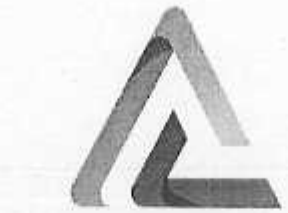

ASKARI LIFE ASSURANCE COMPANY LIMITED

1ST QUARTER REPORT FOR THE QUARTER ENDED 31ST MARCH 2023

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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. Naveed Mukhtar (Retd.)-Chairman
Rizwan Ullah Khan
Air Vice Marshal Muhammad Athar Shams (Retd)
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
Air Vice Marshal Muhammad Athar Shams (Retd)	Member
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
Air Vice Marshal Muhammad Athar Shams (Retd)	Member
Jehanzeb Zafar	Member
Waqas Waseem	Secretary

Management Committees

Risk Management & Compliance Committee:

Air Vice Marshal Muhammad Athar Shams (Retd)	Chairman
Tariq Hameed	Member
Jehanzeb Zafar	Member
Mohammad Azmatullah Sharif	Member
Rehan Mobin	Member
Atif Shamim Syed	Member & Secretary

Underwriting & Reinsurance Committee:

Air Vice Marshal Muhammad Athar Shams (Retd)	Chairman
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, 2023.

Financial Highlights

Financial Statement Line item	31-Mar-2023	31-Mar-2022
	Rs. in ('000)	
Gross premium revenue	417,224	264,860
Investment and other income	55,135	22,056
Net Insurance Benefits	84,120	26,975
Acquisition expense	164,970	160,520
Marketing and administration expenses	73,473	52,703
Other expenses	2,216	2,020
(Loss) profit after tax	(61,776)	(53,519)
Loss per share	(0.35)	(0.30)

Financial Analysis of the Company

Gross Premium:

The Company has recorded Gross Premium of Rs.417.22 million for the quarter ending 31st March 2023 as compared to Rs.264.86 million for the same quarter of 2022, registering a growth of 58%.

Individual and Group life business stood at Rs254.03 million and Rs.163.2 million as compared to result of the same quarter of last year for Rs. 184.84 million and 80.02 million respectively. A growth of 37.43% and 104% respectively was achieved due to the efforts of our Sales team which actively pursued business effectively and targeting due share of business with well-designed competitive products. Efforts made to improve collection of Renewal premiums under Individual business continued and are bearing good results.

Investment:

The Investment and other income (including returns on Bank Deposits) for the first quarter of 2023 is Rs 55.14 million as compared to Rs 22.06 million for the same quarter of 2022.This is mainly attributed to status of current investment conditions in the country.

The Company 's Investment portfolio stood at Rs 1,570.96 million as at 31st March, 2023, as compared to Rs 1,430.77 million as at 31st December, 2022. The Company is constantly looking for new investment opportunities and also considering the current economic and political situation of the country.

Net Insurance Benefits:

The overall net insurance benefits expense for the first quarter of 2023 is Rs 84.12 million as compared to Rs 26.98 million, the same quarter of 2022 for showing an increase of 212%.

Expenses:

The Marketing & administration expenses for the first quarter of 2023 increased by 39% to Rs.73.47 million as compared to Rs 52.70 million for the same quarter of 2022. The increase in expenses mainly attributable to increase in business activity by the Company and also due to current inflationary impact. The other expenses stood at Rs.2.22 million, compared to Rs. 2.02 million in the same quarter of 2022. Loss after tax for the first

quarter of 2023 is Rs.61.78 million as compared to Rs. 53.52 million of the same quarter of 2022.

The management of your Company is confident that investments made in development of new infrastructure will prove to be greatly beneficial for the Company in the long run.

Future Outlook

Despite the current circumstances in the country causing severe economic challenges and inflationary pressure, life insurance industry in Pakistan is expected to grow in the coming years and Askari Life Assurance, being one of the established players, is well-positioned to benefit from this growth.

Our journey of innovation and market development shall continue and we are confident that your Company shall achieve further milestones.

Acknowledgment

The Directors would like to 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 is also grateful 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

Chief Executive Officer

April 27, 2023

ڈائریکٹرز رپورٹ

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

مالیاتی سرخیاں

مالیاتی حساب کے سلسلے سے متعلق مد	۳۱ مارچ ۲۰۲۳ء	۳۱ مارچ ۲۰۲۲ء
	000' روپوں میں	
مجموعی پریمیئم سے آمدنی	417,224	264,860
سرمایہ کاری اور دیگر آمدنی	55,135	22,056
خالص بیمہ فوائد	84,120	26,975
اخراجات برائے حصول	164,970	160,520
مارکیٹنگ اور انتظامی اخراجات	73,473	52,703
دیگر اخراجات	2,216	2,020
بعد از ٹیکس (نقصان) فائدہ	(61,776)	(53,519)
فی حصص نقصان	(0.35)	(0.30)

کمپنی کا مالی تجزیہ

مجموعی پریمیئم

کمپنی نے سال ۲۰۲۲ء کی پہلی سہ ماہی کے 264.86 ملین روپے کے مقابلے میں، ۳۱ مارچ ۲۰۲۳ء کو ختم ہونے والی سہ ماہی کے لئے، 417.22 ملین روپے کا مجموعی پریمیئم حاصل کیا، جس میں 58 فیصد اضافہ دیکھنے میں آیا۔

انفرادی اور گروپ لائف کاروبار ۲۰۲۲ء کی پہلی سہ ماہی کے بالترتیب 184.84 ملین روپے اور 80.02 ملین روپے کے مقابلے میں 254.03 ملین روپے اور 163.2 ملین روپے رہا۔ بالترتیب 37.43 فیصد اور 104 فیصد کی پیداوار حاصل ہوئی جس کا سہرا ہماری سیلز ٹیم کی کوششوں کو جاتا ہے جس نے مستعد طور پر کاروبار کی موثر جدوجہد کی اور اچھی طرح تشکیل دی گئی تقابلی مصنوعات سے کاروبار میں اپنے حصے کو ہدف بنایا۔ انفرادی کاروبار کے تحت تجدیدی پریمیئمز کی وصولی کو بہتر بنانے کے لئے کوششیں جاری رہیں اور اچھے نتائج سامنے آرہے ہیں۔

سرمایہ کاری

۲۰۲۳ء کی پہلی سہ ماہی کے لئے سرمایہ کاری آمدنی اور دیگر آمدنی (بشمول بینک میں موجود رقوم پر منافع)، ۲۰۲۲ء کی اسی سہ ماہی کے 22.06 ملین روپے کے مقابلے میں 55.14 ملین روپے تک پہنچ گئی جو خاص طور پر ملک میں موجودہ سرمایہ کاری کے حالات سے منسوب ہے۔

کمپنی کی سرمایہ کاری کا حجم، دسمبر ۲۰۲۲ء کے پچھلے سال کے 1,430.77 ملین روپے کے مقابلے میں ۳۱ مارچ ۲۰۲۳ء کو 1,570.96 ملین روپے رہا۔ کمپنی سرمایہ کاری کے نئے مواقع کی تلاش کے لئے مسلسل کوشاں ہے اور ملک کی موجودہ معاشی اور سیاسی صورت حال پر بھی نظر رکھے ہوئے ہے۔

خالص بیمہ فوائد

۲۰۲۲ء کی اسی سہ ماہی کے 26.98 ملین روپے کے مقابلے میں، ۲۰۲۳ء کی پہلی سہ ماہی کے لئے، مجموعی خالص بیمہ فوائد کے اخراجات 84.12 ملین روپے رہے جو 212 فیصد کا اضافہ پیش کرتا ہے۔

اخراجات

مارکیٹنگ اور انتظامی اخراجات ۲۰۲۲ء کی اسی سہ ماہی کے مقابلے میں جو کہ 52.70 ملین روپے تھے ۲۰۲۳ء کی پہلی سہ ماہی میں 39 فیصد اضافے سے 73.47 ملین روپے ہو گئے۔ اخراجات میں یہ اضافہ کمپنی کی کاروباری سرگرمی میں اضافے سے اور موجودہ افراط زر کے اثر سے مطابقت رکھتا ہے۔۔ دیگر اخراجات، ۲۰۲۲ء کی اسی سہ ماہی کے 2.02 ملین روپے کے مقابلے میں 2.22 ملین روپے رہے۔

۲۰۲۲ء کی اسی سہ ماہی کے 53.52 ملین روپے کے مقابلے میں، ۲۰۲۳ء کی پہلی سہ ماہی میں بعد از ٹیکس نقصان 61.78 ملین روپے رہا۔

آپ کی کمپنی کی انتظامیہ پر امید ہے کہ کمپنی کے نئے انفراسٹرکچر کی ترقی میں کی گئی سرمایہ کاری آنے والے وقتوں میں کمپنی کے لئے بہت فائدہ مند ثابت ہو گی۔

مستقبل پر نظر

باوجود ملک کے موجودہ حالات کے جو شدید معاشی مشکلات اور افراط زر کا دباؤ پیدا کر رہے ہیں، پاکستان میں بیمہ انڈسٹری کا آنے والے سالوں میں پروان چڑھنے کا امکان ہے اور عسکری لائف، اس کے مستحکم کلائنٹوں میں ایک ہونے کی وجہ سے اس نشوونما سے فائدہ اٹھانے کے لئے بہتر حالت میں ہے۔

جدت اور مارکیٹ میں پھیلنے کے لئے ہمارا سفر جاری رہے گا اور ہمیں بھروسہ ہے کہ آپ کی کمپنی مزید سنگ میل حاصل کرے گی۔

اظہار تشکر

ڈائریکٹرز، کمپنی کی حمایت اور مسلسل رہنمائی کے لئے اپنے ریگولیٹرز اور ری انشوررز کے مشکور 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۔

بورڈ آف ڈائریکٹرز کی جانب سے

چیف ایگزیکیو آفیسر

ڈائریکٹر

تاریخ: ۲۷، اپریل ۲۰۲۳ء

askarilife

Condensed interim financial statements (un-audited)
For the three months period ended March 31, 2023

ASKARI LIFE ASSURANCE COMPANY LIMITED

ASKARI LIFE ASSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2023

	Note	March 31, 2023 Un-Audited	December 31, 2022 Audited
		--------(Rupees in '000)--------	
ASSETS			
Property and equipment	6	18,254	20,636
Right of use assets	7	9,653	12,576
Intangible assets	8	-	12
Investments			
Equity securities	9	6,120	6,287
Government securities	10	1,248,655	1,024,452
Mutual funds	11	166,195	145,510
Loans secured against life insurance policies		5,703	5,824
Insurance receivables		60,395	100,272
Other loans and receivables		39,767	22,302
Taxation - payments less provision		32,251	29,737
Prepayments		7,240	1,927
Cash and bank	12	149,985	254,525
TOTAL ASSETS		1,744,218	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)		(1,575,289)	(1,508,107)
Unrealised gain on available-for-sale financial assets		1,063	275
Accumulated losses		(59,658)	(65,064)
Advance against equity		530,000	430,000
TOTAL EQUITY		398,336	359,324
LIABILITIES			
Insurance liabilities	13	1,070,082	951,820
Retirement benefit obligations		40,010	35,421
Premium received in advance		103,346	82,933
Insurance / reinsurance payables		65,420	58,403
Other creditors and accruals		60,703	122,312
Lease liability against right of use assets		6,321	13,847
TOTAL LIABILITIES		1,345,882	1,264,736
TOTAL EQUITY AND LIABILITIES		1,744,218	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

ASKARI LIFE ASSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	March 31, 2023 (Un-Audited)	March 31, 2022 (Un-Audited)
		--------(Rupees in '000)-------	
Gross premium / contribution revenue		417,224	264,860
Re insurance premium / contribution ceded		(125,043)	(60,468)
Net premium / contribution revenue	15	292,181	204,392
Investment income	16	51,038	18,983
Net fair value gains / (losses) on financial assets at fair value	17	(55)	(92)
Other income	18	4,152	3,165
Total income		55,135	22,056
		347,316	226,448
Insurance benefits		162,743	103,590
Reinsurance recoveries		(78,623)	(76,615)
Net insurance benefits expense	19	84,120	26,975
Net change in insurance liabilities (other than outstanding claims)		84,150	37,661
Acquisition expenses	20	164,970	160,520
Marketing and administration expenses	21	73,473	52,703
Other expenses	22	2,216	2,020
Total expenses		324,809	252,904
Loss before tax		(61,613)	(53,431)
Income tax expense		(163)	(88)
Loss for the period		(61,776)	(53,519)
Other comprehensive income:			
Unrealised gain on remeasurement of available-for-sale financial assets		788	443
		788	443
Total comprehensive loss for the period		(60,988)	(53,076)
Loss per share - Rupees		(0.35)	(0.30)

The annexed notes from 1 to 30 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, 2023

	Note	March 31, 2023 (Un-Audited)	March 31, 2022 (Un-Audited)
		-------(Rupees in '000)--------	
Operating Cashflows			
(a) Underwriting activities			
Insurance premium / contribution received		442,160	247,454
Claims paid		(132,677)	(108,476)
Commission paid		(150,169)	(119,217)
Marketing and administrative expenses paid		(154,443)	(112,114)
Net cash used in underwriting activities		4,871	(92,353)
(b) Other operating activities			
Income tax paid		(2,677)	(1,295)
Other operating payments		(7,471)	(957)
Gratuity paid		-	(581)
Other operating receipts		5,614	8,233
Net cash flow / (used in) from other operating activities		(4,534)	5,400
Total cash used in from all operating activities		337	(86,953)
Investment activities			
Profit received		34,687	17,424
Dividend received		4,829	1,737
Payment for purchase of investments		(1,356,898)	(1,203,831)
Proceeds from disposal of investments		1,112,910	1,145,962
Addition to property and equipment		(405)	(1,198)
Proceeds from sale of property and equipment		-	-
Total cash flow generated from / (used in) from investing activities		(204,877)	(39,906)
Financing activities			
Advance received against equity		100,000	100,000
Total cash generated from financing activities		100,000	100,000
Net increase in cash and cash equivalents		(104,540)	(26,859)
Cash and cash equivalents at beginning of period		254,525	143,773
Cash and cash equivalents at end of period	12	149,985	116,914
Reconciliation to profit and loss account			
Operating cash flows		337	(86,953)
Depreciation expense on property and equipment		(2,788)	(2,779)
Amortisation expense on intangible assets		(11)	(111)
Depreciation on right of use asset		(2,923)	(2,288)
Profit on disposal of property and equipment		-	-
Dividend and other investment income		55,190	22,148
(Decrease) / increase in assets other than cash		(34,428)	721
Decrease / (Increase) in liabilities		(77,098)	15,835
Net fair value gain /(losses) on financial assets at fair value		(55)	(92)
Loss after taxation		(61,776)	(53,519)

The annexed notes from 1 to 30 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 CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	Share Capital	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
			Accumulated losses					
		(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		-	(53,519)	-	-	-	-	(53,519)
Change in fair value of available for sale investments		-	-	-	-	443	-	443
Deficit for the period in statutory funds		-	55,150	(55,150)	-	-	-	-
Advance against equity		-	-	-	-	-	100,000	100,000
Balance as at March 31, 2022		1,501,720	(71,226)	(1,278,127)	500	2,726	200,000	355,593
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

The annexed notes from 1 to 30 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, 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 was 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 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.

6 PROPERTY AND EQUIPMENT

	March 31, 2023 (Un-Audited)	December 31, 2022 (Audited)
	--------Rupees in '000--------	
Property and equipments	18,254	20,636
	18,254	20,636

	March 31, 2023 (Un-Audited)		March 31, 2022 (Un-Audited)	
	Addition	Deletion	Addition	Deletion
	----------Rupees in '000 ----------			
Furniture & fixture	236	-	-	-
Office equipment	40	-	49	-
Computer and accessories	129	35	1,149	25
	405	35	1,198	25

7 RIGHT TO USE OF ASSETS

	March 31, 2023 (Un-Audited)	December 31, 2022 (Audited)
	--------Rupees in '000--------	
Right of use assets	9,653	12,576
	9,653	12,576

	March 31, 2023 (Un-Audited)		March 31, 2022 (Un-Audited)	
	Addition / Adjusment	Deletion	Addition / Adjusment	Deletion
	---------)----------Rupees in '000 ----------			
Right to use of assets	-	-	-	-
	-	-	-	-

8 INTENGIBLE ASSETS

	March 31, 2023 (Un-Audited)	December 31, 2022 (Audited)
	--------Rupees in '000--------	
Intangible assets	-	12
	-	12

	March 31, 2022 (Un-Audited)		March 31, 2021 (Un-Audited)	
	Addition	Deletion	Addition	Deletion
	----------Rupees in '000 ----------			
Intangible assets	-	-	-	-
	-	-	-	-

9 INVESTMENTS IN EQUITY SECURITIES

	March 31, 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	27	-	367	340	44	-	384
D. G. Khan Cement Company Limited	512	-	(379)	133	512	-	(357)	155
Habib Bank Limited	1,351	-	(829)	522	1,351	-	(905)	446
Ghandhara Industries Limited	1,633	-	(1,270)	363	1,633	-	(1,198)	435
Millat Tractor Limited	744	106	-	850	744	(33)	-	711
Bifo Industries Limited	350	-	(228)	122	350	-	(226)	124
Descon Oxychem Limited	101	50	-	151	101	27	-	128
Packages Limited	2,221	(865)	-	1,356	2,221	(740)	-	1,481
Al-Shaheer Corporation	78	-	(55)	23	78	-	(52)	26
Friesland Campina Engro Pakistan Limited	323	-	(158)	165	323	-	(126)	197
Ferozsons Laboratories Limited	1,958	(435)	-	1,523	1,958	(472)	-	1,486
AGP Limited	103	(49)	-	54	103	(38)	-	65
	9,995	(956)	(2,919)	6,120	9,995	(844)	(2,864)	6,287

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

	March 31, 2022 (Un-Audited)	December 31, 2022 (Audited)
	Rupees in '000	
Opening balance	(2,864)	(2,028)
(Provision) / reversal for the period	(55)	(836)
Closing balance	(2,919)	(2,864)

10 INVESTMENTS IN GOVERNMENT SECURITIES

	March 31, 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 Bond	21-Apr-26	9.19%	9,844	on Maturity	9,883	9.19%	9,844	9,874
10 year Pakistan Investment Bond	21-Apr-26	8.07%	23,054	on Maturity	22,913	8.07%	23,054	22,942
10 year Pakistan Investment Bond	21-Feb-29	18.54%	39,371	on Maturity	39,350	11.21%	39,371	39,355
10 year Pakistan Investment Bond	09-Dec-30	16.99%	40,356	on Maturity	40,548	7.81%	40,356	40,508
03 Months Treasury Bills	09-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	181,297	-	-	-
03 Months Treasury Bills	04-May-23	17.94%	63,465	on Maturity	62,422	-	-	-
03 Months Treasury Bills	06-Apr-23	16.99%	31,225	on Maturity	31,138	-	-	-
03 Months Treasury Bills	20-Apr-23	17.82%	137,100	on Maturity	135,774	-	-	-
03 Months Treasury Bills	01-Jun-23	20.97%	186,375	on Maturity	179,964	-	-	-
06 Months Treasury Bills	20-Apr-23	20.20%	50,550	on Maturity	49,996	-	-	-
06 Months Treasury Bills	23-Feb-23	-	-	on Maturity	-	15.81%	65,105	63,617
12 Months Treasury Bills	09-Feb-23	-	-	on Maturity	-	15.79%	60,875	59,640
12 Months Treasury Bills	18-May-23	14.75%	21,500	on Maturity	21,091	14.75%	21,500	20,364
1 Year GOP Sukuks	12-Jan-23	-	-	on Maturity	-	11.48%	16,500	16,438
1 Year GOP Sukuks	20-Feb-24	17.84%	25,000	on Maturity	24,984	-	-	-
5 Years GOP Sukuks	08-Mar-24	20.32%	23,000	on Maturity	22,987	-	-	-
5 Years GOP Sukuks	09-Dec-25	16.25%	329,450	on Maturity	330,389	16.25%	329,450	330614
5 Years GOP Sukuks	09-Dec-25	-	-	on Maturity	-	16.42%	-	-
5 Years GOP Sukuks	09-Dec-25	-	-	on Maturity	-	16.42%	-	-
5 Years GOP Sukuks	29-Oct-26	15.27%	31,500	on Maturity	31,761	14.30%	31,500	31767
5 Years GOP Sukuks	29-Jul-25	17.65%	14,600	on Maturity	14,717	15.03%	14,600	14731
5 Years GOP Sukuks	29-Jul-25	17.65%	29,600	on Maturity	29,808	0.00%	-	-
5 Years GOP Sukuks	29-Jul-25	17.24%	19,500	on Maturity	19,633			
			1,261,380		1,248,655			1,024,452

11.1 Other Insurance Liabilities

11 INVESTMENTS IN MUTUAL FUNDS

	March 31, 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	129	14	143	129	9	138
Alhamra islamic money market fund	19,992	-	19,992	19,357	-	19,357
ABL islamic cash fund	11,867	-	11,867	11,493	-	11,493
Alfalah islamic rozana amdani fund	11,490	-	11,490	11,120	-	11,120
Faysal halal amdani fund	16,784	1,770	18,554	16,784	1,079	17,863
NBP islamic daily dividend fund	12,932	-	12,932	12,522	-	12,522
Meezan Rozana Amdani Fund	12,953	-	12,953	12,539	-	12,539
Meezan Daily Income Fund	10,066	-	10,066	9,743	-	9,743
Faysal Islamic Cash Fund	18,553	-	18,553	17,956	-	17,956
HBL Islamic Cash Fund	34,871	-	34,871	18,544	-	18,544
NBP Financial Sector Income Fund	14,539	235	14,774	14,204	31	14,235
	164,176	2,019	166,195	144,391	1,119	145,510

12 CASH AND BANK

	March 31, 2023 (Un-Audited)	December 31, 2022 (Audited)
	------ Rupees in '000 ------	
Cash and Stamps	847	1,454
Cash at bank		
- current account	82,050	113,881
- saving account	67,088	139,190
Cash and cash equivalents	149,985	254,525

13 INSURANCE LIABILITIES

Reported outstanding claims (including claims in payment)	13.1	165,832	131,719
Incurred but not reported claims (IBNR)	13.2	8,832	8,832
Investment component of account value policies / certificates	13.3	781,915	691,718
Liabilities under individual conventional insurance /takaful contra	13.4	1,684	1,683
Liabilities under group insurance / group family takaful contracts (other than investment linked)	13.5	44,263	87,834
Other insurance / family takaful liabilities	13.6	67,556	30,034
		904,250	820,101
		1,070,082	951,820

13.1 Reported outstanding claims

Gross of Reinsurance /Re takaful		
Payable within one year	331,166	307,367
Payable over a period of time exceeding one year	20,892	14,626
	352,058	321,993
Recoverable from Reinsurance / Re takaful		
Receivable within one year	(166,953)	(177,155)
Receivable over a period of time exceeding one year	(19,273)	(13,119)
	(186,226)	(190,274)
Net reported outstanding claims	165,832	131,719

13.2 Incurred but not reported claims

Gross of reinsurance	124,450	82,101
Reinsurance recoveries	(115,618)	(73,269)
Net of reinsurance	8,832	8,832

13.3 Investment component of universal life and account value policies / certificates

Investment component of account value policies	781,915	691,718

13.4 Liabilities under individual conventional insurance / takaful contracts

Gross of reinsurance	1,739	1,742
Reinsurance credit	(55)	(59)
Net of reinsurance	1,684	1,683

13.5 Liabilities under Group Insurance / Group Family Takaful Contracts (other than Investment linked)

Gross of reinsurance	131,869	131,244
Reinsurance credit	(87,606)	(43,410)
Net of reinsurance	44,263	87,834

13.6 Other insurance liabilities

Gross of reinsurance	113,841	31,308
Reinsurance recoveries	(46,285)	(1,274)
	67,556	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 a employee who was previously working on contract basis at company's Hyderabad branch and committed fraud. As the Company is taken over by AWT (the buyer) it was agreed with the previous management (the seller) that if any stage the Company or any of its director(s) become party and as such any liability is imposed by any Court on the Company or its Director(s) in this regard, the accrued liability would be paid by the sellers to the Company for onward payment to the affectees at earliest. The Company will accordingly ensure timely and fair payment of liability.

That to guarantee the covenants made by the seller above and to fully indemnify the Buyer against any liability/loss the Sellers have furnished in favour of the buyer an irrevocable and unconditional Insurance Guarantee from a AA+ rated insurance company, East West Insurance Company Limited bearing number EWI./IIO/PB-009/01/2017 to an amount of PKR 129,819 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 it's customers. The amount of sales tax involved is around Rs. 89.6 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 Appelate 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 impunged order to the extent of penalty imposed on Chairman, CEO, and Directors of the Company, whereas, Impunged 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 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.

14.2 Commitments

Operating leases

	March 31, 2023 (Un-Audited)	December 31, 2022 (Audited)
	------- Rupees in '000 ------	
Not later than one year	5,737	14,030
Later than one year and not later than five years	12,943	41,547
	18,680	55,577

15 NET INSURANCE PREMIUM / CONTRIBUTION REVENUE

	March 31, 2023 (Un-Audited)	March 31, 2022 (Un-Audited)
	------- Rupees in '000 ------	
Gross Premiums / Contributions revenue		
Regular Premium / Contributions Individual Policies*		
First year	123,772	125,134
Second year renewal	64,549	33,344
Subsequent year renewal	37,659	18,025
Single premium / Contribution individual policies	28,054	8,335
Group policies without cash value	163,190	80,022
Total Gross Premiums / Contribution	417,224	264,860
Less: Reinsurance Premium / Contribution Ceded		
On individual life first year business	738	526
On individual life second year business	376	119
On individual life renewal business	253	69
On group policies	123,677	59,754
Less : Reinsurance commission on risk premium	(1)	-
Total Reinsurance Premium / Contribution Ceded	125,043	60,468
Net Premium / Contribution Revenue	292,181	204,392

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

		March 31, 2023 (Un-Audited)	March 31, 2022 (Un-Audited)
		------ Rupees in '000 ------	
16	**INVESTMENT INCOME**		
	Income from equity securities		
	Available for Sale		
	Dividend income	4,828	1,737
	Income from debt securities		
	Held to Maturity		
	Return on government securities	46,210	17,246
		51,038	18,983
17	**NET FAIR VALUE GAINS/ (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE**		
	Reversal/(impairment) in value of available for sale investments	(55)	(92)
18	**OTHER INCOME**		
	Return on bank balances	4,048	1,769
	Return on term deposits	-	1,322
	Miscellaneous	104	74
		4,152	3,165

19	**NET INSURANCE BENEFITS**	March 31, 2023 (Un-Audited)	March 31, 2022 (Un-Audited)
		------ Rupees in '000 ------	
	Gross Claims		
	Claims under individual policies		
	by death	3,516	3,219
	by insured event other than death	-	-
	by maturity	3,010	2,607
	by surrender	17,207	13,226
	Total gross individual policy claims	23,733	19,052
	Claims under group policies		
	by death	135,393	84,538
	by insured event other than death	3,617	-
	Total gross group policy claims	139,010	84,538
	Total gross claims	162,743	103,590
	Less: Reinsurance recoveries		
	On Individual life claims	(658)	(2,239)
	On Group life claims	(77,965)	(74,376)
	Total reinsurance recoveries	(78,623)	(76,615)
	Net insurance benefit expense	84,120	26,975

20 ACQUISITION EXPENSES

Remuneration to insurance intermediaries on individual policies:		
Commission to agent on first year premiums	81,352	83,360
Commission to agent on second year premiums	6,991	2,775
Commission to agent on subsequent renewal premiums	1,113	509
	89,456	86,644
Remuneration to insurance intermediaries on group policies:		
Commission	11,045	16,368
Other acquisition costs		
Employee benefit cost	47,817	41,105
Depreciation on right of use assets	-	163
Advertisements and sales promotion	4,475	5,678
Vehicle running expenses	2,245	1,728
Depreciation on property and equipment	873	870
Repair and maintenance	320	342
Travel and conveyance	410	3,088
Miscellaneous	657	-
Electricity, gas and water	448	198
Ijara rental	1,162	593
Postage, telegrams and telephone	1,053	565
Entertainment	349	382
Policy stamps	1,607	1,590
Rent, rates and taxes	2,720	1,034
Printing and stationery	333	164
Bank charges	-	8
	64,469	57,508
	164,970	160,520

21 MARKETING AND ADMINISTRATION EXPENSES

	March 31, 2023 (Un-Audited)	March 31, 2022 (Un-Audited)
	Note	------- Rupees in '000 -------
Employee benefit cost	44,826	33,286
Advertisements and sales promotion	2,312	1,946
Depreciation on right of use assets	2,923	2,125
Vehicle running expenses	4,470	2,966
Travel and conveyance	1,298	672
Repair and maintenance	4,445	3,647
Depreciation on property and equipment	1,915	1,909
Postage, telegrams and telephone	2,644	776
Printing and stationery	2,761	1,962
Finance charges on lease liability against right of use asset	411	404
Entertainment	559	349
Ijara Rental	899	598
Rent, rates and taxes	136	381
Electricity, gas and water	270	457
Insurance	1,809	801
Fees, subscription and periodicals	26	220
Miscellaneous	236	227
Amortisation of intangible assets	11	111
Bank charges	186	48
Annual supervision fee SECP	1,337	718
	73,473	52,703

22 OTHER EXPENSES

Legal and professional charges	202	120
Appointed actuary fees	1,017	1,017
Auditors' remuneration	202	183
Shariah Advisor Fee	600	525
Director fee	195	175
	2,216	2,020

23 SEGMENTAL INFORMATION

23.1 Revenue Account by Statutory Fund

For the three months period ended March 31, 2023

	Statutory funds					
	Ordinary Life	Universal Life	Accident & health business	Individual Family Takaful	Group Family Takaful	Total
	---------- Rs in '000' ----------					
Income						
Premium / Contributions less reinsurances	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
Insurance benefits and expenditure						
Insurance benefits 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 insurance benefits 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

For the three months period ended March 31, 2022	Statutory funds					
	Ordinary Life	Universal Life	Accident & health business	Individual Family Takaful Contracts	Group Family Takaful	Total
	Rs in '000'					
Income						
Premium / Contribution reinsurances	14,720	55,784	-	128,296	5,592	204,392
Net investment income	1,761	11,043	207	2,801	433	16,245
Total net income	16,481	66,827	207	131,097	6,025	220,637
Claims and expenditure						
Claims, including bonuses, net of reinsurance recoveries	9,455	11,917	-	4,771	832	26,975
Management expenses less recoveries	28,648	51,532	-	125,781	5,190	211,151
Total claims and expenditure	38,103	63,449	-	130,552	6,022	238,126
(Deficit)/surplus of income over claims and expenditure	(21,622)	3,378	207	545	3	(17,489)
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	19,034	377,999	-	115,745	1,710	514,488
(Deficit) / Surplus	(17,703)	(25,887)	207	(11,883)	116	(55,150)
Movement in policyholders' liabilities	(3,919)	29,265	-	12,428	(113)	37,661
Transfers from shareholders' fund						
- Capital contributions from shareholders' fund	17,500	26,500	-	11,500	-	55,500
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	34,893	378,936	7,049	116,145	9,597	546,620

24 Segment Statement of financial position

	Shareholders' fund	Statutory funds					March 31, 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	18,254	-	-	-	-	-	18,254	20,636
Right of use assets	9,653	-	-	-	-	-	9,653	12,576
Intangible assets	-	-	-	-	-	-	-	12
Investments	298,244	101,025	541,244	7,240	423,461	49,756	1,420,970	1,176,249
Loans secured against life insurance policies	-	1,487	4,216	-	-	-	5,703	5,824
Insurance receivables	-	69,450	(9,431)	376	-	-	60,395	100,272
Other loans and receivables	15,712	1,075	-	1,195	21,785	-	39,767	22,302
Taxation - payments less provision	32,251	-	-	-	-	-	32,251	29,737
Prepayments	7,240	-	-	-	-	-	7,240	1,927
Cash & Bank	29,604	6,475	25,484	3,231	51,179	34,012	149,985	254,525
Total assets	410,958	179,512	561,513	12,042	496,425	83,768	1,744,218	1,624,060
Insurance liabilities net of reinsurance recoveries	-	136,544	512,904	3,599	402,346	14,689	1,070,082	951,820
Retirement benefit obligations	40,010	-	-	-	-	-	40,010	35,421
Premium received in advance	-	10,925	15,891	-	69,467	7,063	103,346	82,933
Insurance / reinsurance payables	-	3,585	1,468	161	7,911	52,295	65,420	58,403
Lease liability against right of use assets	6,321	-	-	-	-	-	6,321	122,312
Other creditors and accruals	29,758	9,311	7,393	-	8,264	5,977	60,703	13,847
Total Liabilities	76,089	160,365	537,656	3,760	487,988	80,024	1,345,882	1,264,736

25 WINDOW TAKAFUL OPERATIONS

The statement of financial position of Window Takaful Operations as at March 31, 2023 and its financial performance for the period ended March 31, 2023 is as follows

25.1 Statement of Financial Position
As at March 31, 2023

	Operator's Sub Fund	Statutory funds: Individual Family Takaful	Statutory funds: Group Family Takaful	Aggregate March 31, 2023 (Un-audited)	Aggregate December 31, 2022 (Audited)
	---Rupees in '000---				
Share capital and reserves					
Funds received from Shareholders' Fund	-	-	-	-	-
Capital returned to Shareholders' Fund	-	-	-	-	-
Accumulated Surplus / (Deficit)	1,571	-	-	1,571	6,452
Qard-e-Hasna contributed by the Window Takaful Operator	-	-	-	-	-
Net shareholders' equity	1,571	-	-	1,571	6,452
Balance of statutory fund (including Technical reserves Rs. 401,889 million (December 31, 2022: Rs.300,471 million)	-	404,180	8,402	412,582	315,233
Deferred liabilities					
Staff retirement benefits	-	-	-	-	-
Creditors and accruals					
Outstanding claims	-	5,538	9,605	15,143	12,362
Contributions received in advance	-	69,467	7,063	76,530	63,592
Amount due to takaful / re-takaful operators	-	7,911	52,295	60,206	53,555
Amounts due to agents	10,411	-	-	10,411	52,867
Other creditors and accruals	3,830	-	-	3,830	6,460
	14,241	82,916	68,963	166,120	188,836
Total liabilities	14,241	487,016	77,365	578,622	504,069
Commitments	-	-	-	-	-
Total equity and liabilities	15,812	487,016	77,365	580,193	510,521

ASKARI LIFE ASSURANCE COMPANY LIMITED
NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

	Operator's Sub Fund	Statutory funds: Individual Family Takaful	Statutory funds: Group Family Takaful	Aggregate March 31, 2023 (Un-audited)	Aggregate December 31, 2022 (Audited)
	---------- Rupees in '000 ----------				
Cash and bank deposits					
Cash and others	-	682	-	682	1,186
Current and other accounts	10,590	43,708	30,211	84,509	148,073
Deposits maturing within 12 months	-	-	-	-	-
	10,590	44,390	30,211	85,191	149,259
Unsecured loans to employees	-	-	-	-	-
Investments					
Government securities	3,267	311,339	31,878	346,484	249,380
Listed securities	-	-	-	-	-
Open end mutual funds	-	111,253	15,480	126,733	107,400
Provision for diminution in value	-	-	-	-	-
	3,267	422,592	47,358	473,217	356,780
Current assets - others					
Contributions due but unpaid	-	-	-	-	-
Amount due from takaful / re-takaful operators	-	-	-	-	-
Sundry receivables	-	-	-	-	-
Investment income accrued	-	21,485	-	21,485	4,182
Advances and deposits	300	-	-	300	300
Prepayments	-	-	-	-	-
Taxation - payments less provision	-	-	-	-	-
Inter fund balance	1,655	(1,451)	(204)	-	-
	1,955	20,034	(204)	21,785	4,482
Fixed assets					
Tangible assets					
Furniture & fixture, office equipments	-	-	-	-	-
Motor vehicles	-	-	-	-	-
Right of use	-	-	-	-	-
Computer equipments	-	-	-	-	-
Intangible assets					
Softwares	-	-	-	-	-
	-	-	-	-	-
Total assets	15,812	487,016	77,365	580,193	510,521

25.2 Revenue Account

For the three months period ended March 31, 2023

	Statutory Funds		----Aggregate----	
	Universal Life Family Takaful	Group Family Takaful	March 31, 2023 (Un-Audited)	March 31, 2022 (Un-Audited)
	----------Rupees in '000----------			
25.2.1 Participants' Investment Fund (PIF)				
Income				
Allocated contribution	103,587	-	103,587	27,233
Investment income	13,605	-	13,605	2,484
Total net income	117,192	-	117,192	29,717
Less: Claims and Expenditure				
Claims	8,555	-	8,555	4,271
Takaful operator fee	13,100	-	13,100	5,252
	21,655	-	21,655	9,523
Excess of Income over Claims and expenditure	95,537	-	95,537	20,194
Add : Technical reserves at the beginning of the period	291,083	-	291,083	97,930
Less : Technical reserves at the end of the period	373,711	-	110,566	110,566
Income retained in PIF	12,909	-	12,909	7,558
Movement in technical reserves	(95,537)	-	167,608	(20,194)
Surplus before distribution				
Movement in technical reserves	95,537	-	95,537	20,194
Transfers from				
Qard-e-Hasna contributed by Window Takaful Operator	-	-	-	-
Money ceded to Waqf	-	-	-	-
Balance of PIF at the beginning of the period	299,708	-	299,708	97,969
Balance of PIF at the end of the period	395,245	-	395,245	118,163

25.3 Revenue Account

For the three months period ended March 31, 2023

	Statutory Funds		Aggregate	Aggregate
	Individual Family Takaful	Group Family Takaful	March 31, 2023 (Un-Audited)	March 31, 2022 (Un-Audited)
	----------Rupees in '000----------			
25.3.1 Participants' Takaful Fund (PTF)				
Income				
Contribution net of retakaful	94,300	14,105	108,405	106,657
Net investment income	627	1,857	2,484	448
Other income	-	-	-	-
	94,927	15,962	110,889	107,105
Less: Claims and Expenditure				
Claims	1,424	9,940	11,364	1,332
Takaful operator fee	92,602	5,191	97,793	104,115
	94,026	15,131	109,157	105,447
Excess / (Deficit) of Income over Claims and expenditure	901	831	1,732	1,658
Add : Technical reserves at the beginning of the period	2,613	6,775	9,388	7,210
Less : Technical reserves at the end of the period	23,095	5,083	28,178	6,889
Deficit retained in PTF	(19,581)	2,523	(17,058)	1,979
Movement in technical reserves	(901)	(831)	(1,732)	(1,658)
Surplus before distribution				
Movement in technical reserves	901	831	1,732	1,658
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
Balance of PTF at the end of the period	8,855	8,402	17,257	5,232

25.4 Operators' Sub Fund (OSF)

	Statutory Funds		Aggregate	Aggregate
	Individual Family Takaful	Group Family Takaful	March 31, 2023 (Un-Audited)	March 31, 2022 (Un-Audited)
	----------Rupees in '000'----------			
Income				
Allocation fee	25,834	-	25,834	2,210
Investment income	695	91	786	301
Takaful operator fee	74,996	5,191	80,187	105,769
Certificate admin fee	3,458	-	3,458	956
Wakalat-ul-Istismar	1,414	-	1,414	432
	106,397	5,282	111,679	109,668
Less: Expenses				
Acquisition cost	125,584	4,015	129,599	101,731
Administration expenses	35,161	8,800	43,961	29,240
Total management cost	160,745	12,815	173,560	130,971
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)	(54,348)	(7,533)	(61,881)	(21,303)
Movement in technical reserves				
Capital Contribution during the period	-	-	-	-
Qard-e-Hasna contributed to the Participants Takaful Fund	55,000	2,000	57,000	11,500
	-	-	-	-
Balance of OSF at the beginning of the period	493	5,959	6,452	12,150
Balance of OSF at the end of the period	1,145	426	1,571	2,347

25.5 Statement of Contribution

For the three months period ended March 31, 2023

	Statutory Funds		Aggregate	
	Individual Family Takaful	Group Family Takaful	March 31, 2023 (Un-Audited)	March 31, 2022 (Un-Audited)
	----------'Rupees in '000----------			
Gross Contributions				
Regular contributions individual family takaful*				
- First year	114,329	-	114,329	112,195
- Second year	53,488	-	53,488	10,048
- Subsequent year renewal	3,934	-	3,934	-
Single Contribution individual family takaful	27,194	-	27,194	6,418
Group family takaful contribution without cash value	-	50,534	50,534	14,373
Total Gross Contributions	198,945	50,534	249,479	143,034
Participants' Investment Fund				
Allocated regular contribution	77,753	-	77,753	21,094
Allocated single contribution	25,834	-	25,834	6,139
	103,587	-	103,587	27,233
Less: Retakaful Contribution Ceded				
On individual first year business	700	-	700	363
On individual second year business	306	-	306	-
On individual renewal business	52	-	52	-
On group family takaful	-	36,429	36,429	8,781
Net Contributions	94,300	14,105	108,405	106,657

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

25.6 **Statement of Claims**

For the three months period ended March 31, 2023

	Statutory Funds		Aggregate	Aggregate
	Individual Family Takaful	Group Family Takaful	March 31, 2023 (Un-Audited)	March 31, 2022 (Un-Audited)
	----------Rupees in '000----------			
Gross claims				
Claims under individual family takaful				
- by death	2,148	-	2,148	1,919
- by covered event other then death	-	-	-	-
- by maturity	-	-	-	-
- by surrender	8,489	-	8,489	4,271
Total gross individual family takaful claims	10,637	-	10,637	6,190
Claims under group family takaful				
- by death	-	46,000	46,000	3,128
- by covered event other then death	-	2,751	2,751	(552)
Total group family takaful claims	-	48,751	48,751	2,576
Total Gross Claims	10,637	48,751	59,388	8,766
Participants' Investment Fund (PIF)				
Claims under individual family takaful				
- by death	66	-	-	-
- by covered event other then death	-	-	-	-
- by maturity	-	-	-	-
- by surrender	8,489	-	-	-
Total gross individual family takaful claims	8,555	-	-	-
Participants' Takaful Fund (PTF)				
Claims under individual family takaful				
- by death	2,082	-	2,082	1,919
- by covered event other then death	-	-	-	-
- by maturity	-	-	-	-
- by surrender	-	-	-	-
Total gross individual family takaful claims	2,082	-	2,082	1,919
Claims under group family takaful				
- by death	-	46,000	46,000	3,128
- by covered event other then death	-	2,751	2,751	(552)
Total group family takaful claims	-	48,751	48,751	2,576
Less: Retakaful recoveries				
On individual family takaful first year claims	658	-	658	1,419
On individual family takaful second year claims	-	-	-	-
On individual family takaful renewal claims	-	-	-	-
On group takaful claims	-	38,811	38,811	1,744
Net Claims	9,979	9,940	19,919	5,603

25.7 Statement of Expenses
For the three months period ended March 31, 2023

Operators' Sub Fund	Statutory funds		Aggregate	Aggregate
	Individual Family Takaful	Group Family Takaful	March 31, 2023 (Un-Audited)	March 31, 2022 (Un-Audited)
	---------- Rupees in '000 ----------			
Acquisition costs				
Remuneration to takaful intermediaries on individual family takaful:				
- Commission on first year contributions	77,081	-	77,081	77,065
- Commission on second year contributions	6,277	-	6,277	1,185
- Commission on subsequent renewal contributions	193	-	193	-
	83,551	-	83,551	78,250
Remuneration to takaful intermediaries on group family takaful:				
- Commission	-	2,703	2,703	1,783
Other acquisition costs:				
Employee benefit cost	32,206	598	32,804	15,311
Depreciation on right of use assets	-	-	-	88
Advertisements and sales promotion	2,201	183	2,384	2,197
Vehicle running expenses	779	167	946	508
Depreciation on property and equipment	416	106	522	470
Repair and maintenance	234	-	234	166
Travel and conveyance	115	74	189	333
Electricity, gas and water	351	-	351	96
Data rental	500	162	662	255
Postage, telegrams and telephone	693	13	706	173
Entertainment	266	-	266	182
Policy stamps	1,366	39	1,405	1,336
Rent, rates and taxes	2,130	-	2,130	502
Printing and stationery	261	-	261	77
Bank charges	-	-	-	4
Miscellaneous	515	-	515	-
Total acquisition cost	42,033	1,312	43,345	21,698
	125,584	4,015	129,599	101,731
Administration expenses				
Employee benefit cost	20,704	5,259	25,963	17,596
Advertisements and sales promotion	992	252	1,244	1,504
Depreciation on right of use assets	1,254	319	1,573	1,033
Vehicle running expenses	2,053	522	2,575	1,072
Travel and conveyance	562	143	705	335
Repair and maintenance	1,908	485	2,393	1,774
Depreciation on property and equipment	822	209	1,031	928
Postage, telegrams and telephone	1,462	371	1,833	404
Printing and stationery	1,513	252	1,765	1,203
Finance charges on lease liability against right of use asset	176	45	221	197
Entertainment	252	64	316	169
Data rental	450	114	564	299
Rent, rates and taxes	58	15	73	232
Electricity, gas and water	116	29	145	222
Insurance	776	197	973	389
Fees, subscription and periodicals	11	3	14	113
Miscellaneous	132	33	165	110
Amortisation of intangible assets	5	1	6	54
Bank charges	111	28	139	23
Annual supervision fee SECP	573	146	719	349
Legal and professional charges	87	22	109	58
Appointed actuary fees	485	123	608	549
Auditors' remuneration	97	25	122	102
Director fee	84	21	105	-
Shariah Advisor Fee	478	122	600	525
Gross management expenses	35,161	8,800	43,961	29,240
	160,745	12,815	173,560	130,971

25.8 Statement of Investment Income

For the three months period ended March 31, 2023

		Statutory fund		Aggregate	Aggregate
		Individual Family Takaful	Group Family Takaful	March 31, 2023 (Un Audited)	March 31, 2022 (Un Audited)
		----------Rupees in '000----------			
Participants' Investment Fund (PIF)					
On government securities		10,324	-	10,324	169
On other fixed income securities and deposits		182	-	182	1,106
Dividend income		3,099	-	3,099	1,209
Net investment income of PIF	a	13,605	-	13,605	2,484
Participants' Takaful Fund (PTF)					
On government securities		492	1,244	1,736	-
On other fixed income securities and deposits		27	140	167	334
Dividend income		108	473	581	114
Net investment income of PTF	b	627	1,857	2,484	448
Operators' Sub Fund (OSF)					
On government securities		118	18	136	16
On other fixed income securities and deposits		577	73	650	285
Net investment income of OSF	c	695	91	786	301
Net investment income	(a+b+c)	14,927	1,948	16,875	3,233

26 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, 2023				
Government securities	-	1,248,655	-	1,248,655
Listed securities	6,120	-	-	6,120
Open end mutual funds	166,195	-	-	166,195
	172,315	1,248,655	-	1,420,970
December 31, 2022				
Government securities	-	1,024,452	-	1,024,452
Listed securities	6,287	-	-	6,287
Open end mutual funds	145,510	-	-	145,510
	151,797	1,024,452	-	1,176,249

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:

		March 31, 2023 (Un-Audited)	March 31, 2022 (Un-Audited)
		----- (Rupees in '000) ----	
Relationship	**Transactions**		
Holding company	Premium revenue	273	1,200
Holding company	Insurance benefits	-	1,200
Holding company	Advance received against equity	100,000	100,000
Associated undertaking	Premium revenue	11,479	16,269
Associated undertaking	Insurance benefits	16,228	12,911
Holding company	Expenses and acquisition cost	223	-
Associated undertaking	Expenses and acquisition cost	1,830	5,481
Key Management Personnel	Remuneration	16,935	12,891

Related Party	Balances	March 31, 2023 (Un-Audited)	December 31, 2022 (Audited)
Holding Company			
Army Welfare Trust	Due from insurance contract holders	531	258
Army Welfare Trust	Advance against equity	530,000	430,000
Associated undertakings			
Askari Guards Limited	Due from insurance contract holders	-	4,178
Mobil Askari Pakistan Limited	Due from insurance contract holders	2	11
Askari Fuels	Due from insurance contract holders	106	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	-	34
Askari Chartered Aviation Services (ACS)	Due from insurance contract holders	12	4
Fauji Security Services	Due from insurance contract holders	3,851	3,851

Related Party	Balances	March 31, 2023 (Un-Audited)	December 31, 2022 (Audited)
MEDASK	Due from insurance contract holders	92	38
Real Estate (Head Office)	Due from insurance contract holders	229	-
AWT Housing Scheme Karachi	Due from insurance contract holders	2	2
Askari Shoes	Due from insurance contract holders	54	-
Askari Farms & Seeds	Due from insurance contract holders	11	-
Askari Lagoon	Due from insurance contract holders	28	28
AWT Plaza	Due from insurance contract holders	28	-
Blue Lagoon	Due from insurance contract holders	-	463
Army Welfare Sugar Mills	Due from insurance contract holders	543	-
Askari Flying Academy	Due from insurance contract holders	22	-
Askari Travel & Tour	Due from insurance contract holders	16	-
AWT Housing Scheme - Lahore	Due to insurance contract holders	1	1
Blue Lagoon	Due to insurance contract holders	5	-
Army Welfare Sugar Mills	Due to insurance contract holders	-	2
Askari Shoes	Due to insurance contract holders	-	9
Askari Farms & Seeds Products	Due to insurance contract holders	-	25
Askari Guards Limited	Outstanding claims	18,839	17,891
Fauji Security Services	Outstanding claims	2,600	100
Army Welfare Sugar Mills	Outstanding claims	2,450	50
Blue Lagoon	Outstanding claims	1,200	3,600
Askari General Insurance Company Limited	Outstanding claims	1,500	-
Askari Travel & Tours	Accrued expenses	-	611
Askari General Insurance Company Limited	Accrued expenses	-	604
Gratuity payable to staff	Staff retirement benefits	40,010	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

27 APR 2023

Chief Financial Officer | Chief Executive Officer | Director | Director | Chairman

Branch Network

Branch Network
Head Office – Karachi

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