231,567	165,146	84,750	55,943
23 OTHER EXPENSES				
Legal and professional charges	6,242	10,839	4,382	8,564
Appointed actuary fees	3,051	3,051	1,017	1,017
Auditors' remuneration	661	559	74	29
Shariah Advisor Fee	1,800	1,575	600	525
Director fee	545	545	195	195
	12,299	16,569	6,268	10,330

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
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24 SEGMENTAL INFORMATION

24.1 Revenue Account by Statutory Fund

For the nine months period ended September 30, 2023

	Statutory funds					Total
	Ordinary Life	Universal Life	Accident & health business	Individual Family Takaful	Group Family Takaful	
	----- Rs in '000' -----					
Income						
Premium / Contributions less reinsurances	72,591	144,245	-	502,545	36,866	756,247
Net investment income	18,284	79,435	1,274	65,902	8,317	173,212
Total net income	90,875	223,680	1,274	568,447	45,183	929,459
Insurance benefits and expenditure						
Insurance benefits including bonuses, net of reinsurance recoveries	81,711	51,559	-	49,084	34,141	216,495
Management expenses less recoveries	81,979	105,838	-	454,615	45,794	688,226
Total insurance benefits and expenditure	163,690	157,397	-	503,699	79,935	904,721
(Deficit)/ surplus of income over claims and expenditure	(72,815)	66,283	1,274	64,748	####	24,738
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	13,595	526,343	-	482,607	12,042	1,034,587
(Deficit)/surplus	10,361	(37,202)	1,274	(124,163)	(40,019)	(189,749)
Movement in policyholders' liabilities	(83,176)	103,485	-	188,911	5,267	214,487
Transfers from shareholders' fund						
- Capital contributions from shareholders' fund	5,500	20,000	-	146,500	34,000	206,000
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	49,776	527,820	9,212	519,405	12,774	1,118,987

ASKARI LIFE ASSURANCE COMPANY LIMITED
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FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

For the three months period ended September 30, 2022	Statutory funds					Total
	Ordinary Life	Universal Life	Accident & health business	Individual Family Takaful Contracts	Group Family Takaful	
	----- Rs in '000' -----					
Income						
Premium / Contribution reinsurances	59,049	144,442	-	428,886	23,554	655,931
Net investment income	6,559	40,121	781	15,863	2,587	65,911
Total net income	65,608	184,563	781	444,749	26,141	721,842
Claims and expenditure						
Claims, including bonuses, net of reinsurance recoveries	34,529	36,591	-	14,651	8,244	94,015
Management expenses less recoveries	66,633	153,949	-	413,849	23,802	658,233
Total claims and expenditure	101,162	190,540	-	428,500	32,046	752,248
(Deficit)/surplus of income over claims and expenditure	(35,554)	(5,977)	781	16,249	(5,905)	(30,406)
Add: Policyholders' liabilities at beginning of the period	22,953	348,734	-	103,317	1,823	476,827
Less: Policyholders' liabilities at end of the period	35,058	422,947	-	215,253	7,874	681,132
(Deficit) / Surplus	(47,659)	(80,190)	781	(95,687)	(11,956)	(234,711)
Movement in policyholders' liabilities	12,105	74,213	-	111,936	6,051	204,305
Transfers from shareholders' fund						
- Capital contributions from shareholders' fund	92,500	81,500	-	111,000	7,000	292,000
Balance of statutory fund at beginning of the period	39,015	349,058	6,842	104,100	9,594	508,609
Balance of statutory fund at end of the period	95,961	424,581	7,623	231,349	10,689	770,203

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

25 Segment Statement of financial position

Shareholders' fund	Statutory funds					September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Ordinary Life	Universal Life	Accident & health business	Individual Family Takaful	Group Family Takaful	Total	Total
-----Rs in '000-----							
Property and equipment	16,461	-	-	-	-	16,461	20,636
Right of use assets	36,297	-	-	-	-	36,297	12,576
Intangible assets	-	-	-	-	-	-	12
Investments	280,783	65,590	600,889	9,158	541,248	1,553,365	1,176,249
Loans secured against life insurance policies	-	1,487	3,959	-	-	5,446	5,824
Insurance receivables	-	51,077	(10,312)	376	-	41,141	100,272
Other loans and receivables	28,534	1,505	4,259	1,195	24,137	62,703	22,302
Taxation - payments less provision	43,959	-	-	-	-	43,959	29,737
Prepayments	5,816	-	-	-	-	5,816	1,927
Cash & Bank	6,898	15,731	19,784	2,244	31,467	86,384	254,525
Total assets	418,748	135,390	618,579	12,973	596,852	1,851,572	1,624,060
Insurance liabilities net of reinsurance recoveries	-	73,267	593,691	3,599	491,675	1,188,810	951,820
Retirement benefit obligations	47,570	-	-	-	-	47,570	35,421
Premium received in advance	-	9,405	14,255	-	54,019	80,007	82,933
Insurance / reinsurance payables	-	3,730	1,187	161	10,163	51,933	58,403
Lease liability against right of use assets	30,816	-	-	-	-	30,816	122,312
Other creditors and accruals	34,861	12,802	7,986	-	4,197	62,542	13,847
Total Liabilities	113,247	99,204	617,119	3,760	560,054	1,461,678	1,264,736

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

26 WINDOW TAKAFUL OPERATIONS

The statement of financial position of Window Takaful Operations as at September 30, 2022 and its financial performance for the period ended September 30, 2023 is as follows

26.1 Statement of Financial Position
As at September 30, 2023

	Statutory funds		Aggregate	Aggregate	
	Operator's Sub Fund	Individual Family Takaful	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)	
	-----Rupees in '000-----				
Share capital and reserves					
Funds received from Shareholders' Fund	-	-	-	-	
Capital returned to Shareholders' Fund	-	-	-	-	
Accumulated Surplus / (Deficit)	9,848	-	9,848	6,452	
Qard-e-Hasna contributed by the Window Takaful Operator	-	-	-	-	
Net shareholders' equity	9,848	-	9,848	6,452	
Balance of statutory fund (including Technical reserves Rs. 223.127 million (December 31, 2021: Rs.105.140 million))	-	517,469	4,863	522,332	315,233
Deferred liabilities					
Staff retirement benefits	-	-	-	-	
Creditors and accruals					
Outstanding claims	-	9,068	14,537	23,605	12,362
Contributions received in advance	-	54,019	2,328	56,347	63,592
Amount due to takaful / re-takaful operators	-	10,163	36,692	46,855	53,555
Amounts due to agents	2,652	-	-	2,652	52,867
Accrued expenses	-	-	-	-	-
Other creditors and accruals	4,241	-	-	4,241	6,460
	6,893	73,250	53,557	133,700	188,836
Total liabilities	6,893	590,719	58,420	656,032	504,069
Commitments	-	-	-	-	-
Total equity and liabilities	16,741	590,719	58,420	665,880	510,521

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Statutory funds		Aggregate	Aggregate
	Operator's Sub Fund	Individual Family Takaful	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
-----Rupees in '000-----				
Cash and bank deposits				
Cash and others	860	-	860	1,186
Current and other accounts	14,759	19,829	40,867	148,073
Deposits maturing within 12 months	-	-	-	-
	<u>15,619</u>	<u>19,829</u>	<u>41,727</u>	<u>149,259</u>
Unsecured loans to employees	-	-	-	-
Investments				
Government securities	2,777	347,435	388,067	249,380
Listed securities	-	-	-	-
Open end mutual funds	-	192,894	208,876	107,400
Provision for diminution in value	-	-	-	-
	<u>2,777</u>	<u>540,329</u>	<u>596,943</u>	<u>356,780</u>
Current assets - others				
Contributions due but unpaid	-	-	-	-
Amount due from takaful / re-takaful operators	-	-	-	-
Sundry receivables	-	-	-	-
Investment income accrued	1,156	23,257	26,910	4,182
Advances and deposits	300	-	300	300
Prepayments	-	-	-	-
Taxation - payments less provision	-	-	-	-
Inter fund balance	(3,111)	7,304	-	-
	<u>(1,655)</u>	<u>30,561</u>	<u>27,210</u>	<u>4,482</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>
Total assets	<u><u>16,741</u></u>	<u><u>590,719</u></u>	<u><u>665,880</u></u>	<u><u>510,521</u></u>

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

26.2 Revenue Account
For the nine months period ended September 30, 2023

Statutory Funds		Nine months ended ----Aggregate----		Quarter ended ----Aggregate----	
Universal Life Family Takaful	Group Family Takaful	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)

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

26.2.1 Participants' Investment Fund (PIF)

Income

Allocated contribution	265,316	-	265,316	145,082	87,850	53,883
Investment income	61,101	-	61,101	14,359	26,571	6,937
Total net income	326,417	-	326,417	159,441	114,421	60,820

Less: Claims and Expenditure

Claims	42,892	-	42,892	11,711	24,639	2,532
Takaful operator fee	85,020	-	85,020	20,192	57,676	8,142
	127,912	-	127,912	31,903	82,315	10,674

Excess of Income over Claims and expenditure	198,505	-	198,505	127,538	32,106	50,146
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Add : Technical reserves at the beginning of the period	291,083	-	291,083	97,930	426,044	426,044
Less : Technical reserves at the end of the period	478,992	-	478,992	210,831	478,992	210,831
Income retained in PIF	10,596	-	10,596	14,637	11,945	11,945

Movement in technical reserves	(198,505)	-	(198,505)	(127,538)	(64,893)	203,268
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Surplus before distribution

Movement in technical reserves	198,505	-	198,505	127,538	32,106	50,146
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Transfers from

Qard-e-Hasna contributed by Window Takaful Operator	-	-	-	-	-	-
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Money ceded to Waqf	-	-	-	-	-	-
Balance of PIF at the beginning of the period	299,708	-	299,708	97,969	466,107	175,361

Balance of PIF at the end of the period	498,213	-	498,213	225,507	498,213	225,507
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ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

26.3 Revenue Account

For the nine months period ended September 30, 2023

Statutory Funds		Nine months ended		Quarter ended	
		Aggregate	Aggregate	Aggregate	Aggregate
Individual Family Takaful	Group Family Takaful	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)

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

27.3.1 Participants' Takaful Fund (PTF)

Income

Contribution net of retakaful
Net investment income
Other income

237,230	36,866	274,096	307,358	78,009	105,659
3,106	7,442	10,548	2,629	4,351	1,365
-	-	-	-	-	-
240,336	44,308	284,644	309,987	82,360	107,024

Less: Claims and Expenditure

Claims
Takaful operator fee

6,192	34,141	40,333	11,184	14,439	5,647
222,842	12,875	235,717	287,302	67,244	97,222
229,034	47,016	276,050	298,486	81,683	102,869

Excess / (Deficit) of Income over Claims and expenditure

11,302	(2,708)	8,594	11,501	677	4,155
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Add : Technical reserves at the beginning of the period

Less : Technical reserves at the end of the period

Deficit retained in PTF

2,613	6,775	9,388	7,210	16,299	11,829
3,615	12,042	15,657	12,296	15,657	12,296
10,300	(7,975)	2,325	6,415	1,319	3,688

Movement in technical reserves

(11,302)	2,708	(8,594)	(11,501)	(677)	(4,155)
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Surplus before distribution

Movement in technical reserves

11,302	(2,708)	8,594	11,501	677	4,155
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Transfers from

Qard-e-Hasna contributed by Window Takaful Operator

Money ceded to Waqf

Balance of PTF at the beginning of the period

-	-	-	-	-	-
-	-	-	-	-	-
7,954	7,571	15,525	3,574	23,442	10,920

Balance of PTF at the end of the period

19,256	4,863	24,119	15,075	24,119	15,075
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ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

26.4 Operators' Sub Fund (OSF)

	Statutory Funds		Nine months ended		Quarter ended	
			Aggregate	Aggregate	Aggregate	Aggregate
	Individual Family Takaful	Group Family Takaful	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)
-----Rupees in '000'-----						
Income						
Allocation fee	13,775	-	13,775	7,778	4,371	2,928
Investment income	1,695	875	2,570	1,462	1,379	592
Takaful operator fee	277,400	12,875	290,275	293,942	114,317	99,917
Certificate admin fee	11,599	-	11,599	4,018	4,254	1,768
Wakalat-ul-Istismar	5,086	-	5,086	1,756	1,976	751
	309,555	13,750	323,305	308,956	126,297	105,956
Less: Expenses						
Acquisition cost	340,188	10,614	350,802	332,367	104,200	109,367
Administration expenses	114,427	35,180	149,607	105,286	56,065	34,328
Total management cost	454,615	45,794	500,409	437,653	160,265	143,695
Excess of (expenditure)/over income	(145,060)	(32,044)	(177,104)	(128,697)	(33,968)	(37,739)
Add : Technical reserves at the beginning of the period	-	-	-	-	-	-
Less : Technical reserves at the end of the period	-	-	-	-	-	-
Surplus / (Deficit)	(145,060)	(32,044)	(177,104)	(128,697)	(33,968)	(37,739)
Movement in technical reserves						
Capital Contribution during the period	146,500	34,000	180,500	118,000	39,500	36,000
Qard-e-Hasna contributed to the Participants Takaful Fund	-	-	-	-	-	-
Balance of OSF at the beginning of the period	493	5,959	6,452	12,150	4,316	3,192
Balance of OSF at the end of the period	1,933	7,915	9,848	1,453	9,848	1,453

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

26.5 Statement of Contribution

For the nine months period ended September 30, 2023

	Statutory Funds		Nine months ended		Quarter ended	
			Aggregate		Aggregate	
	Individual Family Takaful	Group Family Takaful	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)
-----'Rupees in '000-----						
Gross Contributions						
Regular contributions individual family takaful*						
- First year	276,415	-	276,415	343,849	84,721	113,290
- Second year	159,390	-	159,390	39,599	54,670	16,827
- Subsequent year renewal	27,119	-	27,119	1,868	11,714	1,520
Single Contribution individual family takaful	42,932	-	42,932	44,555	8,684	18,520
Group family takaful contribution without cash value	-	131,659	131,659	69,657	24,549	31,323
Total Gross Contributions	505,856	131,659	637,515	499,528	184,338	181,480
Participants' Investment Fund						
Allocated regular contribution	224,531	-	224,531	102,695	79,600	36,289
Allocated single contribution	40,785	-	40,785	42,387	8,250	17,594
	265,316	-	265,316	145,082	87,850	53,883
Less: Retakaful Contribution Ceded						
On individual first year business	2,056	-	2,056	758	565	213
On individual second year business	1,035	-	1,035	148	463	54
On individual renewal business	219	-	219	79	169	20
On group family takaful	-	94,793	94,793	46,103	17,282	21,651
Net Contributions	237,230	36,866	274,096	307,358	78,009	105,659

*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)
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26.6 Statement of Claims

For the nine months period ended September 30, 2023

	Statutory Funds		Nine months ended		Quarter ended	
	Individual Family Takaful	Group Family Takaful	Aggregate September 30, 2023 (Un-Audited)	Aggregate September 30, 2022 (Un-Audited)	Aggregate September 30, 2023 (Un-Audited)	Aggregate September 30, 2022 (Un-Audited)
-----Rupees in '000-----						
Gross claims						
Claims under individual family takaful						
- by death	26,795	-	26,795	6,268	21,633	4,349
- by covered event other than death	-	-	-	-	-	-
- by maturity	-	-	-	-	-	-
- by surrender	42,547	-	42,547	11,711	24,410	2,532
Total gross individual family takaful claims	69,342	-	69,342	17,979	46,043	6,881
Claims under group family takaful						
- by death	-	157,241	157,241	36,477	58,734	13,960
- by covered event other than death	-	4,769	4,769	1,744	(50)	435
Total group family takaful claims	-	162,010	162,010	38,221	58,684	14,395
Total Gross Claims	69,342	162,010	231,352	56,200	104,727	21,276
Participants' Investment Fund (PIF)						
Claims under individual family takaful						
- by death	345	-	345	-	229	-
- by covered event other than death	-	-	-	-	-	-
- by maturity	-	-	-	-	-	-
- by surrender	42,547	-	42,547	11,711	24,410	2,532
Total gross individual family takaful claims	42,892	-	42,892	11,711	24,639	2,532
Participants' Takaful Fund (PTF)						
Claims under individual family takaful						
- by death	26,450	-	26,450	6,268	21,404	4,349
- by covered event other than death	-	-	-	-	-	-
- by maturity	-	-	-	-	-	-
- by surrender	-	-	-	-	-	-
Total gross individual family takaful claims	26,450	-	26,450	6,268	21,404	4,349
- by death	-	157,241	157,241	36,477	58,734	13,960
- by covered event other than death	-	4,769	4,769	1,744	(50)	435
Total group family takaful claims	-	162,010	162,010	38,221	58,684	14,395
Less: Retakaful recoveries						
On individual family takaful first year claims	20,258	-	20,258	3,328	19,492	1,909
On individual family takaful second year claims	-	-	-	-	-	-
On individual family takaful renewal claims	-	-	-	-	-	-
On group takaful claims	-	127,869	127,869	29,977	46,157	11,188
Net Claims	49,084	34,141	83,225	22,895	39,078	8,179

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

26.7 Statement of Expenses

For the nine months period ended September 30, 2023

Operators' Sub Fund	Statutory funds		Nine months ended		Quarter ended	
	Individual Family Takaful	Group Family Takaful	Aggregate	Aggregate	Aggregate	Aggregate
			September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)
-----Rupees in '000-----						
Acquisition costs						
Remuneration to takaful intermediaries on individual family takaful:						
- Commission on first year contributions	184,910	-	184,910	234,648	55,735	77,276
- Commission on second year contributions	18,599	-	18,599	4,321	6,443	1,869
- Commission on subsequent renewal contributions	1,213	-	1,213	63	388	51
- Other benefits to takaful intermediaries	-	-	-	-	-	-
	204,722	-	204,722	239,032	62,566	79,196
Remuneration to takaful intermediaries on group family takaful:						
- Commission	-	6,422	6,422	6,726	1,406	2,404
Other acquisition costs:						
Employee benefit cost	86,285	2,787	89,072	60,219	25,752	20,867
Depreciation on right of use assets	-	-	-	98	-	(5)
Advertisements and sales promotion	23,297	9	23,306	9,073	4,506	654
Vehicle running expenses	2,428	745	3,173	1,605	1,040	425
Depreciation on property and equipment	2,053	-	2,053	1,532	688	488
Repair and maintenance	802	-	802	1,403	330	616
Travel and conveyance	1,345	287	1,632	1,137	644	322
Finance charges on lease liability against right of use assets	-	-	-	-	-	-
Electricity, gas and water	2,311	-	2,311	1,073	1,177	473
Ijara rental	2,548	215	2,763	835	847	226
Postage, telegrams and telephone	1,645	57	1,702	770	524	264
Entertainment	1,648	18	1,666	737	682	384
Policy stamps	3,375	51	3,426	3,862	1,023	1,291
Rent, rates and taxes	5,814	-	5,814	3,615	2,231	1,376
Printing and stationery	1,026	1	1,027	644	399	385
Insurance	192	22	214	-	214	-
Bank charges	16	-	16	6	5	1
Miscellaneous	681	-	681	-	166	-
	135,466	4,192	139,658	86,609	40,228	27,767
Total acquisition cost	340,188	10,614	350,802	332,367	104,200	109,367
Administration expenses						
Employee benefit cost	64,263	19,888	84,151	60,372	30,612	18,251
Advertisements and sales promotion	1,344	416	1,760	2,635	29	748
Depreciation on right of use assets	3,917	1,212	5,129	3,448	1,785	1,014
Vehicle running expenses	6,964	2,155	9,119	5,315	3,331	2,291
Travel and conveyance	1,593	493	2,086	1,612	606	937
Repair and maintenance	7,232	2,238	9,470	5,853	3,585	1,364
Depreciation on property and equipment	2,559	792	3,351	2,907	1,125	779
Postage, telegrams and telephone	3,819	1,182	5,001	2,651	1,543	714
Printing and stationery	4,778	1,479	6,257	4,195	2,624	682
Finance charges on lease liability against right of use assets	387	120	507	529	122	121
Entertainment	1,739	538	2,277	787	617	307
Ijara rental	3,302	862	4,164	791	2,455	71
Rent, rates and taxes	62	19	81	256	-	165
Electricity, gas and water	996	308	1,304	1,014	725	373
Insurance	3,283	1,016	4,299	1,640	1,966	529
Fees, subscription and periodicals	89	28	117	209	52	59
Miscellaneous	895	204	1,099	499	589	245
Amortisation of intangible assets	5	2	7	165	-	39
Bank charges	467	145	612	376	281	46
Annual supervision fee SECP	584	181	765	388	-	(24)
Legal and professional charges	2,756	853	3,609	5,922	2,522	4,554
Appointed actuary fees	1,481	458	1,939	1,833	646	539
Auditors' remuneration	299	92	391	314	43	(1)
Shariah Advisor Fee	1,375	425	1,800	1,575	600	525
Director fee	238	74	312	-	207	-
	114,427	35,180	149,607	105,286	56,065	34,328
Gross management expenses	454,615	45,794	500,409	437,653	160,265	143,695

ASKARI LIFE ASSURANCE COMPANY LIMITED
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26.8 Statement of Investment Income

For the nine months period ended September 30, 2023

	Statutory fund		Nine months ended		Quarter ended	
			Aggregate	Aggregate	Aggregate	Aggregate
	Individual Family Takaful	Group Family Takaful	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)
-----Rupees in '000-----						
Participants' Investment Fund (PIF)						
On government securities	44,720	-	44,720	6,498	19,603	4,234
On other fixed income securities and deposits	758	-	758	1,396	320	109
Dividend income	14,072	-	14,072	6,247	6,110	2,462
Amortization of discount relative to par	-	-	-	-	-	-
(Loss)/ gain on sale of investments	1,551	-	1,551	218	538	132
Unrealised (loss) / gain on investments	-	-	-	-	-	-
Net investment income of PIF	61,101	-	61,101	14,359	26,571	6,937
Participants' Takaful Fund (PTF)						
On government securities	1,709	4,432	6,141	1,294	2,400	1,048
On other fixed income securities and deposits	163	509	672	697	267	104
Dividend income	1,069	2,133	3,202	638	1,539	213
Amortization of discount/(premium)	-	-	-	-	-	-
(Loss)/ gain on sale of investments	165	368	533	-	145	-
Unrealised (loss) / gain on investments	-	-	-	-	-	-
Net investment income of PTF	3,106	7,442	10,548	2,629	4,351	1,365
Operators' Sub Fund (OSF)						
On government securities	572	677	1,249	661	970	290
On other fixed income securities and deposits	1,123	198	1,321	801	409	302
Dividend income	-	-	-	-	-	-
Amortization of discount/(premium)	-	-	-	-	-	-
(Loss)/ gain on sale of investments	-	-	-	-	-	-
Unrealised (loss) / gain on investments	-	-	-	-	-	-
Net investment income of OSF	1,695	875	2,570	1,462	1,379	592
Net investment income	(a+b+c) 65,902	8,317	74,219	18,450	32,301	8,894

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
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27 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:

		September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)
----- (Rupees in '000) -----			
Relationship	Transactions		
Holding company	Premium revenue	<u>273</u>	<u>1,207</u>
Holding company	Insurance benefits	<u>-</u>	<u>1,500</u>
Holding company	Advance received against equity	<u>200,000</u>	<u>260,000</u>
Associated undertaking	Premium revenue	<u>42,610</u>	<u>27,375</u>
Associated undertaking	Insurance benefits	<u>51,384</u>	<u>39,050</u>
Associated undertaking	Expenses and acquisition cost	<u>13,062</u>	<u>9,042</u>
Gratuity fund	Expenses and acquisition cost	<u>13,768</u>	<u>10,557</u>
Key Management Personnel	Proceeds from sale of property and equipment	<u>1,107</u>	<u>-</u>
Key Management Personnel	Remuneration	<u>55,110</u>	<u>48,046</u>
Key Management Personnel	Advance less recovery	<u>-</u>	<u>917</u>
Directors	Fee	<u>545</u>	<u>545</u>

Related Party	Balances	September 30, 2023 (Un-Audited)	December 31, 2022 (Audited)
Holding Company			
Army Welfare Trust	Due from insurance contract holders	242	258
Army Welfare Trust	Advance against equity	630,000	430,000
Associated undertakings			
Askari Guards Limited	Due from insurance contract holders	-	4,178
Mobil Askari Pakistan Limited	Due from insurance contract holders	-	11
Askari Fuels	Due from insurance contract holders	11	11
Askari Woolen Mills	Due from insurance contract holders	295	291
Askari Development Holding Pvt Limited	Due from insurance contract holders	381	617
AWT Investment	Due from insurance contract holders	25	34
Askari Chartered Aviation Services (ACS)	Due from insurance contract holders	2	4
Fauji Security Services	Due from insurance contract holders	4	3,851
MEDASK	Due from insurance contract holders	92	38
Real Estate	Due from insurance contract holders	229	-
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	-
AWT Plaza	Due from insurance contract holders	28	-
Askari Travel & Tour	Due from insurance contract holders	15	-
Blue Lagoon	Due from insurance contract holders	-	463
Askari General Insurance Company Limited	Due to insurance contract holders	668	668
Blue Lagoon	Due to insurance contract holders	6	-
AWT Housing Scheme - Lahore	Due to insurance contract holders	1	1
Army Welfare Sugar Mills	Due to insurance contract holders	-	2
Askari Shoes	Due to insurance contract holders	1	9
Askari Farms & Seeds Products	Due to insurance contract holders	27	25
Askari Flying Academy	Due to insurance contract holders	-	-
Askari Guards Limited	Outstanding claims	19,129	17,891
Fauji Security Services	Outstanding claims	3,900	100
Army Welfare Sugar Mills	Outstanding claims	50	50
Blue Lagoon	Outstanding claims	1,800	3,600
Askari Fuels	Outstanding claims	324	-
Askari Travel & Tours	Accrued expenses	-	611
Askari General Insurance Company Limited	Accrued expenses	-	604
Advance to staff	Chief operating officer	333	-
Gratuity payable to staff	Staff retirement benefits	47,570	35,421
East West Insurance Company Limited	Equity investments	491	649

28 GENERAL

Figures have been rounded off to the nearest thousand.

29 CORRESPONDING FIGURE

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

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on 27th October, 2023

Chief Financial Officer Chief Executive Officer

Rehan Mobin

Jehanzeb Zafar

Director

**Malik Riffat
Mahmood**

Director

**Air Vice Marshal
Mohammad Athar
Shams (Retd)**

Chairman

**Lt Gen Naveed
Mukhtar (Retd)**