EFU GENERAL INSURANCE LTD
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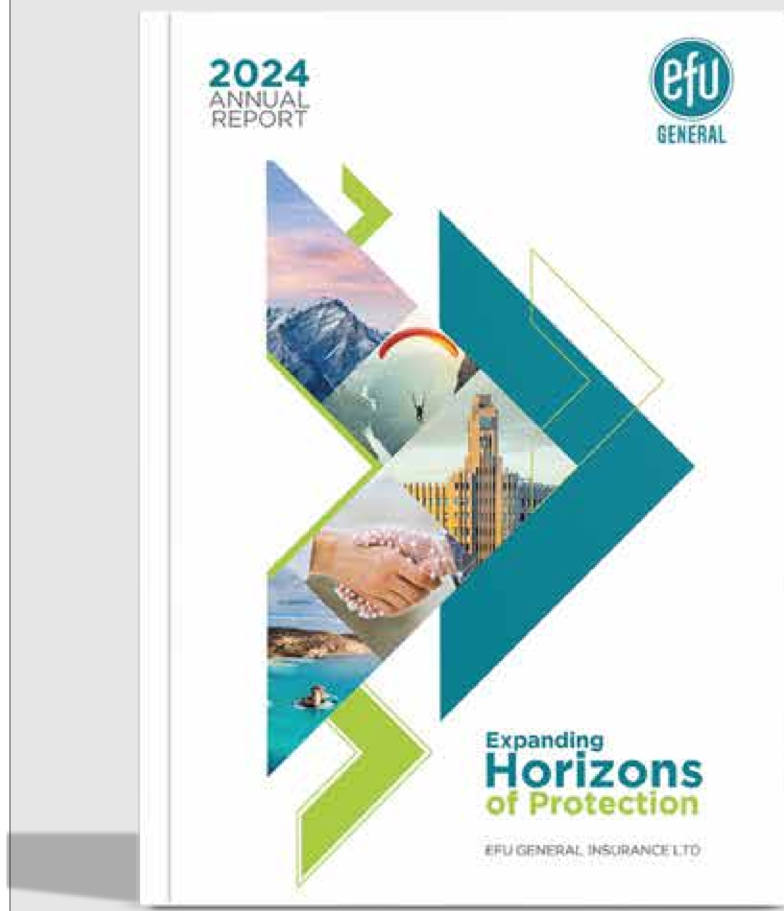
2024 ANNUAL REPORT

Expanding Horizons of Protection

EFU GENERAL INSURANCE LTD



Expanding Horizons of Protection

EFU General opened its doors for business in 1932, with a vision to be the foremost in securing the financial future of its customers. Over ninety years down the road, that vision still remains paramount in all that we do.

Over the years, we have seen many changes taking place; globally, in our own country and in our industry. Shifts in the political and economic environment also impact business. Our strength to sustain our growth and leadership demonstrates our capacity to accept challenges, appropriate responses and adapt to changing paradigms.

With each passing year, we have built on our strong foundation and earned unparalleled credibility for always delivering on our promises.

The strength of our assets, together with the exceptional quality of our people and the power of our strategic alliances with the world's top re-insurers, gives us a leading edge in the market.

EFU today, stands globally recognized as Pakistan's flagship insurance brand.

Integrity & Ethics

We conduct business with ethics, dignity, fairness and transparency. *(BCR 1.01)*

Excellence

We measure our performance by results but more by quality of service. *(BCR 1.01)*

Professionalism

We believe professionalism is perfection. Business resources are utilized in a manner to achieve optimum returns. *(BCR 1.01)*

Discipline

Our pursuit of excellence is anchored in discipline, driven by a clear and consistent strategy. *(BCR 1.01)*

Ownership

Driven by initiative and accountability, we work with a relentless focus on strategic success. *(BCR 1.01)*

Community

We foster a culture of giving with purpose, enriching communities and driving national progress. *(BCR 1.01)*

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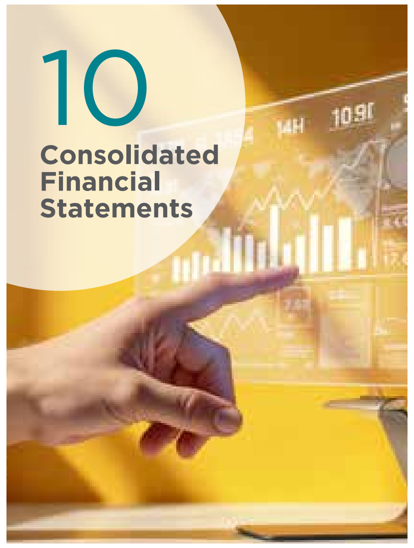

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CEO Message *(BCR 6.11)*

https://efuinsurance.com/resource/financials/financial-reports/downloads/CEO_Message

Organizational Overview & External Environment

Financial Highlights 2024

Investments (including Investment Properties) **36,256** (Rupees in Million)	Underwriting Result **2,418** (Rupees in Million)	Investment & Other Income **3,623** (Rupees in Million)
Cash Dividend **2,000** (Rupees in Million)	Shareholders Equity **24,170** (Rupees in Million)	
Premium (including Takaful Contribution) **41,269** (Rupees in Million)	Claims Paid (Gross) **8,203** (Rupees in Million)	Profit After Tax **3,711** (Rupees in Million)
Breakup Value **120.85** (Rupees)	Total Assets **72,399** (Rupees in Million)	

Financial Strength Ratings

VIS

AA++

PACRA

AA++

***A.M. BEST**

B-

* For latest rating, visit www.ambest.com

Company Information

Chairman
Saifuddin N. Zoomkawala

Vice Chairman
Hasanali Abdullah

Managing Director & Chief Executive Officer
Kamran Arshad Inam

Directors
Taher G. Sachak
Asad Nasir
Saad Bhimjee
Tanveer Sultan Moledina
Yasmin Hyder

Chief Financial Officer
Najmul Hoda Khan

Company Secretary & Compliance Officer
Amin Punjani

Legal Advisor
Khurram Rashid Advocate

Shari'ah Advisor
Mufti Muhammad Ibrahim Essa

Audit Committee
Tanveer Sultan Moledina
Hasanali Abdullah
Taher G. Sachak
Asad Nasir
Yasmin Hyder

Investment Committee
Hasanali Abdullah
Saifuddin N. Zoomkawala
Taher G. Sachak
Kamran Arshad Inam
Najmul Hoda Khan

Ethics, Human Resource & Remuneration Committee
Yasmin Hyder
Saifuddin N. Zoomkawala
Hasanali Abdullah
Kamran Arshad Inam

Auditors
KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Karachi

Registrar
CDC Share Registrar Services Limited
CDC House, 99-B, Block-B
S.M.C.H.S., Shahrah-e-Faisal
Karachi - 74400

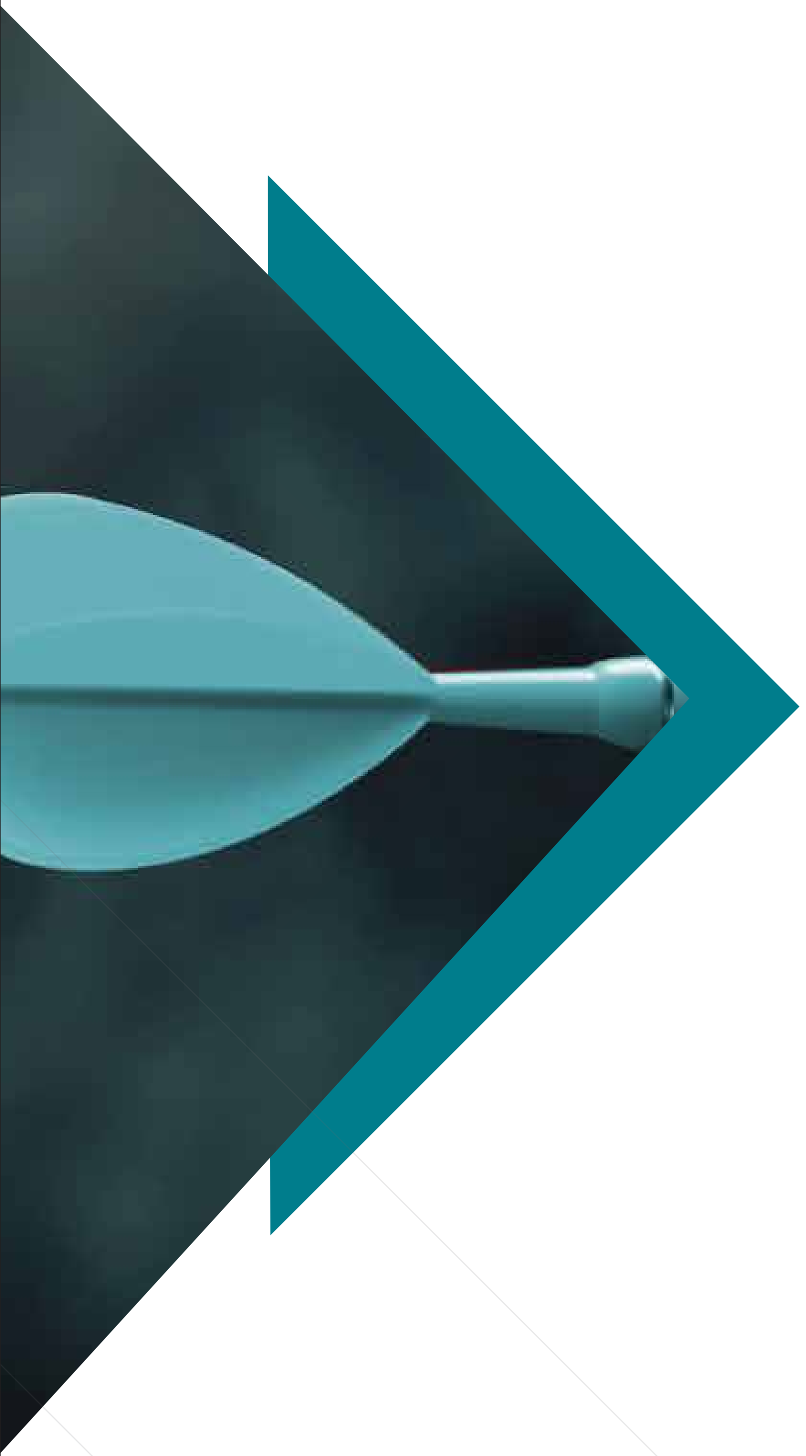
Website
www.efuinsurance.com

Email:
info@efuinsurance.com

Registered Office
Kamran Centre, 1st Floor
85 East, Jinnah Avenue
Blue Area, Islamabad

Main Office
EFU House
M.A. Jinnah Road
Karachi

Window Takaful Operations
5th Floor, EFU House
M.A. Jinnah Road
Karachi



Vision

To continue our journey to be better than the best. *(BCR 1.01)*

Mission

To provide services beyond expectation with a will to go an extra mile. In the process, continue to upgrade technology, human resources and reinsurance protection. *(BCR 1.01)*

Company Overview

"EFU General Insurance Limited (EFUG) was incorporated in 1932, as a public limited company. EFUG is engaged in underwriting non-life insurance and takaful business."

The Company is listed on the Pakistan Stock Exchange Limited. The ownership structure is provided in detail along with the pattern of shareholding and categories of shareholders.

In 1990, the Government of Pakistan reopened the life insurance business to private sector. EFU Group decided to establish a life insurance company by the name of EFU Life Assurance Limited and started operations from November 1992. EFU Life was the first company to introduce Unit-linked insurance products in Pakistan. EFU Life has "Insurer Financial Strength" rating of AA++ with stable outlook from VIS.

In March 2018, the Board of Directors assessed its control proposition in relation to its investments in EFU Life Assurance Limited and declared EFU Life as the Company's subsidiary. Our subsidiary, EFUL is one of the leading life insurance companies in Pakistan.

Company Profile (www.efuinsurance.com)

EFU Group is the largest insurer group in the country. The group structure comprises of EFU General Insurance Limited and subsidiary, EFU Life Assurance Limited. The Company provides a full range of non-life insurance and window takaful services to fulfill the needs of all of its customers being commercial and individual clients. Our product portfolio includes:

- Fire and Property Damage
- Marine, Aviation and Transport
- Motor
- Miscellaneous
- Window Takaful Operations

- The shares of the Company are quoted on Pakistan Stock Exchange.
- **Rating:** Insurer Financial Strength AA++, Outlook: Stable (Rating Agencies: VIS and PACRA). The Company also maintains rating from A.M. Best. A.M. Best is the world's specialized insurance rating agency and has assigned Financial Strength Rating of "B-" with stable Outlook.
- **Client base:** Comprises of many leading business houses, groups, multinational companies, banks, SMEs and individuals etc.

We are in the business of providing a full range of non-life insurance products and services customized to meet the varied needs of a broad spectrum of businesses and industrial clients as well as individuals, providing Fire and Property, Marine, Aviation & Transport, Motor and other Miscellaneous products. In addition to this, we have Window Takaful Operations since 2015. We have a separate Risk Management Team and an Engineering Group who work closely with clients to identify various risk exposures and then provide specific insurance solutions. This helps in loss prevention and reducing the cost of premium. Our market-driven team of inspired and technically qualified insurance personnel, specializing in civil, mechanical, metallurgy, electronics and having overseas linkages, is available on-call for necessary professional advice at all times. It is our policy not only to provide protection and risk reduction but help clients develop preventive capabilities to avert major perils and calamities. Over the years, we have developed a full range of insurance services for large infrastructure projects.

We are fully equipped with technical, marketing and managerial skills supported by reinsurance arrangements with a number of International Reinsurers of excellent repute to cater for all classes of specialized insurance and provide customer service of the highest quality. Our clients include both large and medium sized organizations in all sectors of the economy. We are committed to new product development and innovation, legendary customer service and a promise that everything we do, we do from the heart.

External Environment affecting the Company

The general insurance sector's performance is strongly correlated to economic growth. The key drivers of insurance growth in a country are typically macroeconomic factors, regulatory factors and demographics of a country. In Pakistan, the insurance penetration has remained modest as compared to neighboring countries. Discount rate was decreased from 22% to 13% during 2024 and is expected to decrease further in 2025. The Pakistan Stock Exchange KSE 100 index has risen from 62,451 points to 115,127 points during the year.

Significant Changes from Last Year

Our subsidiary EFU Life Assurance Limited has acquired 100% of shareholding of EFU Health, which was subsequently merged with and into EFU Life.

Product Portfolio

EFU General provides full range of insurance services to fulfill the needs of all its customers being commercial and individual clients. Our product portfolio includes: *(BCR 1.02)*

01 Fire and Property Damage

02 Marine, Aviation and Transport

03 Motor

04 Miscellaneous

05 Takaful

Fire and Property Damage

Fire and Property portfolio covers industries nationwide, including factories and manufacturing units like textiles, steel, cement, sugar mills and pharmaceuticals; the oil and gas sector, including refineries, exploration sites, and LNG terminals; Power plants encompassing wind, solar, hydro, and thermal energy projects; and mega infrastructure projects like highways, dams, data centres, and commercial and residential properties.

EFU General's coverage extends from the construction phase to the operational phase, ensuring uninterrupted protection at every stage. This includes Contractors'/Erection All Risk policies with extended coverage for Delay in Start-Up (DSU), protecting businesses from financial losses due to project delays caused by covered risks. It also provides comprehensive protection for the Contractor's Plant & Machinery along with the entire project insurance under tailor made solutions.

During the operational phase, EFU General provides comprehensive coverage, including Fire & Allied Perils, which protects against fire, lightning, explosions, and natural disasters; Machinery Breakdown, covering unexpected failures of essential equipment and plant machinery; Business Interruption (BI), which compensates for revenue loss due to insured damages, ensuring business continuity and protection against Terrorism acts.

Property class ensures risk quality of all risks managed by a technical team of risk surveyors, assisting property underwriters to make constructive business decisions.

Marine, Aviation and Transport

Marine Cargo insurance covers physical damage to cargo whilst moving from one place to another via any means of transport. Apart from cargo loss, customs duties and incidental costs can also be covered. For big projects, cargo policies can be extended to cover losses due to Delay in Start-Up (DSU). Seller's contingency covers are also available.

Marine Hull policies cover physical damage to ships, pontoons, barges, port terminals, rigs etc. Coverages are for hull all risks and hull war risks. Covers for personal accident to crew are also available. Ship-breaking (including death voyage cover) and ship-building risks are also covered in this class of insurance. Coverages for shipping agent liabilities, freight forwarders liabilities, transporters liabilities, charterers liabilities etc are also provided.

On the aviation side, EFU provides complete insurance solutions for fixed wing as well as rotor wings aircraft. Covers for drones are also available. Coverages are for hull all risks, hull war risks, hull deductible buyback, personal accident for crew, loss of license. Covers for airside liabilities, hanger keeper liabilities, aircraft refueling liabilities etc are also available.

Motor

EFU General remains the market leader in motor insurance, offering comprehensive coverage for both private and commercial vehicles. Our policies provide protection against accidental loss, theft, and third-party liabilities, along with coverage for risks such as natural calamities, fire, external explosions, riots, terrorism, and transit-related incidents. We offer financial security, peace of mind, and compliance with the motor vehicle laws, reinforcing our reputation as a trusted insurer.

We continuously innovate to enhance customer convenience, introducing a hassle-free, paperless process through our mobile app, allowing instant policy issuance, renewals, and swift claim processing. Additionally, our 24/7 WhatsApp Chatbot ensures seamless support and assistance.

Our diverse customer base reflects our ability to service all segments in accordance with their varying needs, ensuring tailored solutions for each customer.

With a strong focus on service quality, risk management, and customer satisfaction, we continue to strengthen brand preference and awareness, reaffirming EFU General as the most reliable name in motor insurance.

Miscellaneous

Miscellaneous Insurance and Credit & Suretyship cover a wide variety of insurances which are designed to multiple and comprehensive risks coverage solutions beyond conventional classifications.

EFU General through this class of insurance provides insurance solutions ranging from specialized covers like Cyber Insurance, Bankers Blanket Bond, Crime / Fidelity Insurance, Legal Liability Insurance (Directors & Officers Liability, Public & Product Liability, Professional Indemnity, Employers Liability/ Workmen Compensation & Commercial General Liability), Burglary Cover, Agriculture (Crop and Livestock Insurance) to more customized and personalized offerings like Mobile Phone Insurance, Travel Insurance, Travel Inconvenience, Personal Accident Insurance, Digital Transactional Insurance, ATM Cash Withdrawal and Wallet Insurance, combo packages through Bancassurance and Loyalty Programs hence, Miscellaneous Insurance has comprehensive risk solutions for Corporates, Industries, Small and Medium Enterprises (SMEs) and Individuals thus, risk protection for every business and living being.

Our Credit & Suretyship business provides insurance guarantees to businesses thus, helping them to smoothly manage their cash flows and work assignments by meeting their contractual obligations. Our offering includes performance, mobilization advance, bid / tender and retention money guarantees for construction / civil works, supply and installation works as well as specialized guarantees to cover default of payments.

Takaful

Takaful is a community-pooling system based on the principles of brotherhood and mutual help wherein participants contribute in a fund to help those who need it most in times of financial difficulties.

The Modus Operandi of Takaful

Different models are in practice in different parts of the world. All Takaful models are based on mutuality and Shari'ah concept of Tabbaru. The model used in Pakistan is known as Wakala-Waqf Model. In this model the pool is formed as a Waqf. All the contributions are deposited in this Waqf pool known as 'Participants' Takaful Fund' based on the terms and conditions of Participant Membership Document, claims are paid from the same pool to the participants.

The Role of the Operator in Takaful System

The Operator serves as the Wakeel of the Waqf Fund and charges a 'Wakala fee' for it. The fee is paid from the Waqf Fund. As the Wakeel, the Operator invests the funds available in the Waqf Pool in Shari'ah-compliant investments for profits. Since the Operator is the Modarib and the Waqf Fund is the Rabul-ul-Maal, any profits made from the investments are shared between the two on predefined percentages.

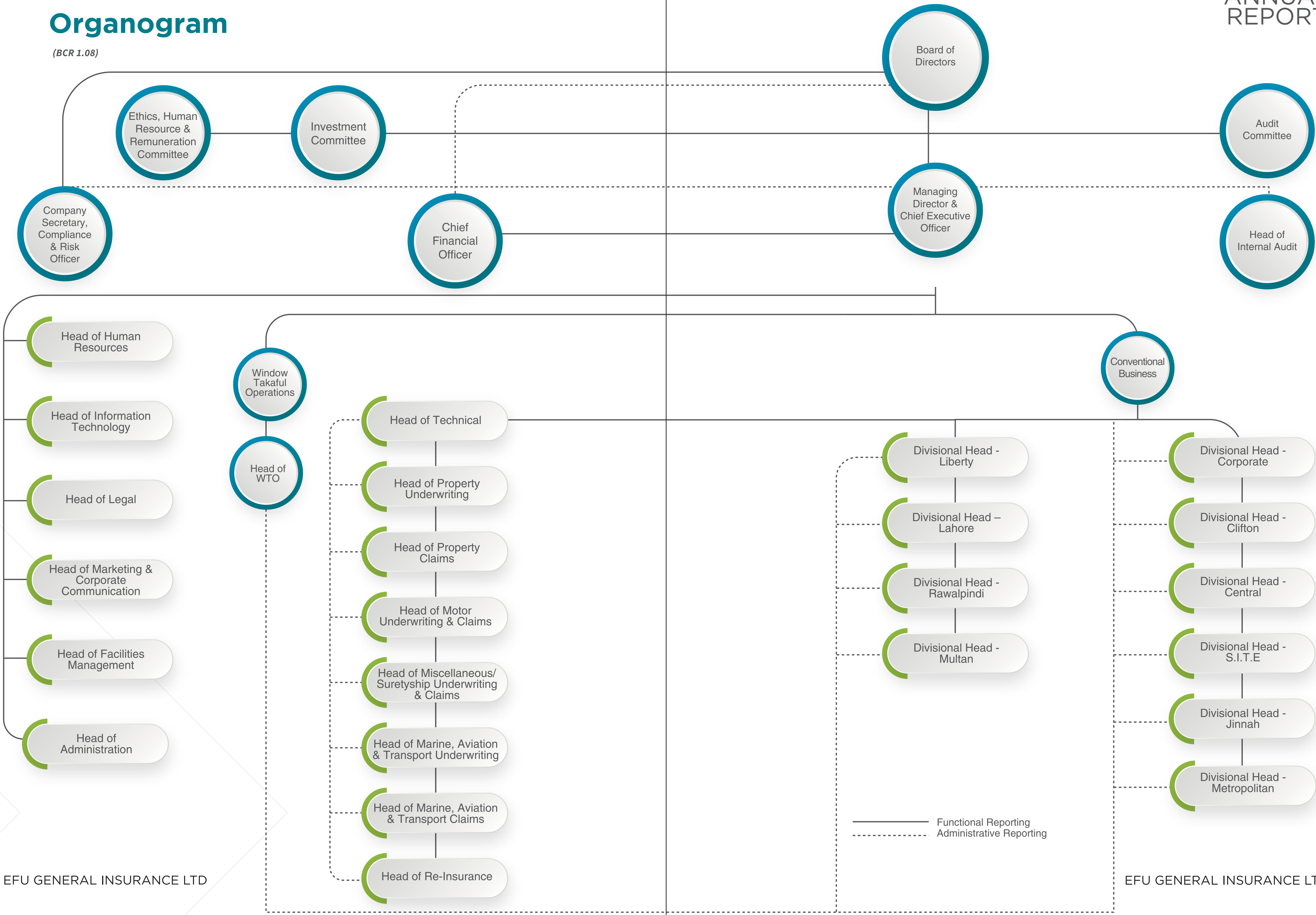
Geographical Presence

(BCR 1.03)

EPZ	01
Karachi	10
Hyderabad	01
Sukkur	01
Uch	01
Rahim Yar Khan	01
Vehari	01
Goth Machi	01
Multan	01
Sahiwal	01
Faisalabad	01
Lahore	04
Gujranwala	01
Sialkot	01
Rawalpindi	01
Islamabad	01
Peshawar	01
Abbottabad	01
Gilgit	01

Organogram

(BCR 1.08)



Our Journey

1932
EFU establishes its first office in Calcutta, marking the beginning of a legacy in insurance.

1961
EFU becomes the largest life company in Afro-Asian countries

1982
EFU celebrates its Golden Jubilee, commemorating 50 years of success and excellence in the insurance sector.

1992
EFU Life is established, becoming the largest private-sector life insurance company in Pakistan.

2014
EFU General Insurance Ltd. attains ISO certification, reinforcing its reputation as a high-quality and reliable insurance provider.

2015
EFU General launches Window Takaful Operations (WTO), offering Shariah-compliant insurance solutions.

2018
EFU General becomes the first non-life insurance company in Pakistan to cross the Rs. 20 billion premium mark.

2022
EFU General records an all-time high written premium, surpassing Rs. 30 billion, the highest ever in Pakistan's non-life insurance sector.

1993
EFU General becomes a Billion Rupee Company

2000
Allianz EFU is formed, introducing Pakistan's first specialized health insurance company.

2002
EFU Group acquires Qamar House, one of Karachi's iconic landmarks, symbolizing its strong foundation and legacy.

2007
EFU General celebrates 75 years of excellence, reaffirming its position as a trusted leader in the insurance industry.

2022
EFU General celebrated its 90 years of services and excellence

2023
EFU General achieved Rs 41.52 Billion mark. Highest attained by a non-life insurer ever in Pakistan

2024
EFU Life acquired and merged EFU Health

PESTEL Analysis

(BCR 1.12)

P — Political Factors

- **Regulatory Environment:**

  The Securities and Exchange Commission of Pakistan (SECP) oversees the insurance sector, enforcing regulations to ensure market stability and consumer protection. Compliance with these regulations is mandatory for all insurance entities.

- **Political Stability:**

  Pakistan's political landscape can be volatile, with changes in government policies potentially affecting economic conditions and, consequently, the insurance industry. Political instability may lead to fluctuations in investor confidence and economic performance.

E — Economic Factors

- **Economic Growth:**

  Pakistan's economy has faced challenges like inflation and political instability. Economic performance directly impacts consumers' ability to afford insurance products.

- **Inflation Rates:**

  High inflation, which averaged 23.41% in 2024, reduces disposable income, making it difficult for individuals and businesses to allocate funds for insurance premiums.

- **Unemployment:**

  Elevated unemployment rates can lead to a decrease in employer-provided insurance benefits and a reduced capacity for individuals to purchase personal insurance policies.

S — Social Factors

- **Demographics:**

  With a large and young population, there is potential for growth in general insurance sectors. However, low insurance penetration indicates a need for increased awareness and education about insurance.

- **Cultural Perceptions:**

  Religious beliefs and cultural norms can influence attitudes toward insurance, with some viewing it as unnecessary or incompatible with their values. Takaful, or Islamic insurance, has been developed to address these concerns.

T — Technological Factors

- **Digitalization:**

  The adoption of digital technologies, such as online policy management and mobile applications, is transforming the insurance industry. Companies investing in technology can enhance customer experience and operational efficiency.

- **Cybersecurity:**

  As operations become more digitized, the risk of cyber threats increases. Insurance companies must invest in robust cybersecurity measures to protect sensitive customer data.

E — Environmental Factors

- **Climate Change:**

  Pakistan is susceptible to natural disasters like floods and earthquakes. Insurers must assess environmental risks accurately to price policies appropriately and maintain financial resilience.

- **Sustainability Practices:**

  There is a growing emphasis on environmental sustainability. Insurers adopting eco-friendly practices may enhance their reputation and appeal to environmentally conscious consumers.

L — Legal Factors

- **Regulatory Compliance:**

  Adherence to SECP regulations is essential. Non-compliance can result in penalties and damage to reputation.

- **Consumer Protection Laws:**

  Laws ensuring fair treatment of policyholders require insurers to maintain transparency in policy terms and claims processes.

History of Major Events

During the Year 2024

(BCR 1.16)

January
12th International Women Leaders' Summit

February
CEO Summit by CEO Club

May
PakWheels Car Mela

November
Insurtech Summit II 2024 - Transforming Pakistan's Insurance Landscape.

November
Pink Ribbon Fundraiser

November
HMB Golf Tournament

June
10th Annual Mobile Commerce & Digital Banking

September
IAP's Annual Dinner

October
KPT 7th National Men's Softball Championship

December
TCF 21st Golf Tournament

December
AKU Golf Tournament

CEO Message

"As a trusted partner, we remain committed to providing security and peace of mind through innovative insurance solutions."

Our focus remains on delivering exceptional services, ensuring financial protection and fostering lasting relationships with our valued and prospective customers. With a strong foundation and a forward-looking vision, we continue to adapt, grow and design new products to meet evolving needs. We sincerely appreciate your trust in us. The year 2024 was another successful year for our Company, and I am confident that we will continue to enhance value for our stakeholders in the years ahead. *(BCR 6.11)*

Code of Conduct

Your Company is perceived well by customers and stakeholders due to ethical behavior and practices by our officers, staff and field force. Compliance with the applicable laws and regulations constitutes an elementary principle underlying our business. Everyone in the Company is required to observe statutory and supervisory regulations. Your Company strives for excellence in risk management, underwriting and claims handling to protect customers. We do business with reliability, integrity and promote fair and legal competition to ensure our lead market share. We base our actions on our clients' needs and offer best solutions through our knowledge, innovative ideas and close co-operation. We handle conflict with due care and take measures to prevent financial crime. As a good corporate citizen, our responsible conduct creates sustainable value, for our clients, employees, shareholders and society. We use management potential of our staff members by promoting diversity, flexibility and a unifying leadership culture. To meet the changing business needs, we provide our employees with technical, regulatory compliance and soft skills trainings on regular basis. For health and safety at workplace we ensure good working environment by providing lunch area, proper sanitation, health and recreational facilities. By risk management measures, we provide fire safety and security at work premises.

EFU's Culture

We promote and encourage honest and ethical behavior in our business activities and strongly condemn the human rights abuses. Our motto is all employees are members of EFU Family. There is no discrimination amongst employees on the basis of religion, race, ethnicity and gender. We expect employees to observe every individual's personal dignity, privacy and personal rights. We do not tolerate any discrimination, personal harassment or insulting behavior. Supervisory leadership and their duty as role models are an essential part of our culture. We expect our managers to show maturity, and take responsibility for their staff members, for achieving business results with integrity. We aim to help each employee realize his/her full potential.

Organizational Ethics

- Uncompromising integrity. Our business is founded on trust and we manage it ethically, lawfully and fairly.

- Clients first. Nothing we do is more important than protecting and preserving our clients' interests. We hold responsibilities towards our clients in the highest regard.

- Entrepreneurship. We work hard to hire the best people, motivate them, reward them and encourage them to innovate. We are a meritocracy and an equal opportunity employer.

- Passion for performance. We contribute towards our Company's financial goals and concentrate on achieving superior results.

- A culture of excellence. We measure our performance on every task we undertake not just by the results but also by the quality of our work.

- A tradition of success. While we are fair and ethical at all times, we compete aggressively by providing excellent service to our clients.

Shareholders' and Investors' Information

Notice of Meeting

Notice is hereby given that the 92nd Annual General Meeting of the Shareholders of EFU General Insurance Limited will be held at **ISE Auditorium, ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad on Tuesday, March 25, 2025 at 11:30 a.m.** and through electronic means to transact the following businesses:

A. ORDINARY BUSINESSES:

1. receive, consider and approve the Audited Financial Statements (Consolidated and Unconsolidated) for the year ended December 31, 2024 together with the Chairman's review, Directors' and Auditors' reports thereon.

2. consider and if thought fit to approve the payment of Final Dividend at the rate of 55 % i.e. Rs. 5.5 per share as recommended by the Board of Directors and also approve Interim Cash Dividends of 45 % i.e. Rs. 4.50 per share already paid to the Shareholders for the year ended December 31, 2024.

3. appoint Auditors of the Company for a term ending at the conclusion of the next Annual General Meeting and fix their remuneration. The Board of Directors recommends the appointment of KPMG Taseer Hadi & Co., Chartered Accountants as Auditors of the Company for the year 2025.

By Order of the Board

AMIN PUNJANI
Company Secretary

Karachi: February 26, 2025

NOTES

1. PARTICIPATION IN AGM THROUGH ELECTRONIC MEANS:

In light of the clarification issued by the Securities and Exchange Commission of Pakistan vide Circular No. 4 of 2021 for ensuring the participation of members in general meeting through electronic means as a regular feature, the Company has also provided the facility for attending the meeting via a video-link to its shareholders. The members are encouraged to participate in the meeting online by following the below guidelines.

The shareholders who intend to attend and participate in the Annual General Meeting through video-link are requested to please provide the below information to the Company Secretary at e-mail address: amin.punjani@efuinsurance.com, at least 24 hours before the time of AGM i.e. latest by 11:30 a.m. on Monday March 24, 2025.

Folio / CDC Account No.	Name	CNIC No.	Cell No.	Email Address

Upon receipt of the above information from shareholders, the Company will send login details to their email address, which will enable them to join the said AGM through video conference on Tuesday, March 25, 2025 at 11:30 a.m.

2. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as a proxy to attend and vote in respect of him. Form of proxy must be deposited at the Company's Registered Office not later than 48 hours before the time appointed for the meeting.

3. CDC Account holders are advised to follow the following guidelines of the Securities and Exchange Commission of Pakistan.

A For attending the meeting:

(i) In case of individuals, the account holder and/or sub-account holder(s) and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

(ii) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing proxies:

(i) In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

(ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

(iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

(iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.

(v) In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

4. The Share Transfer Books of the Company will be closed from March 19, 2025 to March 25, 2025 (both days inclusive). Transfers received in order by the Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 by the close of business on March 18, 2025 will be considered in time to attend and vote at the meeting and for the entitlement of Dividend.

5. Members are requested to notify/submit the following, in case of book-entry securities in CDC to respective CDC participants and in case of physical shares, to the Company's Share Registrar, if not earlier provided / notified:

a. Change in their addresses;

b. Valid and legible photocopies of Computerized National Identity Card (CNIC) for Individuals and National Tax Number (NTN) both for individual and corporate entities.

6. ELECTRONIC DIVIDEND MANDATE

Under Section 242 of the Companies Act, 2017 it is mandatory for all listed Companies to pay cash dividend to their shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive dividends directly into their bank account, shareholders are requested (if not already provided) to fill in Bank Mandate Form for Electronic Credit of Cash Dividend available in the Annual Report and also on the Company's website and send it duly signed along with a copy of CNIC to the Share Registrar of the Company, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 in case of physical shares.

In case shares are held in CDC, the electronic dividend mandate form must be directly submitted to shareholder's brokers / participant / CDC account services as the case may be.

In case of non-receipt of information, the Company will be constrained to withhold payment of dividends to shareholders.

7. SUBMISSION OF VALID CNIC / SNIC (MANDATORY)

As per SECP directives, the dividend warrants of the shareholders whose valid CNICs, are not available with the Share Registrar could be withheld. All shareholders having physical shareholding are, therefore, advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Company's Share Registrar at the following address, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 without any further delay.

8. ZAKAT DECLARATION (CZ-50)

Zakat will be deducted from the dividends at source under the Zakat and Usher Laws and will be deposited within the prescribed period with the relevant authority. In case you want to claim exemption, please submit your Zakat declarations under Zakat and Usher Ordinance, 1980 and Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form with the Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 or in case of book-entry securities in CDC to respective CDC participants. The shareholders while sending the Zakat Declarations must quote the company name and their respective CDS A/C No. or Folio No.

9. DEDUCTION OF WITHHOLDING TAX ON THE AMOUNT OF DIVIDEND

Pursuant to SECP directives vide Circular No.19/2014 dated October 24, 2014, SECP has directed all companies to inform shareholders about changes made in Section 150 of the Income Tax Ordinance, 2001. We hereby advise shareholders as under;

(i) The Government of Pakistan through the Finance Act, 2019 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for the deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

a.	for filers of income tax returns:	15 %
b.	for non-filers of income tax returns:	30 %

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, all the shareholders whose names are not entered into the Active Tax Payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for payment of the cash dividend otherwise tax on their cash dividend will be deducted @ 30% instead of @15 %.

(ii) In the case of shares registered in the name of two or more shareholders, each joint-holder is to be treated individually as either a filer or non-filer and tax be deducted by the Company based on shareholding of each joint-holder as may be notified to the Company in writing. The joint-holders are, therefore, requested to submit their shareholdings otherwise each joint-holder shall be presumed to have an equal number of shares.

(iii) For any query/information, the investors may contact the Company and/or the Share Registrar at the following phone numbers and email address. The contact number of Company Secretary is 021-32313471-90 (Ext: 9444) and email: amin.punjani@efuinsurance.com and the contact numbers of Share Registrar, CDC Share Registrar Services Limited is 0800-23275 & email: info@cdcsrsl.com.

(iv) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar, CDC Share Registrar Services Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

10. CONSENT FOR VIDEO CONFERENCING FACILITY

Pursuant to the provision of the Companies Act, 2017 the members can also avail the video conferencing facility. In this regard, please fill in the following and submit it at registered address of the Company at least 10 days before the holding of the annual general meeting. If the Company receives consent from members holding an aggregate 10 % or more shareholding residing at the geographical location to participate in the meeting, the Company will arrange a video conference facility in the city subject to the availability of such facility in that city.

I / We, _______________ of _______________________, being a member of EFU General Insurance Limited holder of ______ ordinary share(s) as per registered folio / CDC no. _______ hereby opt for a video conferencing facility.

11. UNCLAIMED DIVIDEND

As per the provision of Section 244 of the Companies Act 2017, any shares issued or dividend declared by the Company that have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the Commission for the credit of Federal Government after issuance of notices to the shareholders to file their claim. The details of the shares issued and dividends declared by the Company which have remained due for more than three years were sent to shareholders, uploaded on the Company website and a Final notice was issued in the newspaper. In case, no claim is lodged with the Company in the given time, the Company will deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244 (2) of the Companies Act, 2017.

12. TRANSMISSION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS THROUGH QR-ENABLED CODE AND EMAIL:

The Annual Report, including the Financial Statements of the Company, can be viewed using the following QR-enabled code. The same will be shared via email in case an email address is provided by the members. A printed copy of the above referred Annual Reportcan be provided to members upon request.

13. AVAILABILITY OF AUDITED FINANCIAL STATEMENT ON THE COMPANY'S WEBSITE:

The Annual Report including audited financial statement of the Company for the year ended December 31, 2024 has been made available on the Company's website www.efuinsurance.com which can be viewed using the following link:

https://efuinsurance.com/conventional/financials/financial-reports.php

14. REGISTRATION DETAILS OF PHYSICAL SHAREHOLDERS

As per Section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile/telephone number, International Bank Account Number (IBAN), etc. to our Share Registrar at their below address immediately to avoid any non-compliance of law or any inconvenience in future:

CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400. Tel. Toll Free: 0800-23275, Email: info@cdcsrsl.com, website: www.cdcsrsl.com

15. DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS:

As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017.

The Securities and Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021, has advised the listed companies to pursue their such members who still hold shares in physical form, to convert their shares into book entry form.

We hereby request all members who are holding shares in physical form to convert their shares into book-entry form at the earliest. They are also suggested to contact the Central Depository Company of Pakistan Limited or any member/stockbroker of the Pakistan Stock Exchange to open an account in the Central Depository System and to facilitate conversion of physical shares into book-entry form. Members are informed that holding shares in book-entry form has several benefits including but not limited to secure and convenient custody of shares, conveniently tradeable and transferable, no risk of loss, damage or theft, no stamp duty on transfer of shares in book-entry form and hassle-free credit of bonus or right shares.

We once again strongly advise shareholders of the Company, in their best interest, to convert their physical shares into book-entry form at the earliest.

Financial Calendar

Dividends

Final 2024

February 26 2025 — ANNOUNCEMENT DATE

March 18 2025 — ENTITLEMENT DATE

First Interim 2024

April 25 2024 — ANNOUNCEMENT DATE

May 09 2024 — ENTITLEMENT DATE

Second Interim 2024

August 23 2024 — ANNOUNCEMENT DATE

September 05 2024 — ENTITLEMENT DATE

Third Interim 2024

October 30 2024 — ANNOUNCEMENT DATE

November 06 2024 — ENTITLEMENT DATE

Annual General Meeting

March 25 2025

Investor Relations

Access to Reports and Inquiries

Annual Report

Annual report can be downloaded from the Company's website: www.efuinsurance.com or printed copies can be obtained by writing to:

The Company Secretary

EFU General Insurance Limited
EFU House
M.A. Jinnah Road
Karachi 74000
Pakistan

Quarterly Reports

The Company publishes interim reports at the end of first, second and third quarters of the financial year. The interim reports can be accessed at website: www.efuinsurance.com; or printed copies can be obtained from the Company Secretary.

Shareholders' Inquiries

Shareholders' enquiries about their holding, dividends or sharecertificates etc. can be directed to Share Registrar at the following address:

CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S, Shahra-e-Faisal
Karachi - 74400

Listing on Pakistan Stock Exchange (PSX)

The shares of the Company are listed on Pakistan Stock Exchange. The symbol code is **'EFUG'**.

Annual Report, Financial Statements and Notice of Meeting are sent by e-mail.

If any member intends to receive printed copy of the above, he may provide us or to our Share Registrar, his consent on the consent form as available on Company's website, duly filled and signed.

Investors' Grievance Policy

EFU General Insurance Limited believes that relations with investors are vital for the financial lifeline and substantial growth of the organization. Relations with investors also reflect on the goodwill of the organization. It is therefore, imperative to place an efficient and effective mechanism in the organization for providing services to the investors and to re-dress their grievances in accordance with law. ***(BCR 5.12 (l))***

The Company has accordingly provided on its website, the necessary information about the Company, the directors, auditors, share registrars, the financial data for the current period and for the last six years and daily stock update showing daily rates of the Company's shares quoted at the Pakistan Stock Exchange.

The Company Secretary of the Company is the primary contact on behalf of the Company to whom the investors can contact to redress their grievances and resolve their issues.

The management endeavors to investigate and resolve all the complaints and queries of the investors to their utmost satisfaction. An investor who is not satisfied can also approach the Securities & Exchange Commission of Pakistan (SECP) complaint cell through interactive link provided on our website.

Our investor grievance policy is broadly based on the following principles:

- Investors calling us in person, telephone, fax or email are received and their complaints are dealt in timely manner.
- Each and every investor is treated fairly at all the times.
- Prompt, efficient and fair treatment is given to all the complaints and queries of the investors.

Decisions taken at the Last Annual General Meeting held on March 28, 2024

The following matters taken up in the meeting as per agenda were approved unanimously and the decisions taken were implemented in due course:

1. Approval of Audited Accounts (consolidated and unconsolidated) and Reports for the year ended December 31, 2023 together with the Chairman's review, Directors' and Auditors' reports thereon.

2. Approval of Final dividend @ Rs. 5.5 per share in addition to aggregate amount of Rs. 4.5 per share was paid for three interim dividends for the year 2023 details as under:

   - The First Interim dividend was paid on May 19, 2023.
   - The Second Interim dividend was paid on September 19, 2023.
   - The Third Interim dividend was paid on November 17, 2023.
   - Final dividend was paid to the Shareholders on April 2, 2024.

3. Appointment of KPMG Taseer Hadi & Co., Chartered Accountants, as Auditors for the year 2024.

4. Approval of Investment in EFU Life of Rs.1 Billion

Presence of Chairman - Audit Committee in the Annual General Meeting

The Chairman of the Audit Committee attended the 91st Annual General Meeting of the Company.

Steps Taken by the Management to Encourage Minority Shareholders to Attend the General Meetings

The management is constantly striving to increase the participation of minority shareholders at the general meetings.

The Company also facilitates its members to attend general meetings through video-link facility.

Redressal of Investors' Complaints

An investor can contact the Company Secretary about his grievance. The management tries to resolve all the complaints and queries of the investors to their satisfaction. An investor who is not satisfied can also approach the Securities & Exchange Commission of Pakistan (SECP) complaint cell through interactive link provided on our website.

Stakeholders' Relationship and Engagement

The Company has an effective Stakeholder's engagement policy and it clearly defines how the company identifies its stakeholders. *(BCR 10.01)*

Stakeholder Engagement:

The Company is committed with transparent engagement with stakeholders to build trust, ensure regulatory compliance, and drive sustainable growth. The engagement policy focuses on open communication, responsiveness, transparency and value creation for all key stakeholders. The Company employs various channels such as digital platforms, meetings, advertisement and reports to engage with stakeholders effectively.

Stakeholder Identification:

The Company has identified its key stakeholders including their interest, and impact on operations:

1. **Customers:** Policyholders, businesses and individuals who rely on insurance services are engaged through customer service, feedback mechanisms, and digital interactions.

2. **Shareholders & Investors:** Individuals and institutions providing capital are engaged through financial reports, general meeting and investor briefings.

3. **Regulators & Government Bodies:** Securities and Exchange Commission of Pakistan, State Bank of Pakistan, and other authorities ensuring compliance.

4. **Employees:** Staff, agents, and management teams are essential for company's operations. They are engaged through human resource policies, training, and feedback programs.

5. **Business Partners & Reinsurers:** Banks, fintech companies, brokers, corporate agents and reinsurers supporting business growth are engaged through contracts, strategic meetings, and joint initiatives.

6. **Communities:** Communities benefiting through Corporate Social Responsibility (CSR) and sustainability initiatives.

The Company continuously assesses stakeholder needs and refines engagement strategies to maintain long-term relationships and business sustainability.

Stakeholders' engagement process and the frequency of such engagements during the year.

Explanation on how the relationship is likely to affect the performance and value of the Company, and how those relationships are managed.

Stakeholder Engagement Process & Frequency

The Company follows a structured stakeholder engagement process to maintain transparency, trust, and long-term value creation. Engagement frequency varies based on stakeholder influence and business impact.

1. **Institutional Investors** – Engaged through quarterly financial reports, member's general meetings and corporate briefing sessions. These interactions provide updates on financial performance, business strategy, and risk management.

2. **Customers & Suppliers** – Customers are engaged via online platforms, customer support services, call centre, grievance contact person and satisfaction surveys throughout the year. Suppliers, including reinsurers and technology providers, are engaged through regular meetings.

3. **Banks** - The Company ensures to maintain strong banking relationships with various financial institution to ensure financial stability, liquidity, and access to funding.

4. **Media** – The company engages media outlets through press releases and industry conferences. Frequent interactions help shape public perception, promote brand awareness, and enhance credibility.

5. **Regulators** – Regular engagement with SECP, State Bank of Pakistan, Insurance Association of Pakistan (IAP) and other authorities occurs through compliance reporting, meetings and industry discussions.

6. **Local Communities** – Community engagement is conducted via Corporate Social Responsibility (CSR) initiatives, sponsorships, development programs and work for sustainability. *(BCR 10.02 (f))*

7. **Analysts** – The Company engages financial analysts through corporate briefing session, investor presentations, and periodic updates.*(BCR 10.02 (g))*

Impact on Company Performance & Value

Effective stakeholder engagement enhances trust, reduces business risks, and fosters long-term partnerships, ultimately improving financial performance and brand reputation. By proactively managing these relationships, the Company ensures stakeholder alignment, regulatory compliance, and a competitive edge in the insurance industry.

Steps taken by the management to encourage the minority shareholders to attend the general meetings.

The Management encourages the minority shareholders by engaging at various platforms including general meeting. The Company also organize the Corporate Briefing Session to update the shareholders. The Company also encourages minority shareholder by attending the meeting via online modes. *(BCR 10.03)*

Investors' Relations section on the corporate website.

The investor's can access the Investor section on our website. It contains various information such as financial reports, six years data, name of auditors and share registrar, contact persons for investor relation, information regarding the dividend etc. *(BCR 10.04)*

Issues raised in the last AGM, decisions taken and their implementation status.

The agenda as mentioned in the Notice of Annual General Meeting (AGM) was approved by the shareholder including the special business of investment in our subsidiary etc. *(BCR 10.05)*

Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and b) Disclosure of brief summary of Analyst briefing conducted during the year.

The Corporate Briefing Session was held on March 28, 2024. The briefing provided valuable insights to analysts, shareholders and investors, reinforcing the company's commitment to transparency, growth, and risk management. During the corporate briefing, the company presented an overview of its financial performance, highlighting the EFU Group, its history, growth in underwritten premium, net premium and investment returns. *(BCR 10.06 (a)(b))*

Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.

The Company is committed to ensuring a transparent and efficient grievance redressal process for investors. The contact details of investor's grievance are available on company's website. *(BCR 10.07)*

Details about corporate benefits to shareholders like value appreciation, dividend etc

The Company remains committed to delivering value to its shareholders through growth and consistent returns including dividend. The Company has consistently delivered a 100% for more than 5 years.

The company continues to prioritize shareholder wealth through a balanced approach of payouts and reinvestment for sustained growth.*(BCR 10.08)*

Share Price and Volume Analysis

The Company's Share Price and Volume on the PSX during the year 2024 are presented below. *(BCR 6.06)*

Month	Highest	Lowest	No. of Shares
	------------ Rupees ------------		
January	88.00	84.50	1,250
February	89.40	84.00	11,056
March	90.00	85.00	5,773
April	88.00	84.00	29,667
May	89.98	82.30	4,862
June	90.00	85.06	1,962
July	90.56	85.10	214,374
August	92.00	84.66	2,919
September	99.55	88.99	2,171
October	98.02	86.18	3,796
November	134.89	90.34	6,677
December	137.25	110.04	8,369

Share Price Sensitivity Analysis

Company news and performance: Company - specific factors that can affect the share price are:

- **Earnings** - News release on earnings and profits and future estimated earnings develop investor interest in the stock of a Company.
- **Announcement of dividends** - Expected distribution from earnings could increase the share price in expectation of realization of profit on investment.
- **Introduction of a new insurance product** - This could lead to positive earnings growth which in return effects share prices.

- **Industry performance** - Government policies specific to industry like Takaful business could result in movement of stock price.
- **Investor sentiments / confidence** - Positive economic reforms can attract investors.
- **Economic and other shocks** - An economic outlook could include expectations for inflation, productivity growth, unemployment and balance of trade. Changes around the world can affect both the economy and stock prices. An act of terrorism can also lead to a downturn in economic activity and a fall in stock prices.
- **Change in Government policies** - Government policies could be perceived as positive or negative for businesses. The policies may lead to changes in inflation and interest rates, which in turn may affect stock prices.

Market Capitalization

Particulars	2024	2023	2022	2021	2020	2019
Number of Shares (in million)	200	200	200	200	200	200
Market closing price of share as on 31 December (PSX) (Rs.)	116.03	85.00	92.50	105.00	120.00	110.30
Market share Capitalization (Rs. in million)	23,206	17,000	18,500	21,000	24,000	22,060

Governance

Chairman's Review

"It indeed gives me immense pleasure in presenting 92nd Annual Report of your Company. The Written Premium for the year is Rs. 41.3 billion (including Takaful Contribution of Rs. 3.4 billion) as compared to Rs. 41.5 billion (inclusive of Rs. 3.1 billion of Takaful Contribution) in 2023."

The Net Premium Revenue grew by 17% Rs. 14.55 billion as compared to Rs. 12.39 billion in 2023. Whereas underwriting profit for the year was Rs. 2.41 billion as compare to the profit of Rs. 1.65 billion last year. Your Company has a market share of 19.5 % and continues to lead the non-life insurance business in the Country.

Your Company's profit after tax for the year 2024 was Rs. 3.71 billion as compared to Rs. 3.28 billion in 2023. The Earnings per Share was Rs. 18.56 as against Rs. 16.41 last year.

The Consolidated (inclusive of EFU Life) Written Premium was Rs. 79.5 billion, Net Premium was Rs. 53.9 billion and Total Assets were Rs. 329.3 billion.

Pakistan's economy registered a moderate recovery with a GDP growth of 2.38 percent in FY2024. Agriculture developed into a primary catalyst for economic expansion supported by industrial and service sectors. Additionally, current account balance improved to surplus of USD 582 million. These factors led to a stable exchange rate and a reduction in inflation, prompting the State Bank of Pakistan (SBP) to lower the policy rate from 22% to 13%.

Your Company is managed by the best insurance professionals, in the industry. As a service provider, the Company continues to invest in people, systems and processes to deliver sustainable, profitable growth and maintain leading position in the country.

I wish to place on record my highest appreciation and gratitude for the support received by the Company from the Securities and Exchange Commission of Pakistan, Pakistan Reinsurance Company Limited and all our reinsurers for their continued support. I would also like to thank also our field force, officers and staff of the Company for the sincere and dedicated efforts.

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi: February 26, 2025

چیئرمین کی جائزہ رپورٹ

"آپ کی کمپنی کی ۹۲ویں سالانہ رپورٹ پیش کرتے ہوئے میں دلی مسرت محسوس کر رہا ہوں۔ سال کیلئے تحریری پریمیئم ۴۱.۳ بلین روپے (بشمول ۳.۴ بلین روپے کا تکافل کنٹری بیوشن) تھا جو کہ اس کے مقابلے میں ۲۰۲۳ء میں ۴۱.۵ بلین روپے (بشمول ۳.۱ بلین روپے کا تکافل کنٹری بیوشن) تھا۔"

خالص پریمیئم آمدنی ۱۷ فیصد اضافہ کے ساتھ ۱۴.۵۵ بلین روپے رہی جو کہ اس کے مقابلے میں گذشتہ سال ۲۰۲۳ء میں ۱۲.۳۹ بلین روپے تھی۔ جبکہ سال کیلئے زیر تحریر منافع ۲.۴۱ بلین روپے رہا جو کہ اس کے مقابلے میں گذشتہ سال ۱.۶۵ بلین روپے کا منافع حاصل کیا گیا تھا۔ آپ کی کمپنی ۱۹.۵ فیصد مارکیٹ شیئر کی حامل ہے اور ملک میں نان۔لائف انشورنس کاروبار میں سبقت برقرار رکھنے کا سلسلہ جاری ہے۔

آپ کی کمپنی نے سال ۲۰۲۴ء کیلئے ۳.۷۱ بلین روپے کا منافع بعد از ٹیکس حاصل کیا جو ۲۰۲۳ء میں اس کے مقابلے میں ۳.۲۸ بلین روپے تھا۔ آمدنی فی شیئر ۱۸.۵۶ روپے رہی جو گذشتہ سال ۱۶.۴۱ روپے تھی۔

مجموعی (بشمول ای ایف یو لائف) تحریری پریمیئم ۷۹.۵ بلین روپے رہا، خالص پریمیئم ۵۳.۹ بلین روپے اور مجموعی اثاثہ جات ۳۲۹.۳ بلین روپے رہے۔

مالیاتی سال ۲۰۲۴ء کے دوران پاکستان کی معیشت میں نمایاں بہتری آئی اور حقیقی جی ڈی پی میں ۲.۳۸ فیصد بحالی کا مظاہرہ کیا۔ زراعت نے صنعتی اور خدمات کے شعبوں کی معاونت سے اقتصادی ترقی میں بنیادی کردار ادا کیا۔ اس کے علاوہ، جاری کھاتوں کا توازن بہتری کے ساتھ ۵۸۲ ملین امریکی ڈالر کے سرپلس میں تبدیل ہو گیا۔ ان عوامل کے نتیجے میں شرحِ تبادلہ مستحکم ہوئی اور مہنگائی میں کمی آئی، جس کے باعث اسٹیٹ بینک آف پاکستان (ایس بی پی) نے پالیسی ریٹ کو ۲۲ فیصد سے کم کر کے ۱۳ فیصد کر دیا۔

آپ کی کمپنی کا انتظام صنعت میں موجود بہترین انشورنس پروفیشنلز کے پاس ہے۔ بحیثیت سروس فراہم کنندہ کمپنی، افرادی قوت، سسٹمز اور پروسس کے فروغ سے منافع بخش کاروبار کے حصول اور ملک میں اپنی نمایاں و سرکردہ پوزیشن برقرار رکھنے کے ضمن میں اپنی کوششیں جاری رکھے گی۔

میں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ اور ہمارے تمام ری انشوررز کی جانب سے کمپنی کو حاصل سرپرستی اور تعاون پر ان کی مستقل معاونت پر انہیں خراجِ تحسین پیش کرتا ہوں اور ان کا مشکور ہوں۔ میں اپنی فیلڈ فورس، آفیسرز اور کمپنی کے اسٹاف کی جانب سے ان کی مخلصانہ کوششوں کا بھی شکر گزار ہوں۔

سیف الدین این۔ زومکاوالا
چیئرمین

کراچی: ۲۶ فروری، ۲۰۲۵ء

Board of Directors

Sitting Left to Right

Taher G. Sachak
Saifuddin N. Zoomkawala
Hasanali Abdullah
Yasmin Hyder

Standing Left to Right

Asad Nasir
Saad Bhimjee
Kamran Arshad Inam
Tanveer Sultan Moledina

Directors’ Profile

(BCR 5.01 (a)(c)(d)(e))

SAIFUDDIN N. ZOOMKAWALA

Chairman

Mr. Saifuddin N. Zoomkawala has been associated with EFU Group since 1964.

He served as Managing Director of EFU General Insurance Ltd. from 1990 till 2011 when he was elected Chairman of the Company. He was also Chairman of EFU Life Assurance Ltd. from 1999 to 2011.

He is also on the Board of Governors of Sindh Institute of Urology & Transplantation and Fakhr-e-Imdad Foundation.

HASANALI ABDULLAH

Vice Chairman

Mr. Hasanali Abdullah is Chartered Accountant and Certified Director from Pakistan Institute of Corporate Governance (PICG).

He is associated with EFU General Insurance Limited since 1979. He was Managing Director & Chief Executive of EFU General Insurance Limited from July, 2011 to July, 2023 and is now its Vice Chairman. He is also Director of EFU Services (Private) Ltd., Tourism Promotion Services (Pakistan) Ltd. (owners of Serena Hotels), Honorary Treasurer of Aga Khan Hospital & Medical College Foundation, Member of National Committee of Pakistan Branch of Aga Khan University Foundation Geneva.

He has served on the Boards, Council and Committees of various Aga Khan Development Network institutions from 1976 to 2002. He has been Chairman of Insurance Association of Pakistan for 2008, 2010 – 11 and 2016 – 17, Chairman of Pakistan Insurance Institute 2014 – 15 and from January, 2020 to July, 2020, Director of PICG for 2011, Executive Committee Member of Federation of Pakistan Chambers of Commerce & Industries for 2011 & 2017, Director of Institute of Financial Markets of Pakistan from 2016 to 2022 and Vice President of German – Pakistan Chamber of Commerce & Industry from 2021 to 2022.

KAMRAN ARSHAD INAM

Managing Director & Chief Executive Officer

Mr. Kamran Arshad Inam completed his MBA in Finance from the Institute of Business Administration – IBA in 2001 and completed his BE in Mechanical Engineering from NED in 1996.

Mr. Kamran, started working for ENAR Petrotech in 1996 followed by a stint in Indus Motor. He also worked in Shahbaz Garments who are owned by Midas Safety a Canadian-based group. He was responsible for the gloves and chemical division from Pakistan, Dubai and Srilanka and was partially based in all three locations during 1998 to 2003.

He joined EFU in risk management department in 2003 and later on got involved with Property and Engineering department as well. He has been leading the Property and Risk Management department since 2012. He was promoted as Deputy Managing Director (Technical) in 2019 and was responsible for all the technical departments of the Company as well as the branch network across the Country and in December 2021, he was promoted as Joint Managing Director.

He was elected at IAP’s Executive Committee as Vice Chairman in 2019. Prior to this, he had been the head of the Property Committee at the IAP.

He was involved in all major infrastructure and industrial projects mainly driven by International Lenders in addition to all number of CPEC and lender driven projects since 2014.

TAHER G. SACHAK

Director

Mr. Taher G. Sachak is a graduate in Business Studies from Bournemouth University and also has a post-graduate Diploma in Management Studies from Liverpool University.

Following his studies, he joined the British Civil Service and after 5 years decided to pursue a career in life assurance. He held executive positions in major UK Life Assurance Companies, Allied Dunbar, Trident Life and finally Century Life before coming to Pakistan in 1993 to join EFU Life.

He was Chief Executive & Managing Director of EFU Life Assurance Limited from November 1993 to July 2023. He is now the Vice Chairman of EFU Life and also Vice Chairman of EFU Health. He is a "Certified Director" from Pakistan Institute of Corporate Governance.

SAAD BHIMJEE
Director

Mr. Saad Bhimjee is an Insurance and Risk Management professional with over thirteen years of experience in Canadian and UK markets.

He was most recently working for Aon Canada as Senior Vice President and based in their Vancouver office. Prior to joining Aon Canada he worked for United Insurance Brokers (UIB) in London with a focus on Middle East & Asian countries including Pakistan. Saad Bhimjee holds a Bachelor's degree in Economics from University College London (UCL) and a Master's degree in Insurance & Risk Management from Cass Business School London. He also has an ACII designation.

Other Directorships:

1. JS Bank Limited

TANVEER SULTAN MOLEDINA
Director

Mr. Tanveer Moledina is a Chartered Accountant from Institute of Chartered Accountant of Pakistan. He has extensive experience of over 30 years in senior financial management positions.

He was Chief Financial Officer and Company Secretary of Merck Group companies including Merck Pakistan (Pvt.) Limited, Merck Pharmaceutical (Pvt.) Limited, Merck Specialties (Pvt.) Limited.

He was previously working in the Middle East, in Novartis Saudi Arabia Limited and Saudi Pharmaceuticals Private Limited in the capacity of Chief Financial Officer.

YASMIN HYDER
Director

Ms. Yasmin Hyder has 34 years of global work experience in Marketing, Gender, Trade, Corporate Governance, ESG and Sustainability, Communications and SME development, with both local and international organizations.

She is CEO of New World Concepts, a marketing and management consulting practice based in Karachi, Pakistan.

Her passion for women leadership led her to institute an annual learning event the International Women Leaders Summit which to date has hosted 188 speakers from 45 countries. In 2018 she established Pakistan Women Entrepreneurs Network for Trade (WE-NET) with collaboration of World Bank Group and Australian Government to foster growth of women SME's as the only national and inclusive representative platform.

Yasmin is a ESG Certified Board Director; Independent Non-Executive Director, EFU General Insurance Ltd; Independent Director, Thardeep Microfinance Foundation; Member, Council of Governors, Pakistan Institute of International Affairs; Certified Business Edge Trainer of IFC World Bank Group; Member United Nations (UNCTAD-ITC's) 20 Global Women Entrepreneurs Trade Mission to Canada; Member Board of Governors, KASB Institute of Information Technology; Member, European Businesswomen Association (FCEM); Pakistan Representative, Monaco Women Leaders Forum; Founding Member, US Pakistan Women's Council; Winner of Rotary International Award to Brazil; Advisor to Board, Special Olympics Pakistan; Chairperson Softball Federation of Pakistan.

She won the Foreign and Commonwealth Office, UK Chevening Award 1992 and acquired a Post Graduate degree from Cardiff Business School, University of Wales, UK (distinction in International Business) after graduation from IBA, Karachi (MBA, Marketing and Finance). She successfully completed the Executive Leadership Course 2019 at Crawford School of Public Policy, Australia National University, Canberra.

ASAD NASIR
Director

Mr. Nasir is the present Chief Executive Officer of Jahangir Siddiqui & Co Ltd. ("JSCL")

Mr. Nasir overall has more than 20 years of diversified financial services experience including Private Equity, Corporate Finance Advisory, Capital Market Advisory, Transaction Services and Audit. Prior to joining JSCL, Mr. Nasir was Group Head, Ecosystem Development and Sustainable Finance at JS Bank Limited where he had been overseeing a number of strategic projects in the digital banking and green financial services space. Before that he had served as the Chief Investment Officer for JS Private Equity and the Pakistan Catalyst Fund, a USD 50 million private equity fund which included USAID in its investors. He had also served as Head, Corporate Finance at JS Global Capital, a leading Pakistani securities brokerage and investment banking firm where he had advised some of Pakistan's leading companies on fundraising, mergers and acquisitions and corporate restructurings. Mr. Nasir had commenced his professional career with Deloitte UK, working as part of the audit & assurance and corporate finance teams.
He is an FCA with the Institute of Chartered Accountant in England and Wales and holds a BSc. (Hons.) in Accounting from the University of Hull.

Other Directorships:

1. Jahangir Siddiqui & Co. Ltd.
2. TRG Pakistan Limited
3. JS International Limited
4. Mahvash & Jahangir Siddiqui Foundation
5. Knowledge Platform (Private) Limited
6. JS Petroleum Limited
7. EFU Life Assurance Limited

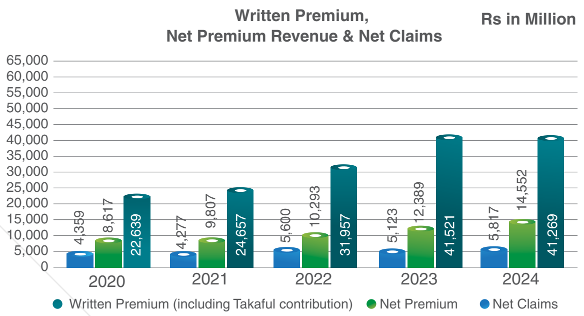
Report of the Directors to Shareholders *(BCR 1.10)*

The Directors of your Company are pleased to present the Ninety-Second Annual Report and the Audited Accounts of the Company for the year ended 31 December 2024.

Company Overview

Your Company's profit after tax for the year 2024 was Rs. 3.71 billion as compared to Rs. 3.28 billion in 2023. The earnings per share was Rs. 18.56 as against Rs. 16.41 last year.

Your Company's Written Direct Premium and Takaful business was Rs. 41.3 billion (inclusive of Rs. 3.4 billion of Takaful contribution) as compared to Rs. 41.5 billion (inclusive of Rs. 3.1 billion of takaful contribution) in 2023. The Net Premium Revenue grew to Rs. 14.55 billion as compared to Rs. 12.39 billion in 2023.



Economic Review

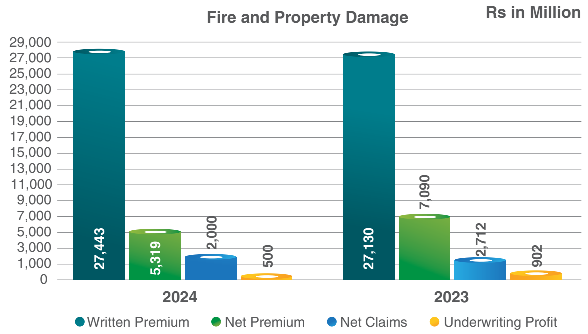
Pakistan's economy registered a moderate recovery with a GDP growth of 2.38 percent in FY2024. Agriculture developed into a primary catalyst for economic expansion supported by industrial and service sectors. Additionally, current account balance improved to surplus of USD 582 million. These factors led to a stable exchange rate and a reduction in inflation, prompting the State Bank of Pakistan (SBP) to lower the policy rate from 22% to 13%.

Segment-wise performance *(BCR 6.05 (a))*

The segment wise performance was as follows:

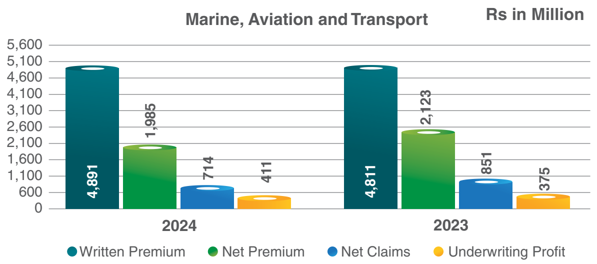
FIRE AND PROPERTY

The written premium decreased by 1 % to Rs. 27,130 million compared to Rs. 27,443 million in 2023. Claims as a percentage of net premium revenue remained same at 38 % in 2024. The underwriting profit for the year was Rs. 902 million as compare to underwriting profit of Rs. 500 million in 2023.



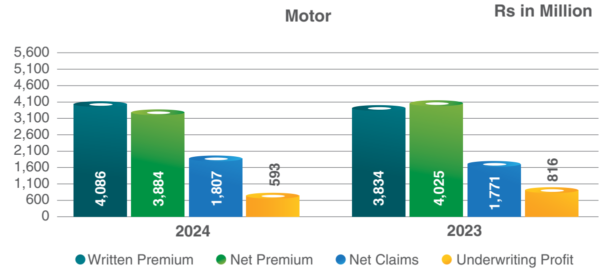
MARINE, AVIATION, AND TRANSPORT

The written premium decreased by approximately 2 % to Rs. 4,811 million compared to Rs. 4,891 million in 2023. Claims as a percentage of net premium revenue were 40 % as against 36 % in 2023. The underwriting profit was Rs. 375 million compared to Rs. 411 million in 2023.



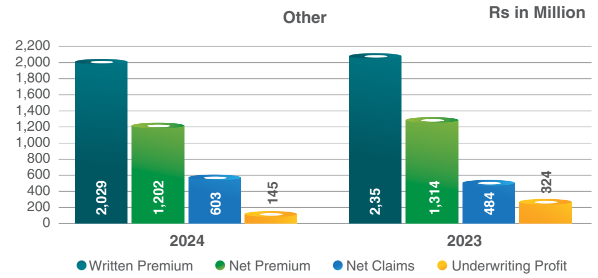
MOTOR

The written premium decreased by 6 % to Rs. 3,834 million compared to Rs. 4,086 million in 2023. Claims as percentage of net premium revenue were 44 % as against 47 % in 2023. The underwriting profit was Rs. 816 million compared to Rs. 593 million in 2023.



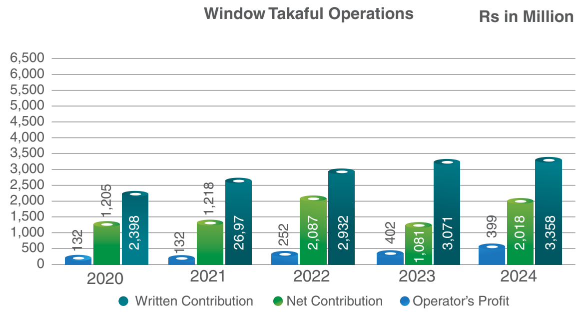
OTHERS

The written premium increased by 5 % to Rs. 2,135 million compared to Rs. 2,029 million in 2023. Claims as a percentage of net premium revenue were 37 % as against 50 % in 2023. The underwriting profit for the year was Rs. 324 million compared to Rs. 145 million in 2023.



Window Takaful Operations

The written contribution revenue was Rs 3,358 million as against Rs. 3,071 million in the previous year. The net contribution revenue was Rs. 2,018 million compared to Rs. 1,881 million in 2023 and profit for Takaful Operator was Rs. 399 million as against Rs. 402 million last year.



Investment Income

Pakistan Stock Exchange remained volatile during the year. The total investment income for the year was Rs. 2,255 million as against Rs. 2,389 million last year. The dividend income for the year was Rs. 1,106 million as against Rs. 999 million last year. Income from debt securities and term deposits was Rs. 2,110 million as compared to Rs. 1,712 million last year.

Rs. million	2024	2023
Dividend Income	**1,106**	999
Income from debt securities	**2,072**	1,672
Income from term deposits	**38**	40
Net realized gains on held for trading investments	**159**	-
Net realized gains on available-for-sale investments	**(65)**	88
Impairment in value of available-for-sale equity securities	**(1,034)**	(409)
Investment related expenses	**(22)**	(1)
Net unrealized gain on held for trading investments	**1**	-
Net Investment Income	**2,255**	2,389

Earnings per share

Your Company has reported earnings per share of Rs. 18.56 for the year as compared to Rs. 16.41 in 2023.

Appropriation and Dividend

The profit after tax was Rs. 3,711 million as compared to Rs. 3,282 million in 2023. Your Directors have recommended a final cash dividend of Rs. 5.5 per share (55 %) to the shareholders whose names appear in the share register of the Company at the close of business on March 18, 2025. This cash dividend is in addition to cumulative interim cash dividends of Rs. 4.5 per share (45 %) declared during the year.

		Rupees '000
Balance at commencement of the year i.e. January 01, 2023		3,633,704
Interim cash dividends 2023@ 45 % (2022: 45%)	900,000	
Final cash dividend 2023@ 55 % (2022: 55 %)	1,100,000	
Transfer to General Reserve	1,000,000	
Balance brought forward from previous year		633,704
Profit after tax for the year		3,711,128
Other Comprehensive loss for the year 2024		(84,933)
Unrealized Gain on fair value of investment property		(164,530)
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax		9,828
Amount available for appropriation		4,105,197
The Directors recommend that this amount be appropriated in the following manner:		
Interim cash dividends 2024 @ 45 % (2023: 45 %)	900,000	
Proposed final cash dividend 2024 @ 55 % (2023: 55 %)	1,100,000	
Proposed Transfer to general reserve	1,000,000	
Carry forward to next year		1,105,197

Market Share *(BCR 6.08)*

Based on the available published financial information as of September 30, 2024 and based on the statistics published by the Insurance Association of Pakistan, your Company has market share of 19.5 % of the private sector's non-life insurance business within Pakistan.

Information Technology

We are pleased to inform that your organization has obtained ISO/IEC 27001:2013 Certification for its Information Technology Department from SGS United Kingdom Ltd. This accreditation highlights the dedication of your organization to upholding strict information security guidelines in the context of IT operations.

Enterprise Risk Management

The Enterprise Risk Management (ERM) function assess the Company's risks and helps in proactive identification and assessment of internal as well as external risks and quantifies the impact of these risks on assets and liabilities of the Company. The ERM function is integrated with key functions of the Company, leading to informed decisions making, maintaining risks of the Company within the risk appetite level, and increasing values to the shareholders and other stakeholders. Our aspiration is to uplift the ERM function to the next level by employing the risk adjusted return on capital and embedding risk culture in more areas/processes of the Company.

IFS Rating

Your Company is rated by national rating agencies i.e. Pakistan Credit Rating Agency and VIS. The rating agencies have assigned rating of AA++ with stable outlook.

Your Company is also rated by A. M. Best, the world's specialized insurance rating agency and has been assigned Financial Strength Rating of "B-" with Stable Outlook.

Human Resource *(BCR 12.01 (7))*

EFU General Insurance owes its sustained success to the exceptional quality of its workforce, particularly within the dynamic and ever-evolving insurance industry. Operating in a sector that demands technical expertise and commercial acumen, EFU's achievements are deeply rooted in its investment in human capital and the cultivation of a caring organizational culture. Our employees form the foundation of our journey to maintain our position as Pakistan's leading general insurance company.

We prioritize employee empowerment by encouraging active involvement in decision-making processes related to their roles, including performance evaluations and policy development. This inclusive approach fosters a workforce that is motivated, engaged and committed to advancing the organization's goals. Professional development is a cornerstone of our human resource strategy. Recognizing the need to stay ahead of technological advancements. We invest significantly in our employees through comprehensive training programs. With advanced in-house training facilities located in major cities across Pakistan, we offer both technical and soft skills development opportunities. These initiatives enable employees to enhance their expertise, gain professional competence and broaden their career perspectives.

Participation in industry seminars, workshops and conferences is an integral part of our approach to enhancing employees' interpersonal skills and industry knowledge. We also place a high priority on employee well-being by fostering a family-friendly work environment and encouraging regular communication and engagement activities. We firmly believe that aligning talent with the right opportunities within the organization leads to remarkable achievements.

Our recruitment strategy focuses on attracting individuals with the necessary qualifications and skill sets to excel. Employees undergo a combination of theoretical and practical training to align their abilities with the Company's objectives, thereby improving productivity and ensuring alignment with our strategic vision. Together, the collective expertise and professionalism of our team drive both individual and organizational growth.

Financial assistance and encouragement are provided at all levels to support employees in obtaining internationally recognized professional insurance qualifications, such as ACII from the Chartered Insurance Institute (UK). Currently, we have 33 chartered insurer professionals, 25 qualified engineers, 13 professional accountants and other qualified degree and certificate holders excelling in their respective fields propelling EFU to greater heights.

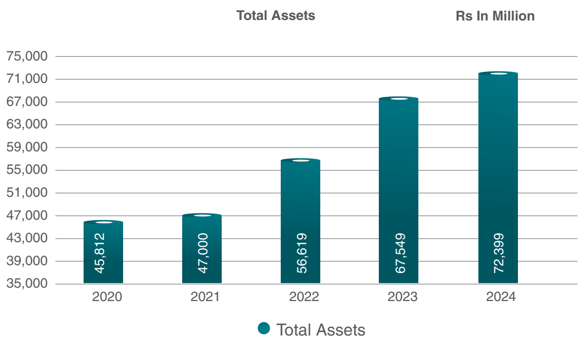
ISO Certification

EFU General Insurance is an ISO 9001:2015 and ISO/IEC 27001: 2013 certified organization. As part of ISO 9001:2015 and 27001:2013 standards, EFU has established procedures for quality assurance of services, ensuring continual improvement of effectiveness of the quality management system, addressed cybersecurity threats and security breaches by taking required steps to strengthen data security which will help us to gain customer confidence as well as retain customers in terms of data security. In this respect, annual audit conducted by external specialist firms also ensure compliance of regulatory and standard requirements.

Significant Entity's Objectives *(BCR 5.04 (a))*

Your Company continues to lay emphasis on being the preferred insurer as well as maintaining its prominent position in Pakistan.

Company's Assets



Prospects for 2025

In 2025, our strategic focus involves consistently achieving sustainable and profitable growth within a challenging business landscape while upholding a prominent position in Pakistan. The established key performance indicators for realizing our management objectives remain unchanged, prioritizing the optimization of customer satisfaction, enhancement of operational underwriting results, cost management, and increasing overall value for stakeholders.

Information Sources and Assumptions

The data used for projections and assumptions are based on past trend analysis, future considerations and prevailing market conditions. We also take into account current scenarios and macro-economic indicators while providing future estimates. An in-house team of professionals work together to prepare projections. Realistic measures are taken while preparing forecast and estimates.

Reinsurance

Your Company continues to enjoy very sound reinsurance arrangements with leading international Re-insurers like, Swiss Reinsurance Company, Echo Ruck AG, Hannover Ruck SE, Korean Reinsurance Company, SCOR Reinsurance Asia Pacific Pte Ltd, and Lloyds of London all of them being A rated.

Related Party Transactions

The Board of Directors approves Company's transactions with Associated Companies / Related parties on quarterly basis. All the transactions with related parties are on arm's length basis in normal course of business. Related party transactions are disclosed at note 35 to the unconsolidated financial statements and note 39 to the consolidated financial statements for the year ended December 31, 2024.

Environmental Protection Measure

The Company is aware of its social responsibility with regards to environmental protection. We encourage healthy environment and we take steps which add value to our credence. The detailed report is annexed.

Directors' Training Program

All the Directors of the Company have acquired certification under the Directors' Training Program. Further, the Chief Executive Officer, Chief Financial Officer and Company Secretary have also acquired the certification.

Corporate Briefing

Corporate Briefing Session was held for current & prospective shareholders and analysts on March 28, 2024 as per requirement of the Pakistan Stock Exchange. Company's Senior Management including Chief Executive Officer attended the session.

Board Committees

The Company has following Board Committees. No. of meetings of the Board Committees held during the year are mentioned below:

S.No.	Board Committees	No. of meetings held in 2024
1.	Audit Committee	4
2.	Investment Committee	4
3.	Ethics, Human Resources and Remuneration Committee	2

Detail about the Board Committees' are given in the annexure to this report under Governance section. The Chairperson of the Audit Committee and Ethics, Human Resources and Remuneration Committees are Independent Directors.

Management Committees

As part of the Corporate Governance, your Company maintains following four management committees which meet at least once every quarter as per the requirement of the Code.

- Underwriting Committee,
- Claims Settlement Committee
- Reinsurance and Coinsurance Committee and
- Risk Management and Compliance Committee

Details about the Committees are given in the annexure to this report under Governance section.

Risks to Business

Business risks and mitigation factors are described in detail in Annual Report.

Corporate Social Responsibility

The Company believes in being a responsible Corporate Citizen. The CSR initiatives taken during the year are detailed in Annual Report.

Relationship with other Stakeholders

Your Company continues to maintain good relationship with

- its employees by providing good working environment and healthy workplace;
- its clients through building trust and providing quality service;
- the business community through honest and fair dealing;
- the government through its contribution to National Ex-chequer and complying with applicable laws; and
- the society through its CSR initiatives.

Annual Evaluation of Board's Performance

The Board has placed a mechanism to evaluate its performance annually as required by the Code of Corporate Governance. The mechanism is based on the emerging and leading practices in the functioning of the Board and improving its effectiveness. The placement and functioning of the evaluation mechanism is outsourced to the Pakistan Institute of Corporate Governance.

Chief Executive Officer's Performance Review

The Chief Executive Officer ("CEO") is responsible for supervising, leading and effectively managing the strategic and overall affairs of the Company. CEO's performance is monitored and evaluated by the Board and its sub- committee against the objectives and performance targets set by the Board.

Directors' Remuneration Policy *(BCR 5.12 (d)*

In order to comply with the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, and Articles of Association of the Company, the Board has approved the policy for the remuneration of Chairman, Chief Executive, Non-Executive, Executive and Independent Directors. The Board of Directors has approved fees for Non-executive directors for attending Board and Board Committees meetings. The non-executive Directors, including Independent Directors, are entitled to fee of PKR 200,000/- per Board meeting and PKR 100,000/- per Board Committee meeting. Directors are also entitled to be paid travelling, hotel and other expenses incurred by them for attending the meetings.

For more information on remuneration derived by the Directors and the CEO during the Financial year 2024, please refer note 34 to the Unconsolidated Financial Statements of EFU General annexed to the Annual Report.

The independent Internal Audit function of your company regularly appraises and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and financial statements on a quarterly basis.

Government of Pakistan policies and their impact

(BCR 1.04 & 5.22)

The Government of Pakistan has implemented various Acts, Ordinances, Rules and Regulations to express the goals, decisions and actions adopted by the government for political, social, and economic management. Other than Micro Insurance Rules 2014, Insurance Rules, 2017, Insurance Ordinance, 2000, The Marine Insurance Act, 2018, and the Companies Act, 2017, the Government of Pakistan has passed Anti Money Laundering and Countering Financing of Terrorism AML/CFT Regulations, 2020 which in addition to implementing suitable transaction monitoring measures also prevent insurance products from being used for criminal purposes, also help to ensure that Insurers AML/CFT programs include suitable customer due diligence (CDD) measures to verify the identities of their customers. Moreover, Corporate Insurance Agents Regulations, 2020 lays down the requirement for any person working as an insurance agent to comply with the code of conduct, certification and training requirement.

Compliance with Code of Corporate Governance

The requirements of the Code of Corporate Governance set out by the regulatory authorities have been duly complied with. A statement to this effect is annexed in the report.

Meetings of the Board of Directors

The Directors of your Company were elected at the Extraordinary General Meeting held on July 7, 2023 w.e.f July 10, 2023 for a term of three years expiring on July 9, 2026.

During the year, five meetings of the Board were held, the attendance at the meetings were as under:
(BCR 5.16)

S.No.	Name Of Directors	No. of meetings attended
1	Saifuddin N. Zoomkawala (Non-Executive Director)	5
2	Hasanali Abdullah (Non-Executive Director)	5
3	Taher G. Sachak (Non-Executive Director)	4
4	*Ali Raza Siddiqui (Non-Executive Director)	5
5	Saad Bhimjee (Non-Executive Director)	5
6	Tanveer Sultan Moledina (Independent Director)	5
7	Yasmin Hyder (Independent Director)	5
8	Kamran Arshad Inam (Executive Director)	5

*Mr. Ali Raza Siddiqui resigned from Board on December 27, 2024

Statement of Ethics and Business Practices

The Board has adopted the Statement of Ethics and Business Practices. All employees are informed of statement and are required to observe these rules of conduct in relation to business and regulations. All employees sign the statement on annual basis. The statement of Ethics & Business Practices is also placed at the Company's website and employees' portal.

Corporate and Financial Reporting Framework

a) The financial statements prepared by the management of the Company present fairly its state of affairs the result of its operations, cash flow and changes in equity
b) Proper books of account have been maintained by the Company
c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
d) The International Financial Reporting Standards (IFRS) as applicable in Pakistan, have been followed in the preparation of financial statements and any departure from there has been adequately disclosed.
e) The system of internal control is sound in design and has been effectively implemented and monitored.
f) There are no significant doubts upon the Company's ability to continue as a going concern.
g) There has been no material departure from the best practices of Corporate Governance, as detailed in the Regulations.
h) The key operating and financial data for the last six years is annexed.
i) Report on gender pay gap data is annexed.
j) Report on sustainability including Environment, Social and Governance is annexed.
k) Trading of shares by the Chief Executive, Directors Chief Financial Officer, Company Secretary, executives, their spouses and minor children and substantial shareholders were timely reported to Pakistan Stock Exchange during the year.

Name of Directors	Description	No. of Shares
Ms. Yasmin Hyder	Purchase	25,008
Mr. Tanveer Sultan Moledina	Inheritance-In	792,181
Mr. Tanveer Sultan Moledina	Gift-Out	416,000

l) The value of investments of provident, gratuity and pension funds based on their un-audited accounts as on 31 December 2024 were:

Provident Fund	Rs. 1,015 million
Gratuity Fund	Rs. 522 million
Pension Fund	Rs. 264 million

m) The statement of pattern of shareholding in the Company as at December 31, 2024 is included in the Annual Report

Subsequent Events

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this report.

Auditors

The Board of Directors recommend appointment of retiring auditors KPMG Taseer Hadi & Co., Chartered Accountants as Auditors of the Company to hold the position till next annual general meeting.

Outlook

For sustained economic recovery in 2025, the Government of Pakistan plans to implement comprehensive reforms in taxation, energy, and public sector management. Additionally, continued financial backing from international institutions will be key to manage debt burden and stabilizing the economy.

Acknowledgments

We would like to thank our valued customers for their continued patronage and support and Pakistan Reinsurance Company Limited, the Securities and Exchange Commission of Pakistan, and the State Bank of Pakistan for their guidance and assistance.

It is a matter of deep gratification for your Directors to place on record their appreciation of the efforts made by officers, field force and staff who had contributed to the growth of the Company and the continued success of its operations.

TAHER G. SACHAK	HASANALI ABDULLAH	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Managing Director & Chief Executive Officer	Chairman

February 26, 2025

آپ کے ڈائریکٹرز تہہ دل سے یہ امر ریکارڈ پر لاتے ہیں کہ ہمارے آفیسرز، فیلڈ فورس اور دیگر اسٹاف نے نہایت جانفشانی سے کمپنی کی ترقی کے لئے محنت کی ہے اور کاروبار کے اضافے اور کامیابیوں کے تسلسل کو برقرار رکھنے میں مثالی کردار ادا کیا ہے۔

طاہر جی ساچک	حسن علی عبداللہ	کامران ارشد انعام	سیف الدین این۔ زومکاوالا
ڈائریکٹر	ڈائریکٹر	منیجنگ ڈائریکٹر و چیف ایگزیکٹو آفیسر	چیئرمین

۲۶ فروری ۲۰۲۵

2024 ANNUAL REPORT

مالی سال ۲۰۲۴ کے دوران ڈائریکٹرز اور سی ای او کو ملنے والے معاوضے کی مزید تفصیلات کے لیے سالانہ رپورٹ میں منسلک ای ایف یو جنرل کے غیر مجتمع مالیاتی گوشواروں کے نوٹ ۳۴ کا حوالہ دیا جاسکتا ہے۔

اندرونی مالیاتی کنٹرولز کی مناسبت:

بورڈ آف ڈائریکٹرز نے کمپنی کے اثاثہ جات کے تحفظ، تمام تر آپریشنز کو موثر اور فعال رکھنے کے ساتھ مروجہ قوانین اور مستند مالیاتی رپورٹنگ کے قواعد پر عملدرآمد کو یقینی بنانے کیلئے اندرونی مالیاتی کنٹرولز کا ایک موثر نظام وضع کررکھا ہے۔

آپ کی کمپنی کے انڈیپنڈنٹ انٹرنل آڈٹ کے امور کا شعبہ باقاعدگی سے مالیاتی کنٹرول پر عملدرآمد اور ان کی نگرانی کے معاملات کو دیکھتا ہے جبکہ آڈٹ کمیٹی سہ ماہی بنیاد پر انٹرنل کنٹرول فریم ورک اور مالیاتی حسابات کے موثر ہونے کا جائزہ لیتی ہے۔

حکومت پاکستان کی پالیسیاں اور ان کے اثرات:

حکومتِ پاکستان نے سیاسی، سماجی اور اقتصادی نظم و نسق کے لیے مختلف ایکٹس، آرڈیننس، قواعد اور ضوابط نافذ کیے ہیں۔ ان میں مائیکرو انشورنس رولز ۲۰۱۴، انشورنس رولز ۲۰۱۷، انشورنس آرڈیننس ۲۰۰۰، دی میرین انشورنس ایکٹ ۲۰۱۸، اور کمپنیز ایکٹ ۲۰۱۷ شامل ہیں۔ مزید برآں، حکومتِ پاکستان نے اینٹی منی لانڈرنگ اور فنانسنگ آف ٹیررازم (اے ایم ایل / سی ایف ٹی) ریگولیشنز ۲۰۲۰ بھی نافذ کیے ہیں، جو نہ صرف مناسب ٹرانزیکشن مانیٹرنگ اقدامات کو یقینی بناتے ہیں بلکہ انشورنس پراڈکٹس کو غیر قانونی سرگرمیوں کے لیے استعمال ہونے سے بھی روکتے ہیں۔ یہ ضوابط انشوررز کو اپنے اے ایم ایل / سی ایف ٹی پروگرامز میں مناسب کسٹمر ڈیو ڈیلیجنس (سی ڈی ڈی) اقدامات شامل کرنے کا بھی تقاضا کرتے ہیں تاکہ صارفین کی شناخت کی تصدیق کی جاسکے۔ اس کے علاوہ، کارپوریٹ انشورنس ایجنٹس ریگولیشنز ۲۰۲۰ کے تحت، کسی بھی شخص کے لیے انشورنس ایجنٹ کے طور پر کام کرنے کے لیے ضابطہ اخلاق، سرٹیفکیشن، اور تربیت کی ضروریات پر عمل کرنا لازم ہے۔

کوڈ آف کارپوریٹ گورننس پر عملدرآمد:

ریگولیٹری اتھارٹیز کی جانب سے جاری شدہ کوڈ آف کارپوریٹ گورننس کے تقاضوں کو پورا کیا گیا ہے۔ اس رپورٹ میں اس مفہوم کا ایک بیان شامل ہے۔

آپ کی کمپنی کے ڈائریکٹرز غیر معمولی اجلاس عام منعقدہ ۷ جولائی ۲۰۲۳ کو منتخب ہوئے اور تین سالہ مدت، ۱۰ جولائی ۲۰۲۳ سے شروع ہوتی ہے اور ۹ جولائی ۲۰۲٦ کو ختم ہو جائے گی۔

بورڈ آف ڈائریکٹرز کے اجلاس

سال کے دوران بورڈ کے پانچ اجلاس منعقد ہوئے۔ اجلاسوں میں شرکت کی تعداد مندرجہ ذیل میں دی گئی ہے:

نمبر شمار	ڈائریکٹرز کے نام	شرکت کردہ اجلاس کی تعداد
۱	سیف الدین این۔ زومکاوالا (نان۔ ایگزیکٹو ڈائریکٹر)	۵
۲	حسن علی عبداللہ (نان۔ ایگزیکٹو ڈائریکٹر)	۵
۳	طاہر جی۔ ساچک (نان۔ ایگزیکٹو ڈائریکٹر)	۴
۴	٭ علی رضا صدیقی (نان۔ ایگزیکٹو ڈائریکٹر)	۵
۵	سعد بھیم جی (نان۔ ایگزیکٹو ڈائریکٹر)	۵
٦	تنویر سلطان مولیدینہ (انڈیپینڈنٹ ڈائریکٹر)	۵
۷	یاسمین حیدر (انڈیپینڈنٹ ڈائریکٹر)	۵
۸	کامران ارشد انعام (ایگزیکٹو ڈائریکٹر)	۵

٭ جناب علی رضا صدیقی مورخہ ۲۷ دسمبر ۲۰۲۴ کو بورڈ سے سبکدوش ہو گئے۔

ضابطہ اخلاق اور کاروباری طریقہ کار:

بورڈ نے ضابطہ اخلاق اور کاروباری طریقہ کار کا اسٹیٹمنٹ اپنایا ہے۔ تمام ملازمین کو اس اسٹیٹمنٹ سے آگاہ کیا گیا ہے اور ان کے لئے ضروری ہے کہ وہ کاروباری اور قواعد و ضوابط سے متعلق ضابطہ اخلاق اور کاروبار کے طریقہ کار اور قوائد پر عملدرآمد کریں۔ ملازمین سالانہ بنیاد پر اس بیان پر دستخط کرتے ہیں۔ ضابطہ اخلاق اور کاروباری طریقہ کار کا اسٹیٹمنٹ کمپنی کی ویب سائٹ اور ملازمین کے پورٹل پر بھی درج کر دیا گیا ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک:

ا۔ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمنٹ اس کی تمام معلومات کو صاف و شفاف انداز میں واضح کرنے کے ساتھ اس کے آپریشنز کے نتائج، نقد کی آمدورفت اور ایکویٹی میں تبدیلیاں شامل ہیں۔

ب۔ اکائونٹس کی کتابیں کمپنی کی جانب سے قوائد وضوابط کے مطابق تیار کی گئی ہیں۔

ج۔ موزوں اکائونٹنگ پالیسیز پر مالیاتی اسٹیٹمنٹ اور اکائونٹنگ تخمینہ جات کی تیاری کے لئے مستقل اپنائی جاتی ہیں جو موزوں اور محتاط اندازوں پر منحصر ہوتی ہیں۔

د۔ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) پر، جیسا کہ پاکستان میں نافذ العمل ہے، مالیاتی اسٹیٹمنٹ کی تیاری کی جاتی ہے اور کہیں اس سے انحراف کیا گیا ہو تو اس کو واضع طور پر ظاہر کر دیا جاتا ہے۔

ھ۔ داخلی کنٹرول کا نظام مستحکم طور پر ترتیب دیا گیا ہے اور موثر طور پر عملدرآمد کے ساتھ اس کی نگرانی بھی کی جاتی ہے۔

و۔ کمپنی کی اس صلاحیت پر کسی قسم کے شکوک وشبہات نہیں کہ یہ چلتے رہنے والا ادارہ ہے۔

ز۔ کارپوریٹ گورننس کے بہترین طریقہ کار سے جیسا کہ لسٹنگ ریگولیشنز میں درج ہے کوئی قابل اثر اندازی انحراف نہیں کیا گیا۔

ح۔ گذشتہ ٦ سالوں کے نمایاں آپریٹنگ اور فنانشل اعداد وشمار منسلک ہیں۔

ط۔ تنوع، مساوات اور شمولیت کے حوالے سے تفصیلی رپورٹ، بشمول جینڈر پے گیپ ڈیٹا، ضمیمہ میں شامل ہے۔

ی۔ انوائرمنٹ، سوشل اینڈ گورننس۔ ای ایس جی سے متعلق تفصیلی رپورٹ بھی ضمیمہ میں شامل ہے۔

چیف ایگزیکٹیو، ڈائریکٹرز، چیف فنانشل آفیسر، کمپنی سیکریٹری، ایگزیکٹیوز، ان کے شریک حیات و نابالغ بچوں سمیت دیگر شیئر ہولڈرز کی جانب سے شیئرز کی خرید و فروخت کے بارے میں سال کے دوران پاکستان اسٹاک ایکسچینج کو بروقت مطلع کر دیا گیا تھا۔

ڈائریکٹرز کا نام	تفصیل	شیئرز کی تعداد
محترمہ یاسمین حیدر	خریدے	۲۵،۰۰۸
جناب تنویر سلطان مولیدینہ	وراثتی طور پر	۷۹۲،۱۸۱
جناب تنویر سلطان مولیدینہ	گفٹ۔ آئوٹ	۴۱٦،۰۰۰

ل۔ پراویڈنٹ، گریجویٹی اور پنشن فنڈز کی سرمایہ کاریوں کی مالیت 31 دسمبر 2024 کے مطابق ان کے غیر آڈٹ شدہ حسابات پر مبنی ہیں، ان کی تفصیل یہ ہے:

پراویڈنٹ فنڈ	1,015 ملین روپے
گریجویٹی فنڈ	522 ملین روپے
پنشن فنڈ	264 ملین روپے

م۔ کمپنی میں 31 دسمبر 2024 کو شیئر ہولڈنگ کی جو صورتحال تھی اس کا اسٹیٹمنٹ رپورٹ میں شامل ہے۔

بعد ازاں پیش آنے والے واقعات:

کمپنی کے مالی سال کے آخر اور اس رپورٹ کی تاریخ کے درمیان کوئی اہم اور نمایاں تبدیلیاں یا معاہدے نہیں کئے گئے جو کمپنی کی مالیاتی پوزیشن پر اثرات مرتب کرتے ہوں۔

آڈیٹرز:

بورڈ آف ڈائریکٹرز کمپنی کے ریٹائر ہونے والے آڈیٹرز کے پی ایم جی تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کرتا ہے، تاکہ وہ اگلی سالانہ جنرل میٹنگ تک آڈیٹر کے طور پر خدمات انجام دیں۔

مستقبل کا جائزہ:

سال ۲۰۲۵ میں پائیدار معاشی بحالی کے لیے، حکومت پاکستان ٹیکس، توانائی، اور عوامی شعبے کے انتظام میں جامع اصلاحات نافذ کرنے کا ارادہ رکھتی ہے۔ مزید برآں، بین الاقوامی اداروں کی مسلسل مالی معاونت ملک کے قرضوں کے بوجھ کو سنبھالنے اور معیشت کو مستحکم کرنے میں کلیدی کردار ادا کرے گی۔

اظہار تشکر:

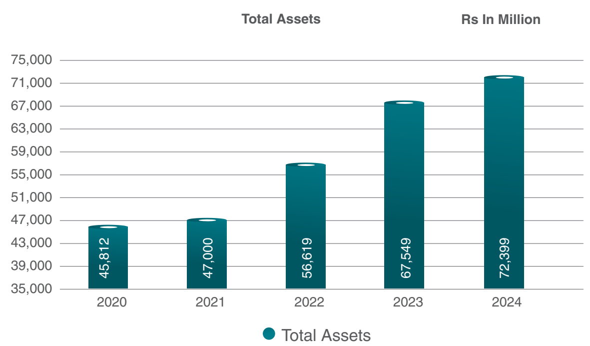
ہم اپنے معزز کسٹمرز کی مسلسل سرپرستی اور حمایت کے لئے ان کا شکریہ ادا کرنا چاہیں گے جبکہ پاکستان ری انشورنس کمپنی لمیٹڈ، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی جانب سے ان کی رہنمائی اور معاونت پر بھی شکر گزار ہیں۔

سیکیورٹی خلاف ورزیوں سے نمٹنے کے لیے ضروری اقدامات کیے گئے ہیں، جن سے ڈیٹا سیکیورٹی مضبوط بنانے میں مدد ملی ہے۔ یہ اقدامات نہ صرف صارفین کا اعتماد حاصل کرنے میں معاون ثابت ہوں گے بلکہ ڈیٹا سیکیورٹی کے حوالے سے صارفین کو برقرار رکھنے میں بھی مددگار ہوں گے۔ اس سلسلے میں، بیرونی ماہر اداروں کی جانب سے سالانہ آڈٹ بھی کیا جاتا ہے تاکہ ریگولیٹری اور معیاری تقاضوں کی مکمل تعمیل کو یقینی بنایا جا سکے۔

ادارے کے اہم مقاصد:

آپ کی کمپنی مستقل طور پر ترجیحی انشورر نیز پاکستان میں اپنی سرکردہ پوزیشن برقرار رکھنے کے لئے سرگرم عمل رہتی ہے۔

کمپنی کے اثاثہ جات:



۲۰۲۵ کیلئے امکانات:

۲۰۲۵ میں ہماری حکمت عملی کا مرکز ایک چیلنجنگ کاروباری ماحول کے اندر پائیدار اور منافع بخش گروتھ حاصل کرنے کا سلسلہ برقرار رکھنے کے ساتھ پاکستان میں اپنی نمایاں حیثیت کو بھی برقرار رکھنا ہے۔ ہمارے انتظامی اغراض و مقاصد کو تسلیم کرنے کے لئے مستحکم کردہ کلیدی کارکردگی کے اشاریے برقرار رہنے کے ساتھ صارفین کے اطمینان کو مزید تقویت دینے، آپریشنل انڈر رائٹنگ نتائج میں اضافے، کاسٹ مینجمنٹ اور اسٹیک ہولڈرز کے مجموعی منافع جات بڑھانے پر توجہ دی جاتی رہے گی۔

معلوماتی ذرائع اور مفروضے:

مستقبل کے اعداد و شمار اور مفروضوں کیلئے استعمال ہونے والا ڈیٹا ماضی کے رجحانات کے جائزے، مستقبل کے غور و خوض اور مارکیٹ کی موجودہ صورتحال پر مبنی ہیں۔ ہم اکائونٹ کی موجودہ صورتحال اور میکرو اکنامک اشاریوں کو بھی مستقبل کے تخمینہ جات فراہم کرتے وقت ملحوظ خاطر رکھتے ہیں۔ پروفیشنلز کی ایک اِن ہائوس ٹیم مشترکہ طور پر مستقبل کے اعداد و شمار تیار کرتی ہے۔ حقیقی اقدامات متوقع اعداد و شمار اور تخمینے کی تیاری کے وقت کئے جاتے ہیں۔

ری انشورنس:

آپ کی کمپنی کے ری انشورنس انتظامات نہایت معتبر ہیں۔ سرکردہ بین الاقوامی سیکیورٹیز مثلاً سوئس ری انشورنس کمپنی، ایکورک اے جی، ہان اوور رک ایس ای، کورین ری انشورنس کمپنی، SCOR ری انشونس ایشیاء پیسیفک پی ٹی ای لمیٹڈ اور لائیڈز آف لندن، ان سب کو "A" ریٹنگ حاصل ہے۔

متعلقہ پارٹی ٹرانزیکشنز:

منسلکہ کمپنیوں / متعلقہ پارٹیوں کے ساتھ کمپنی کی ٹرانزیکشنز بورڈ آف ڈائریکٹرز کی منظوری ہر بورڈ میٹنگ میں دی جاتی ہے۔ متعلقہ پارٹیوں کے س اتھ طے پانے والی تمام ٹرانزیکشنز آرمز لینتھ (Arm's Length) کی بنیاد پر کئے جاتے ہیں۔ ۳۱ دسمبر ۲۰۲۴ کو ختم ہونے والے سال کے لیے متعلقہ پارٹیوں کے ساتھ کیے گئے ٹرانزیکشنز کی تفصیلات غیر مجموعی مالیاتی حسابات میں نوٹ ۳۵ اور مجموعی مالیاتی حسابات میں نوٹ ۳۹ میں ظاہر کی گئی ہیں۔

ماحولیاتی تحفظ کے اقدامات:

کمپنی مالیاتی تحفظ کے سلسلے میں اپنی سماجی ذمہ داری سے بخوبی آگاہ ہے ہم صحت مند ماحول کی حوصلہ افزائی کرتے ہیں اور ہم وہ اقدامات کرتے ہیں جن سے ہماری ساکھ مزید بہتر ہو۔ تفصیلی رپورٹ منسلک ہے۔

ڈائریکٹرز ٹریننگ پروگرام:

کمپنی کے تمام ڈائریکٹرز نے ڈائریکٹرز کے تربیتی پروگرام کے تحت سرٹیفکیشن حاصل کر رکھی ہے۔ اس کے علاوہ، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور کمپنی سیکریٹری نے بھی یہ سرٹیفکیشن حاصل کرلی ہے۔

کارپوریٹ بریفنگ:

شیئرہولڈرز اور تجزیہ کاروں کیلئے کارپوریٹ بریفنگ سیشن کا انعقاد پاکستان اسٹاک ایکسچینج کی شرائط کے مطابق ۲۸ مارچ ۲۰۲۴ کو کیا گیا۔ کمپنی کی سینئر انتظامیہ اور شیئرہولڈرز نے سیشن میں شرکت کی۔

بورڈ کمیٹیاں:

کمپنی کی بورڈ کمیٹیاں درج ذیل شامل ہیں:

نمبر شمار	بورڈ کمیٹیاں	۲۰۲۴ میں منعقدہ اجلاسوں کی تعداد
۱	آڈٹ کمیٹی	۴
۲	انویسٹمنٹ کمیٹی	۴
۳	ایتھکس، ہیومن ریسورسز اینڈری میونریشن کمیٹی	۲

بورڈ کی کمیٹیوں کے بارے میں تفصیلات اس رپورٹ سے منسلکہ ضمیمہ میں گورننس سیکشن کے تحت دی گئی ہے آڈٹ کمیٹی اور ایتھکس، ہیومن ریسورسز اینڈ ری میونریشن کمیٹی کے چیئرمین انڈیپینڈنٹ ڈائریکٹرز ہیں۔

مینجمنٹ کمیٹیاں:

کارپوریٹ گورننس کے حصے کے طور پر آپ کی کمپنی نے درج ذیل چار مینجمنٹ کمیٹیاں قائم کر رکھی ہیں جو کوڈ کی شرائط کے مطابق ہر ایک سہ ماہی میں کم از کم ایک اجلاس ضرور بلاتی ہے:

- انڈر رائٹنگ کمیٹی
- کلیمز سیٹلمنٹ کمیٹی
- ری انشورنس اینڈ کوانشورنس کمیٹی اور
- رسک مینجمنٹ اینڈ کمپلائنس کمیٹی

کمیٹیوں کے بارے میں تفصیلات مثلاً ممبران کے نام، منعقدہ اجلاسوں کی تعداد، گورننس سیکشن کے تحت اس رپورٹ سے منسلک ضمیمے میں دیئے گئے ہیں۔

کاروبار کے لئے خطرات:

کاروبار میں ممکنہ طور پر پیش آنے والے خطرات اور ان سے منسلک عناصر کی تفصیل سے وضاحت اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

کارپوریٹ سماجی ذمہ داری (CSR)

کمپنی ایک ذمہ دار کارپوریٹ شہری ہونے پر یقین رکھتی ہے۔ سال بھر کے دوران کی جانے والی سی ایس آر اقدامات کی تفصیلات سالانہ رپورٹ میں درج ہیں۔

اسٹیک ہولڈرز کے ساتھ مضبوط تعلقات:

آپ کی کمپنی اپنے اسٹیک ہولڈرز کے ساتھ پائیدار اور مثبت تعلقات برقرار رکھنے کے لیے پرعزم ہے:

- ملازمین کے ساتھ بہتر کام کے ماحول اور صحت مند کام کی جگہ کی فراہمی کے ذریعے ان کی فلاح و بہبود کو یقینی بنایا جاتا ہے۔
- کسٹمرز کے ساتھ اعتماد کی بنیاد پر معیاری اور قابل بھروسہ خدمات فراہم کرکے طویل المدتی تعلقات استوار کیے جاتے ہیں۔
- کاروباری برادری کے ساتھ دیانت داری، شفافیت، اور منصفانہ کاروباری اصولوں کو اپنایا جاتا ہے۔
- حکومت کے ساتھ قومی معیشت میں مؤثر کردار ادا کرنے اور تمام قانونی و ضابطہ اخلاقی تقاضوں کی پاسداری کے ذریعے تعاون کیا جاتا ہے۔
- معاشرے کے ساتھ کارپوریٹ سماجی ذمہ داری (سی ایس آر) کے تحت فلاحی سرگرمیوں میں حصہ لے کر مثبت کردار ادا کیا جاتا ہے۔

بورڈ کی کارکردگی کا سالانہ جائزہ و جانچ:

بورڈ نے اپنی سالانہ کارکردگی کی جانچ کیلئے ایک میکنزم تیار کر رکھا ہے جیسا کہ کوڈ آف کارپوریٹ گورننس کے تحت ضروری ہے۔ میکنزم بورڈ کے امور کے بارے میں نئے نئے اور نمایاں رجحانات اور اس کی کارکردگی کو بہتر بنانے پر مبنی ہے۔ جانچ پڑتال کے میکنزم کی تشکیل اور امور کی انجام دہی پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس کے ذریعے آئوٹ سورسڈ کی جاتی ہے۔

چیف ایگزیکیٹیو آفیسر کی کارکردگی کا جائزہ:

چیف ایگزیکٹو آفیسر (سی ای او) کمپنی کے اسٹریٹجک اور مجموعی امور کی نگرانی، قیادت اور مؤثر انتظام کے ذمہ دار ہیں۔ بورڈ آف ڈائریکٹرز اور اس کی ذیلی کمیٹی CEO کی کارکردگی کا جائزہ لیتی ہے اور اغراض و مقاصد اور کارکردگی کے اہداف کے تحت بورڈ کے ذریعے جانچی جاتی ہے۔

ڈائریکٹرز کے معاوضہ کی پالیسی:

کمپنیز ایکٹ ۲۰۱۷، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز ۲۰۱۹، اور کمپنی کے آرٹیکلز آف ایسوسی ایشن کی تعمیل میں، بورڈ نے چیئرمین، چیف ایگزیکٹو، نان ایگزیکٹو، ایگزیکٹو اور آزاد ڈائریکٹرز کے معاوضے کے لیے پالیسی کی منظوری دی ہے۔ بورڈ آف ڈائریکٹرز نے نان ایگزیکٹو ڈائریکٹرز کے لیے بورڈ اور بورڈ کمیٹی کے اجلاسوں میں شرکت کے عوض فیس کی منظوری دی ہے۔ نان ایگزیکٹو ڈائریکٹرز، بشمول آزاد ڈائریکٹرز، کو فی بورڈ اجلاس ۲۰۰,۰۰۰ روپے اور فی بورڈ کمیٹی اجلاس ۱۰۰,۰۰۰ روپے فیس ملے گی۔ اس کے علاوہ، ڈائریکٹرز کو اجلاسوں میں شرکت کے لیے ہونے والے سفری، ہوٹل اور دیگر اخراجات کی ادائیگی بھی کی جائے گی۔

فی حصص آمدنی:

آپ کی کمپنی نے اس سال فی حصص آمدنی ۱۸.۵۶روپے ظاہر کی ہے جبکہ ۲۰۲۳ میں یہ آمدنی ۱۶.۴۱روپے تھی۔

مختص رقوم اور منافع منقسمہ:

بعد از ٹیکس منافع ۳,۷۱۱ملین روپے رہا، جو ۲۰۲۳ میں ۳,۲۸۲ملین روپے تھا۔ آپ کے ڈائریکٹرز نے ان حصص یافتگان کے لیے، جن کے نام کمپنی کے شیئر رجسٹر میں ۱۸مارچ ۲۰۲۵ کے کاروباری اختتام پر موجود ہوں گے، فی حصص ۵.۵روپے(۵۵ فیصد) کا حتمی نقد منافع منقسمہ دینے کی سفارش کی ہے۔ یہ نقد منافع منقسمہ سال کے دوران اعلان کردہ مجموعی عبوری نقد منافع منقسمہ فی حصص ۴.۵روپے(۴۵ فیصد) کے علاوہ ہے۔

		(روپے ہزاروں میں)
سال کے آغاز یعنی یکم جنوری ۲۰۲۳ کے آغاز پر بیلنس		۳,۶۳۳,۷۰۴
عبوری نقد منافع منقسمہ ۲۰۲۳ بشرح ۴۵فیصد (۲۰۲۲:۴۵فیصد)	۹۰۰,۰۰۰	
مجوزہ حتمی نقد منافع منقسمہ ۲۰۲۳ بشرح ۵۵ فیصد (۲۰۲۲:۵۵ فیصد)	۱,۱۰۰,۰۰۰	
جنرل ریزرو میں منتقلی	۱,۰۰۰,۰۰۰	
گذشتہ سال سے آگے لایا گیا بیلنس		۶۳۳,۷۰۴
اس سال کیلئے بعد از ٹیکس منافع		۳,۷۱۱,۱۲۸
سال ۲۰۲۴ کیلئے دیگر مجموعی خسارہ		(۸۴,۹۳۳)
سرمایہ کار املاک کی شفاف ویلیو پر غیر حقیقی منافع سے منتقلی		(۱۶۴,۵۳۰)
سرمایہ کاری کی پراپرٹی کی اصل مالیت پر غیر حقیقی منافع جات		
پراپرٹی اور ایکوئپمنٹ کی ری ویلیوایشن پر ٹیکس کے انکریمنٹل خسارے،		۹,۸۲۸
خالص کے ضمن میں اضافے منتقل شدہ		
مختص کرنے کیلئے دستیاب رقم		۴,۱۰۵,۱۹۷
ڈائریکٹرز نے سفارش کی ہے کہ اس رقم کو درج ذیل طریقے سے مختص کر دیا جائے:		
عبوری نقد منافع منقسمہ ۲۰۲۴ بشرح ۴۵فیصد (۲۰۲۳:۴۵فیصد)	۹۰۰,۰۰۰	
مجوزہ حتمی نقد منافع منقسمہ ۲۰۲۴ بشرح ۵۵ فیصد (۲۰۲۳:۵۵ فیصد)	۱,۱۰۰,۰۰۰	
جنرل ریزرو میں مجوزہ ٹرانسفر	۱,۰۰۰,۰۰۰	
آئندہ سال کیلئے آگے لے جایا گیا		۱,۱۰۵,۱۹۷

مارکیٹ شیئر:

۳۰ ستمبر ۲۰۲۴ کے مطابق دستیاب شائع شدہ مالیاتی حسابات پر منحصر اور دی انشورنس ایسوسی ایشن آف پاکستان کے جاری کردہ اعداد و شمار کی بنیاد پر، آپ کی کمپنی پاکستان میں نجی نان لائف انشورنس شعبے کے کاروبار میں ۱۹.۵ فیصد مارکیٹ شیئر کی حامل ہے۔

انفارمیشن ٹیکنالوجی:

ہم بمسرت مطلع کرتے ہیں کہ آپ کے ادارے نے ایس جی ایس یونائیٹڈ کنگڈم لمیٹڈ سے اپنے انفارمیشن ٹیکنالوجی ڈپارٹمنٹ کیلئے ISO/IEC 27001:2013 سرٹیفکیشن حاصل کرلیا ہے، اس طرح کی توثیق آئی ٹی آپریشنز کے تناظر میں سخت انفارمیشن سیکیورٹی گائیڈ لائنز نافذ کرنے کے ضمن میں آپ کے ادارے کے عزم کی عکاسی کرتی ہیں۔

انٹرپرائز رسک مینجمنٹ:

انٹرپرائز رسک مینجمنٹ (ای آر ایم) فنکشن کمپنی میں درپیش خطرات کیلئے ایک عقاب سی نگاہ رکھتا ہے اور ان خطرات کے باعث کمپنی کے اثاثہ جات اور مالی ذمہ داریوں پر پڑنے والے اندرونی اور بیرونی خطرات اور ان کے حجم کی موثر طور پر نشاندہی کرنا اور ان کا جائزہ لینے میں معاونت فراہم کرنا شامل ہے۔ ای آر ایم کے معاملات کمپنی کے کلیدی امور کے ساتھ مربوط ہیں جو فیصلہ سازی، کمپنی کے خطرات کے بندوبست کے سلسلے میں خطروں کی حد اور ان سے نمٹنے کی سطح کے اندر معاملات طے کرنے اور شیئر ہولڈرز و دیگر اسٹیک ہولڈرز کے لئے منافع جات میں اضافے پر توجہ مرکوز رکھتے ہیں۔ ہماری کوشش ہے کہ ای آر ایم کے امور کو اگلی سطح تک لے جایا جائے جہاں کمپنی ہر ایک میدان / مزید عمل میں کیپیٹل اور خطرات کو روکنے کے کلچر کے تدارک سے نمٹ کر منافع کا حصول ممکن ہو سکے۔

آئی ایف ایس ریٹنگ:

آپ کی کمپنی کو پاکستان کریڈٹ ریٹنگ ایجنسی کی جانب سے ریٹنگ دی گئی ہے۔ ریٹنگ ایجنزی نے ++AA مع مثبت آئوٹ لک کی ریٹنگ تفویض کی ہے۔

آپ کی کمپنی کو دنیا کی ایک خصوصی انشورنس ریٹنگ ایجنسی A.M.Best کی جانب سے بھی ریٹنگ دی گئی اور ایجنسی نے ہماری کمپنی کو "-B" مستحکم آئوٹ لک کی ریٹنگ تفویض کی ہے۔

ہیومن ریسورس:

ای ایف یو کی سالوں تک حاصل کی گئی کامیابی ہماری افرادی قوت کے معیار بالخصوص بیمہ کی صنعت میں ہمارے عزم اور توسیع دیتے کاروباری ماحول کو ظاہر کرتی ہے۔ یہ سیکٹر مستقل طور پر فروغ پا رہا ہے اور تیکنیکی و تجارتی سطح پر بلند تر معیار کا متقاضی ہے۔ ہم اپنی کامیابی کو انسانی سرمائے میں اپنی سرمایہ اور تحفظ و فلاح کے کلچر میں فروغ سے منسوب کرتے ہیں، ہمارے ملازمین ادارے کے مستقل سفر کے پیچھے ایک ڈرائیونگ فورس کے طور پر اہم کردار ادا کرتے ہیں اور انہوں نے ادارے کو پاکستان کی سرکردہ نان۔ لائف بیمہ کمپنی کے طور پر برقرار رکھا ہوا ہے۔

ملازمین کی شراکت کی اہمیت کو تسلیم کرتے ہوئے ہم فیصلوں سے متعلق ان کے کردار کے اثرات کو بھی اہم تصور کرتے ہیں۔ ہمارے کاروباری طریقہ کار، کارکردگی کی جانچ پڑتال اور پالیسیوں میں ملازمین کو اختیار دینے اور ان کی شراکت کے ذریعے ہم افراد کی خدمات حاصل کرتے ہیں جو اپنی خواہش کے مطابق کاروبار کے لئے اپنی صوابدیدی توانائی کا استعمال کرتے ہیں۔

پیشہ ورانہ فروغ اور ترقی ہماری ہیومن ریسورس اسٹراٹیجی کا ایک اہم سنگ میل ہے، ٹیکنالوجیکل جدت طرازی کو برقرار رکھنے کے لئے ہم وسیع تر اِن ہائوس اور بیرونی ٹریننگ کے ذریعے انسانی سرمائے کو فروغ دینے کے لئے کوشاں رہتے ہیں، پاکستان بھر کے اہم شہروں میں اِن ہائوس ٹریننگ سہولتوں کے ساتھ ہم ٹیکنیکل اور سافٹ اسکلرز دونوں میں تربیت فراہم کرتے ہیں، تربیت کے لئے مختلف النوع مواقعوں کی فراہمی کیلئے ہماری کوششیں ملازمین کو ان کی صلاحیتوں میں اضافہ، پیشہ ورانہ مہارت اور ان کے تجربات کو وسیع تر بنانے کی صلاحیت فراہم کرتی ہیں۔

انشورنس سیمینارز، ورکشاپس اور کانفرنسز میں بھرپور شراکت ای ایف یو کا ہمیشہ کا طرہ امتیاز رہا ہے جس کا مقصد ملازمین کی باہمی رابطہ کاری کی صلاحیتوں میں اضافہ کرنا ہے، ہم ملازمین کی خوشحالی، بہبود پر خصوصی توجہ دینے کے لئے مستقل روابطہ، باہمی ملاقاتوں کی سرگرمیاں اور گھر کی طرح کام کرنے کا ماحول برقرار رکھتے ہیں۔ ہم اس امر پر یقین رکھتے ہیں کہ جب ٹیلنٹ کو کسی بھی ادارے کے اندر درست سمت فراہم کی جائے گی تو غیر معمولی کامیابیاں حاصل ہو سکتی ہیں۔

ہماری بھرتیوں کی حکمت عملی ضروری اور لازمی قابلیت اور مہارتوں دونوں کے حامل ٹیلنٹ پر منحصر ہوتی ہے۔ ملازمین کو کمپنی کی ضروریات کے مطابق تھیوری و عملی تربیت کے امتزاج سے گزرنا پڑتا ہے تاکہ وہ کمپنی میں کام کرنے کے اس کی مطلوبہ مہارت اور معلومات کے حامل ہو سکیں اور بہتر نتائج دینے میں اپنی شراکت کا مظاہرہ کریں، ہماری مشترکہ مہارت، اندرونی قابلیت اور پیشہ ورانہ رویے کا مجموعہ ہی انفرادی اور مجموعی گروتھ اور کامیابی فراہم کرتا ہے۔

بین الاقوامی تسلیم شدہ پروفیشنل انشورنس کی تعلیم اور قابلیت مثلاً چارٹرڈ انشورنس انسٹی ٹیوٹ (یو کے) کے حصول میں ملازمین کو سپورٹ کرنے کے لئے مالیاتی معاونت اور حوصلہ افزائی ہر سطح پر فراہم کی جاتی ہے۔ موجودہ طرز پر ہمارے پاس ۳۳ چارٹرڈ انشوررز، ۲۵ قابل انجینئرز، ۱۳ پروفیشنل اکائونٹینٹس اور دیگر کوالیفائیڈ ڈگری اور سرٹیفکیٹ ہولڈرز موجود ہیں جو ای ایف یو کو بلند تر اونچائیوں پر لے جانے کے لئے اپنے اپنے شعبوں میں اپنی صلاحیتوں کو بروئے کار لا رہے ہیں۔

آئی ایس او سرٹیفکیشن:

ای ایف یو جنرل انشورنس ایک ISO 9001:2015 اور ISO/IEC 27001:2013 سے تصدیق شدہ ادارہ ہے۔ ان معیارات کے تحت، ای ایف یو نے خدمات کے معیار کی یقین دہانی کے لیے منظم طریقہ کار قائم کیے ہیں، جو کوالٹی مینجمنٹ سسٹم کی مؤثر بہتری کو یقینی بناتے ہیں۔ اس کے علاوہ، سائبر سیکیورٹی خطرات اور

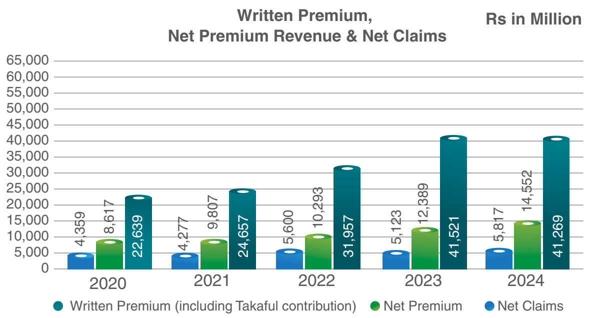
حصص داران کیلئے ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کو کمپنی کے ۹۲ ویں سالانہ رپورٹ اختتام سال ۳۱ دسمبر ۲۰۲۴ پیش کرتے ہوئے خوشی ہورہی ہے۔

کمپنی کا جائزہ:

سال ۲۰۲۴ میں کمپنی کا منافع بعد از ٹیکس ۳.۷۱ بلین روپے رہا، جو کہ سال ۲۰۲۳ کے ۳.۲۸ بلین روپے کے مقابلے میں زیادہ ہے۔ فی حصص آمدنی ۱۸.۵۶ روپے رہی، جبکہ گزشتہ سال یہ ۱۶.۴۱ روپے تھی۔

آپ کی کمپنی کے تحریری براہ راست پریمیم اور تکافل کاروبار کا حجم ۴۱.۳ بلین روپے رہا (جس میں ۳.۴ بلین روپے تکافل شراکت شامل ہے)، جبکہ ۲۰۲۳ میں یہ ۴۱.۵ بلین روپے تھا (جس میں ۳.۱ بلین روپے تکافل شراکت شامل تھی)۔ خالص پریمیم آمدنی ۲۰۲۳ میں ۱۲.۳۹ بلین روپے کے مقابلے میں بڑھ کر ۱۴.۵۵ بلین روپے تک پہنچ گئی۔



اقتصادی جائزہ:

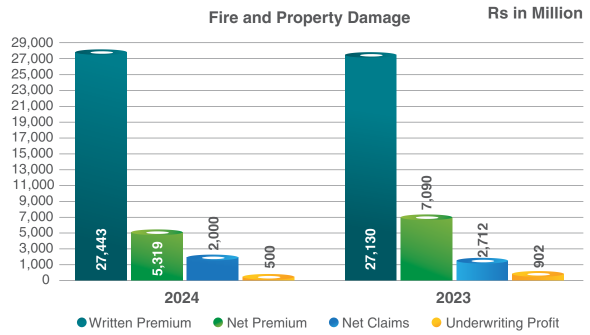
پاکستان کی معیشت میں معتدل بحالی دیکھنے میں آئی، جس کے نتیجے میں مالی سال ۲۰۲۴ میں جی ڈی پی کی شرح نمو ۲.۳۸ فیصد رہی۔ زرعی شعبہ اقتصادی ترقی کا بنیادی محرک ثابت ہوا، جسے صنعتی اور خدمات کے شعبوں کی معاونت حاصل رہی۔ مزید برآں، کرنٹ اکاؤنٹ بیلنس بہتر ہوکر ۵۸۲ ملین امریکی ڈالر کے سرپلس میں تبدیل ہوگیا۔ ان عوامل کے باعث شرح تبادلہ میں استحکام آیا اور افراط زر میں کمی ہوئی، جس کے پیش نظر اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ ۲۲ فیصد سے کم کرکے ۱۳ فیصد کردیا۔

کمپنی کی کارکردگی:

شعبہ جات کے لحاظ سے کمپنی کی کارکردگی درج ذیل کے مطابق رہی:

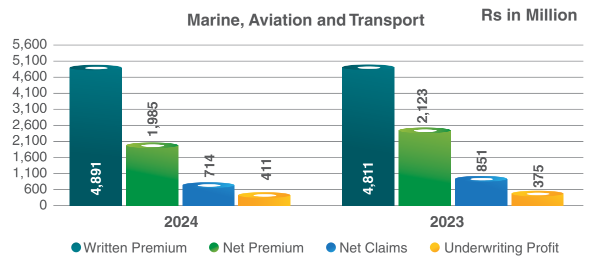
فائر و پراپرٹی:

تحریری پریمیئم میں ۱ فیصد کمی ہوئی، جو ۲۰۲۴ میں کم ہوکر ۲۷,۱۳۰ ملین روپے رہ گئی، جبکہ ۲۰۲۳ میں یہ ۲۷,۴۴۳ ملین روپے تھی۔ خالص پریمیئم آمدنی کے مقابلے میں کلیمز کا تناسب ۲۰۲۴ میں بھی ۳۸ فیصد پر برقرار رہا۔ سال کا انڈر رائٹنگ منافع ۹۰۲ ملین روپے رہا، جو ۲۰۲۳ کے ۵۰۰ ملین روپے کے انڈر رائٹنگ منافع کے مقابلے میں نمایاں اضافہ ہے۔



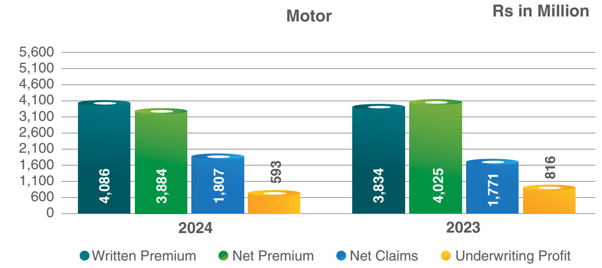
میرین، ایوی ایشن و ٹرانسپورٹ:

تحریری پریمیئم میں تقریباً ۲ فیصد کمی ہوئی، جو ۲۰۲۴ میں کم ہوکر ۴,۸۱۱ ملین روپے رہ گئی، جبکہ ۲۰۲۳ میں یہ ۴,۸۹۱ ملین روپے تھی۔ خالص پریمیئم آمدنی کے مقابلے میں کلیمز کا تناسب ۲۰۲۴ میں بڑھ کر ۴۰ فیصد ہوگیا، جبکہ ۲۰۲۳ میں یہ ۳۶ فیصد تھا۔ انڈر رائٹنگ منافع ۳۷۵ ملین روپے رہا، جو ۲۰۲۳ کے ۴۱۱ ملین روپے کے مقابلے میں کم ہے۔



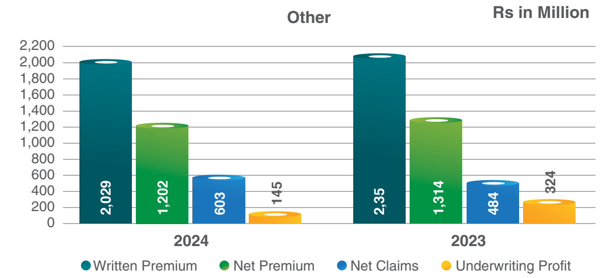
موٹر:

تحریری پریمیئم میں ۶ فیصد کمی ہوئی، جو ۲۰۲۴ میں کم ہوکر ۳,۸۳۴ ملین روپے رہ گئی، جبکہ ۲۰۲۳ میں یہ ۴,۰۸۶ ملین روپے تھی۔ خالص پریمیئم آمدنی کے مقابلے میں کلیمز کا تناسب ۲۰۲۴ میں ۴۴ فیصد رہا، جو ۲۰۲۳ میں ۴۷ فیصد تھا۔ انڈر رائٹنگ منافع ۸۱۶ ملین روپے رہا، جو ۲۰۲۳ کے ۵۹۳ ملین روپے کے مقابلے میں زیادہ ہے۔



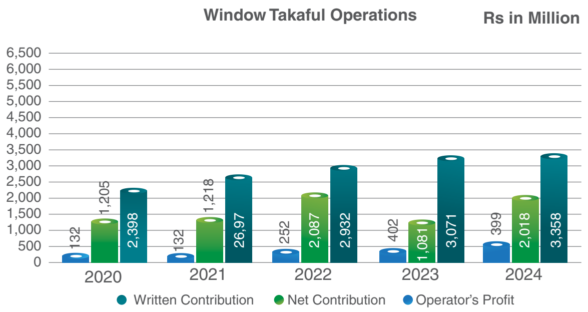
دیگر:

تحریری پریمیئم میں ۵ فیصد اضافہ ہوا، جو ۲۰۲۴ میں بڑھ کر ۲,۱۳۵ ملین روپے ہوگیا، جبکہ ۲۰۲۳ میں یہ ۲,۰۲۹ ملین روپے تھا۔ خالص پریمیئم آمدنی کے مقابلے میں کلیمز کا تناسب ۲۰۲۴ میں ۳۷ فیصد رہا، جو ۲۰۲۳ میں ۵۰ فیصد تھا۔ سال کا انڈر رائٹنگ منافع ۳۲۴ ملین روپے رہا، جو ۲۰۲۳ کے ۱۴۵ ملین روپے کے مقابلے میں نمایاں طور پر زیادہ ہے۔



ونڈو تکافل آپریشنز:

تحریری تکافل کنٹریبیوشن آمدنی ۲۰۲۴ میں بڑھ کر ۳,۳۵۸ ملین روپے ہوگئی، جو گزشتہ سال ۳,۰۷۱ ملین روپے تھی۔ خالص تکافل کنٹریبیوشن آمدنی ۲,۰۱۸ ملین روپے رہی، جبکہ ۲۰۲۳ میں یہ ۱,۸۸۱ ملین روپے تھی۔ تکافل آپریٹر کا منافع ۳۹۹ ملین روپے رہا، جو گزشتہ سال ۴۰۲ ملین روپے تھا۔

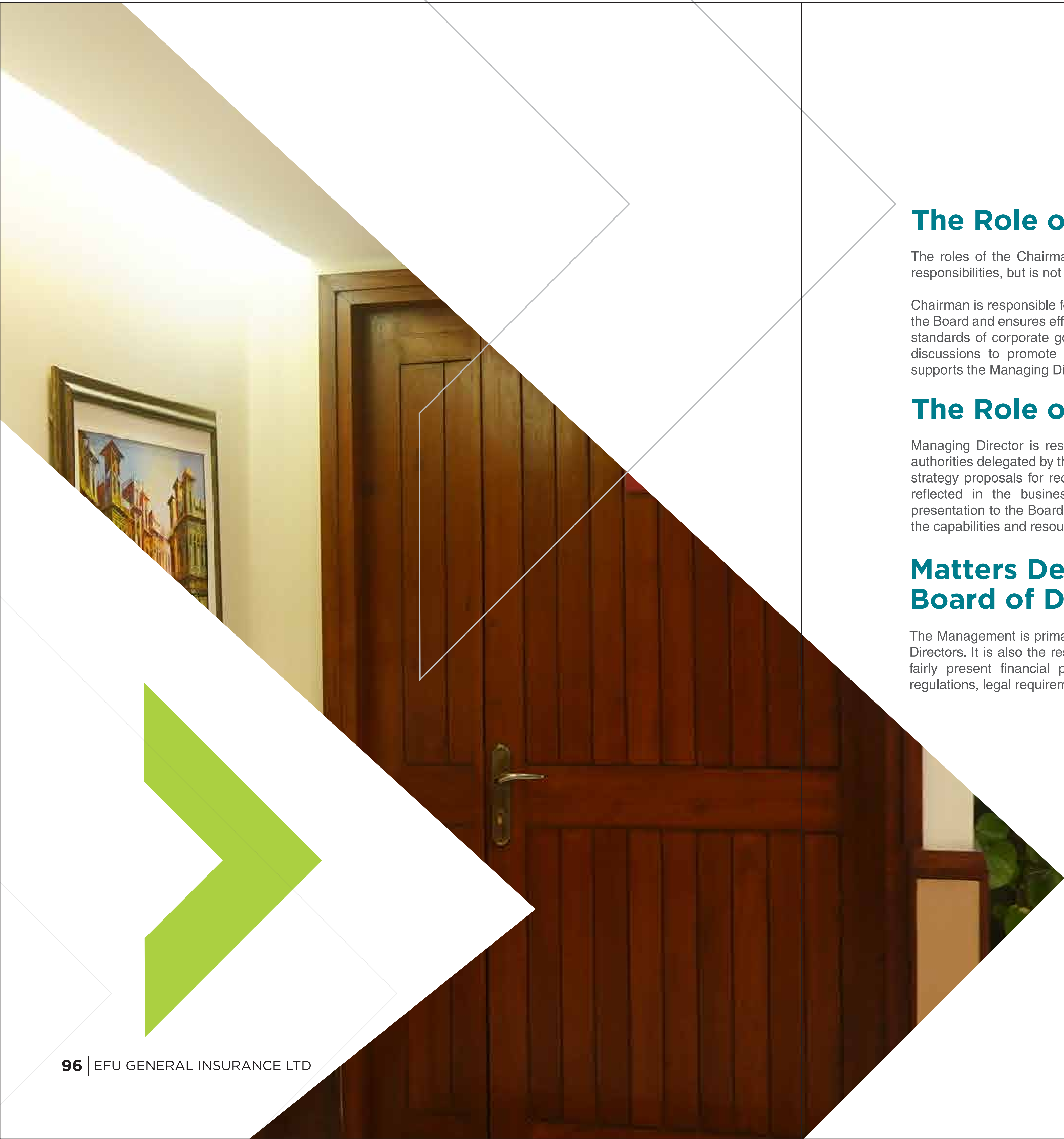


سرمایہ کاری آمدنی:

سال کے دوران اسٹاک مارکیٹ میں اتار چڑھاؤ برقرار رہا۔ سال کے دوران مجموعی سرمایہ کاری آمدنی ۲,۲۵۵ ملین روپے رہی، جو گزشتہ سال ۲,۳۸۹ ملین روپے تھی۔ ڈیویڈنڈ آمدنی ۱,۱۰۶ ملین روپے رہی، جبکہ گزشتہ سال یہ ۹۹۹ ملین روپے تھی۔ قرضہ جات سے متعلق سیکیورٹیز اور ٹرم ڈپازٹس سے حاصل ہونے والی آمدنی ۲,۱۱۰ ملین روپے رہی، جو گزشتہ سال ۱,۷۱۲ ملین روپے تھی۔

(روپے ملین میں)

	۲۰۲۴	۲۰۲۳
منافع منقسمہ سے آمدنی	۱,۱۰۶	۹۹۹
ڈیبٹ سیکیورٹیز سے آمدنی	۲,۰۷۲	۱,۶۷۲
ٹرم ڈپازٹس سے آمدنی	۳۸	۴۰
تجارت کی انویسٹمنٹس کیلئے دستیابی پر خالص حقیقی منافع جات	۱۵۹	-
فروخت کی انویسٹمنٹس کیلئے دستیابی پر خالص حقیقی منافع جات	(۶۵)	۸۸
فروخت کی ایکویٹی سیکیورٹیز کیلئے دستیابی پر ویلیو میں نقائص	(۱,۰۳۴)	(۴۰۹)
سرمایہ کاری سے متعلق اخراجات	(۲۲)	(۱)
تجارتی سرمایہ کاری کے لیے رکھی گئی خالص غیر حقیقی منافع جات	۱	-
خالص سرمایہ کاری سے آمدنی	۲,۲۵۵	۲,۳۸۹



The Role of Chairman *(BCR 5.02)*

The roles of the Chairman and Managing Director are stated setting out a clear division of responsibilities, but is not intended to provide a definitive list of their individual responsibilities.

Chairman is responsible for leadership of the Board. In particular, he presides over meetings of the Board and ensures effective operation of the Board and its committees in conformity with the standards of corporate governance. The Chairman sets the agenda, style and tone of Board discussions to promote constructive debate and effective decision-making. The Chairman supports the Managing Director in the development of strategy.

The Role of Managing Director

Managing Director is responsible for leadership of the business and managing it within the authorities delegated by the Board and the Articles of Association of the Company. He develops strategy proposals for recommendation to the Board and ensures that agreed strategies are reflected in the business, develop annual plans consistent with agreed strategies, for presentation to the Board, for support plan human resourcing to ensure that the Company has the capabilities and resources required to achieve its plans.

Matters Delegated by the Board of Directors *(BCR 5.03)*

The Management is primarily responsible for implementing plans as approved by the Board of Directors. It is also the responsibility of the management, to prepare financial statements that fairly present financial position of the Company in accordance with applicable relevant regulations, legal requirements and accounting standards.

Board Committees *(BCR 5.17)*

Audit Committee *(BCR 5.19)*

The Board is responsible for effective implementation of sound internal control system including compliance with control procedures. The Audit Committee is assisted by the Chief Internal Auditor in reviewing the adequacy of operational controls and risk management so as to provide reasonable assurance that internal control framework continues to operate efficiently and effectively in the Company. The principle responsibility of the Internal Audit department is to conduct periodic audits to ensure adequacy in operational controls, consistency in application of policies and procedures, compliance with laws and regulations.

S.No.	Members	Attendance
01	Mr. Tanveer Sultan Moledina	4 out of 4
02	Mr. Hasanali Abdullah	4 out of 4
03	Mr. Taher G. Sachak	4 out of 4
04	Mr. Ali Raza Siddiqui	4 out of 4
05	Ms. Yasmin Hyder	4 out of 4

TORs OF AUDIT COMMITTEE

The Committee comprises of five members, including the Chairman of the Committee who is an Independent Director appointed to comply with the requirement of Code of Corporate Governance Regulations, 2019.

The Board has satisfied itself that Audit Committee consists of at least one member having relevant financial experience and knowledge to qualify as financially literate as required by the Code. The Committee focus is to oversee the financial reporting, performance of the external auditors, internal audit function, internal control process, risk management and compliance with applicable laws/regulations.

The terms of reference of the Audit Committee as determined by Board of Directors are as follows:

(a) Determination of appropriate measures to safeguard the Company's assets.

(b) Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:

- major judgmental areas;
- significant adjustments resulting from the audit;
- going concern assumption;
- any changes in accounting policies and practices;
- compliance with applicable accounting standards; and
- compliance with statutory and regulatory requirements.

(c) Review of preliminary announcement of results prior to its external communication and publication.

(e) Facilitating the external audit and discussion with external auditors of major observations arising from audit and any matter that the auditors may wish to highlight (in the absence of management, where necessary).

(f) Review of management letter issued by external auditors and discuss management's response thereto.

(g) Ensuring coordination between the internal and external auditors of the Company.

(h) Review the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.

(i) Consideration of major findings of internal investigations and management's response thereto.

(j) Ascertaining that the internal control systems including financial and operational controls, accounting systems and the reporting structure are adequate and effective.

(k) Review of Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports.

(l) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body.

(m) Determination of compliance with relevant statutory requirements.

(n) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof.

(o) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures.

(p) Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements.

(q) Consideration of any other issue or matter as may be assigned by the Board of Directors.

Investment Committee

The Company has a Board level Investment Committee that meets at least once a quarter to review the investment portfolio. The Committee is also responsible for developing the investment policy for the Company. The Board's Investment Committee comprises of the following members:

S.No.	Name of Member	Description
01	Mr. Hasanali Abdullah	Chairman - Non Executive Director
02	Mr. Saifuddin N. Zoomkawala	Member - Non Executive Director
03	Mr. Kamran Arshad Inam	Member - Managing Director and Chief Executive Officer
04	Mr. Taher G. Sachak	Member - Non Executive Director
05	Mr. Najmul Hoda Khan	Chief Financial Officer

Ethics, Human Resources and Remuneration Committee

The committee is responsible for recommending to the Board human resource management policies of the Company as well as the selection, evaluation and compensation of key officers of the Company. The Board's Human Resource and Remuneration Committee comprises of the following members:

S.No.	Name of Member	Description
01	Ms. Yasmin Hyder	Chairperson - Independent Director
02	Mr. Saifuddin N. Zoomkawala	Member - Non-Executive Director
03	Mr. Hasanali Abdullah	Member - Non-Executive Director
04	Mr. Kamran Arshad Inam	Member - Managing Director and Chief Executive Officer

TORs of Ethics, Human Resource & Remuneration Committee

The Committee comprises of four members, including the Chairperson of the committee who is an Independent Director appointed to comply with the requirement of Listed Companies (Code of Corporate Governance) Regulations, 2019.

The terms of reference of the Ethics, Human Resource & Remuneration Committee has been determined as per the requirements of the Code of Corporate Governance.

Board and Board Committees Meetings

During the year all meetings of the Board and Board Committees were held in Pakistan. *(BCR 5.12 (g))*

Security Clearance of a Foreign Director

There is no foreign Director on the Board *(BCR 5.12 (f))*

Significant Changes in Board Committees

No change was made in Board Committees during the year.

Management Committees

As part of the Corporate Governance, your Company maintains following four management committees which meet at least once every quarter:

Underwriting Committee

The Committee formulates the underwriting policy of your Company. It sets out the criteria for assessing various types of insurance risks and determines the premium policy of different insurance covers. The committee regularly reviews the underwriting and premium policies of the Company with due regard to relevant factors such as its business portfolio and the market development.

Claims Settlement Committee

The Committee devises the claims settlement policy of the Company. It oversees the claims position of the Company and ensures that adequate claims reserves are maintained. Particular attention is paid to significant claims cases or events, which give rise to a series of claims. The Committee determines the circumstances under which the claims dispute to be brought to its attention and decides how to deal with such claims disputes. It also oversees the implementation of the measures for combating fraudulent claims cases. The Committee also oversees Grievance Function of the Company and report to the Board regarding the claim complains lodged, settle and outstanding at every quarter.

Reinsurance and Coinsurance Committee

The Committee ensures that adequate reinsurance arrangements are made for the insurance company's businesses. It peruses the proposed reinsurance arrangements prior to their execution, reviews the arrangements from time to time and subject to the consent of the participating reinsurers, makes appropriate adjustments to those arrangements in the light of the market development. It also assesses the effectiveness of the reinsurance program for future reference.

Risk Management and Compliance Committee

The Committee oversees the activities of the risk management function of the Company and makes appropriate recommendations to the Board to mitigate probable risks falling within the purview of the risk management function.

The Committee is also responsible for monitoring the compliance function and the insurer's risk profile in respect of compliance with the laws applicable to it as well as the internal policies and procedures.

Report of the Audit Committee

The Board Audit Committee comprises of three non-executive directors and two independent directors including Chairman of the committee.

The members of the Audit Committee are qualified professionals and possess enriched working experience at senior management levels. The Committee consists of one member with relevant financial experience and necessary knowledge relating to finance and accounting as required by the Code. Based on reviews and discussions in these meetings, the Committee reports that:

1. Four meetings of the Committee were held during the year 2024.

2. The Committee reviewed and approved interim and annual financial statements of the Company and recommended them for approval of the Board of Directors.

3. The Company issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed by the external auditors of the Company.

4. The Chief Executive Officer and the Chief Financial Officer have endorsed the standalone as well as consolidated financial statements of the Company and the Board of Directors Report. They acknowledge their responsibility for true and fair presentation of the financial statements and compliance with regulations and applicable accounting standards.

5. The financial statements have been prepared in accordance with 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, the Insurance Ordinance, 2000 and Insurance Rules, 2017.

6. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment. The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

7. Proper books of accounts have been maintained by the Company.

8. The Committee reviewed and approved all related party transactions and recommended them for approval of the Board of Directors.

9. The Committee oversees Company's risk management and internal control framework and reviews their adequacy in relation to the risks faced by the Company. The Company's system of internal control established at all levels is sound in design and is continually evaluated for effectiveness and adequacy.

10. For appraisal of internal controls and monitoring compliance, the Company has in place an appropriately staffed Internal Audit department. The Committee reviewed the resources of the Internal Audit department to ensure that they were adequate for the planned scope of the Internal Audit function.

11. The role of Internal Audit is to assess risk management processes and internal control as well as to ensure implementation of and compliance with the defined policies and procedures. Internal Audit submits its reports directly to audit committee for appropriate actions with timely follow-up on audit findings to ensure that corrective actions are taken in a timely manner.

12. The Committee on the basis of internal audit reports reviewed the adequacy of controls and compliance shortcomings in areas audited and discussed corrective actions in the light of management responses. This has ensured the continual evaluation of controls and improved compliance.

13. The Internal Auditor has full access to the Chairman of the Board Audit Committee and meets senior management to discuss internal audit reports and is fully independent to access the management any time to discuss audit issues in order to make the audit process transparent and effective and ensure that the identified risks are mitigated to safeguard the interest of the Company. The Committee evaluates head of internal audit performance jointly with chief executive.

14. The external auditors KPMG Taseer Hadi & Co, Chartered Accountants had direct access to the Committee and necessary coordination with internal auditors was ensured.

15. The Audit Committee has discussed with the external auditors and management, all the key matters identified during external audit and has taken appropriate actions accordingly.

16. The Committee assessed the effectiveness of external audit process by evaluating the experience and technical excellence of auditors in the Company's business and the regulatory environment, demonstration of professional integrity and objectivity and timely communications and reports so as to allow committee to take appropriate actions.

17. The Committee recommended to the Board of Directors for appointment of KPMG Taseer Hadi & Co, Chartered Accountants as external auditors and their remuneration for the year ending December 31, 2024.

18. The Committee is of the view that the annual report was fair, balanced and understandable and provide complete information for shareholders to assess the Company's position and performance, business model and strategy

19. The Committee has complied with all the applicable provisions of Code of Corporate Governance, presence of sufficient commercial and financial experience and knowledge to carry out audit matters and assisted Board by delivering reports on timely basis.

20. The committee has formal and transparent arrangements for considering financial reporting, risk management, internal controls and for maintaining an appropriate relationship with the external auditor

21. No whistle-blowing incidences were reported to the Audit Committee during the year. ***(BCR 5.19 (j))***

Gender Pay Gap

23.20%

Mean Gender Pay Gap

14.08%

Median Gender Pay Gap

Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operation.

There are no plans for corporate restructuring, business expansion, major capital expenditure or discontinuance of operation.

Information about defaults in payment of any debt with reasons and its repayment plan; and Board strategy to overcome liquidity problems and plans to meet operational losses. *(BCR 2.09 (a)(b))*

Company has not defaulted in payment of any debt therefore, there are no such plan further there are no liquidity problems in the company.

Statement from the Board on Risk Management and Principal Risk Assessment *(BCR 3.02 (a)(b))*

The Board of Directors of EFU General is committed to maintaining a robust risk management framework that ensures the company operates within an appropriate level of risk tolerance while safeguarding its business model, financial performance, and long-term sustainability.

Chairman's Significant Commitment *(BCR 5.04 (b))*

At EFU General Insurance, the Board of Directors plays a pivotal role in steering the company toward its strategic objectives, ensuring governance excellence, financial stability, and sustainable growth. Over the past year, the Board has remained committed to maintaining transparency, accountability, and effective decision-making to drive the company's success.

Chairman remain committed to driving strategic growth, financial stability, and sustainable business practices. Over the past year, we have reinforced our focus on governance, digital transformation, and Environmental, Social, and Governance (ESG) initiatives to ensure long-term value creation.

Avoiding Actual and Perceived Conflict of Interest *(BCR 5.11 (e))*

The Company is committed to the transparent disclosure, management and monitoring of existing and potential conflicts of interest. The Company's Board is also cognizant of its obligations as required under the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019 and Code of Corporate Governance for Insurers, 2016 to ensure that Directors avoid conflicts of interest between their responsibilities and their other interests. All Board members have a duty to avoid actual or perceived conflicts of interest. Every director of the Company who is in any way interested in any contract or arrangement to be entered by the Company is required to disclose the nature of his concern or interest to the Board and shall not take part in the discussion or vote on the matter. Every year in conformity with the section 153 of Companies Act, 2017, Code and Insurance Companies (Sound and Prudent Management) Regulations, 2016, the Directors of the Company are required to provide a signed Statement of Compliance. The statement requires all the Directors to disclose the names of the companies, firms and businesses where they are associated and that they comply with all legal requirements to hold the position as Directors.

Human Resource Management at EFU General Insurance *(BCR 5.12 (h))*

EFU General Insurance fosters a high-performing, inclusive, and motivated workforce through strategic Human Resource policies. Our Human Resource policies drive employee growth, motivation, and long-term organizational success.

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The Management

Sitting Left to Right

Pervez Ahmed
Aftab Fakhruddin
Najmul Hoda Khan
Kamran Arshad Inam
Imran Ahmed
Amin Punjani

Standing Left to Right

Khurram Nasim
Badar Ameen Sissodia
Muhammad Sohail Nazir
Ali Ghulamali
Muhammad Adnan
Mansoor Abbas Abbasi
Kashif Masood
Samir Saleh

our People

Business Ethics and Anti-Corruption Measures *(BCR 5.05)*

The Board has adopted the Statement of Ethics and Business Practices. All employees are informed of this and are required to observe these rules of conduct in relation to business and regulations. Statement of Ethics and Business Practices are based on integrity, dignity, culture of excellence and ethical dealing with clients, peers and the public.

Annual Evaluation of Board's Performance

The Board has placed a mechanism to evaluate its performance annually as required by the Code of Corporate Governance. The mechanism devised is based on the emerging and leading trends in the functioning of the Board and improving its effectiveness. The placement and functioning of the evaluation mechanism are outsourced to the Pakistan Institute of Corporate Governance. *(BCR 5.06 & 5.07)*

Director's Training & Orientation

All Directors and Chief Executive Officer of the Company have acquired certification under the Directors' Training Program. During the year, the Company has submitted a booklet to the Directors for their Orientation to apprise them of their duties and responsibilities. The Directors were apprised of the changes in different laws and regulations affecting the Company. Directors Training Session was also conducted during the year. *(BCR 5.08 & 5.09)*

Policy for Related Party Transactions

In order to comply with requirements of the Companies Act 2017, Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 and Listed Companies (Code of Corporate Governance) Regulations, 2019, the Company has devised a policy duly approved by the Board of Directors. The Related party transactions are approved by the Board of Directors on quarterly basis. Related party transactions are conducted at arm's length basis in normal course of business. *(BCR 5.11 (a))*

Internal Control Framework

The Company's Internal Control framework consists of various inter-related components including the Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring. These components work to establish and implement sound internal control system through directed leadership, risk management function, internal audit and compliance. The Board of Directors and management are responsible to establish an Internal Control System to maintain an adequate and effective Internal Control Environment. An Internal Control System is a set of systems and processes designed to identify and mitigate the risk of failure and achieve the overall business objectives of the organization by providing reasonable assurance of: *(BCR 5.04 (c) & 5.12 (a))*

1. Effectiveness and efficiency of operations
2. Reliability of financial information
3. A prudent approach to business
4. Compliance with applicable laws and regulations

Remuneration of Directors

For information on remuneration derived by the Directors and the CEO in the Financial year 2024, please refer note to the Financial Statements of the Company annexed to the Annual Report.

Policy and Procedures for Stakeholders' Engagement

Institutional Investors

The Company convenes Annual General Meeting in accordance with the Companies Act, 2017. The Company's financial reports are published every quarter and are also placed on Company's website for the shareholders and potential investors.

In compliance with the listing regulations of the stock exchange, the Company notifies information to the Stock Exchange from time to time. This helps the shareholders remain connected with the Company. The dates of Board of Directors meetings and financial results are notified to Stock Exchange.

Customers

We believe in customer trust and satisfaction being our strength over the years. To help improve customer service and meet their needs and expectation, feedback from customers is sought. In this regard, the Company's website has dedicated customer feedback section for an ongoing relationship with them.

Banks

We understand the importance of these stakeholders and ensure continuous interaction with them and manage our relationships.

Media

We continuously engage with media through issuing press releases, briefings and advertisements campaigns. We have also dedicated section on our Company's website for public relations. The website may be accessed at www.efuinsurance.com.

Regulators

To maintain compliance with applicable laws and regulations, the applicable statutory returns and forms are filed with various regulatory bodies and federal and provincial taxation authorities.

Dividend Policy *(BCR 5.12 (k))*

EFUG has a stable dividend policy which provides shareholders with a persistent dividend payout each year.

Redressal of investors' complaints

An investor can contact the Company Secretary about his grievance. The management tries to resolve all the complaints and queries of the investors to their satisfaction. An investor who is not satisfied can also approach the Securities & Exchange Commission of Pakistan (SECP) complaint cell through interactive link provided on our website.

Occupational Safety and Health *(BCR 5.12 (m))*

Fire extinguishers have been installed at various points within the working premises. Further, the Company has a dedicated medical facility which includes clinic and a Chief Medical Officer at Karachi to take care of employees and their families' health matters and also advise on preventive health care; along with this following are also some salient features towards health & safety.

a) Since 2016, we have dedicated 18% of our work space as Green Area. Plants and medium trees are thriving in our building. Our 7th Floor gives a look of a mini forest that attracts birds that are not usually seen in urbanized developments. We look forward to an Echo System right in the middle of the city.

b) With introduction of Green Area concept, we record 75-80% less pollution than the adjoining area of our building.

c) We have in-house Water Filtration Plant which ensures that water used by the occupants is free of all impurities and harmful bacteria that erupt at intervals in the water supplied through pipelines.

d) In-House Water Purification and bottling Plant equipped with state of the art water testing laboratory and On-Duty Chemist ensures a clean, safe and healthy water bottled in a standardized clean environment.

e) We are very proud to share that we have a general work force of more than 100 persons engaged in facilities management. By strictly following the Safety SOPs, we have completed 12,000 hours of Accident-Free Work Days.

Above parameters exemplify company's commitment of responsibility for safety and health of all persons grouped in the EFU Family.

Whistle Blowing Policy *(BCR 5.12 (n))*

In compliance with the Code of Corporate Governance, the Company has adopted a Whistle Blowing Policy. The Company has an established Code of Ethics which sets out the standards of conduct expected in the management of its business. All employees are expected to carry out their duties in a manner that is consistent with the Code. If employees become aware of circumstances which are not in compliance with the Code, they may communicate their concerns to the Managing Director.

Statement on Operations of the Board

The Board is responsible for all the tasks assigned under the Companies Act 2017, Code of Corporate Governance and other relevant laws. The Management is primarily responsible for implementing plans as approved by the Board of Directors. It is also the responsibility of the management, to prepare financial statements that fairly present financial position of the Company in accordance with applicable regulations, legal requirements and accounting standards.

Policy for Safety of Records of the Company *(BCR 5.12 (o))*

The Company abides by the requirement of Section 220 of the Companies Act, 2017, for the maintenance of books of accounts. In addition to this, retention of the Company's records is also based on their administrative and operational requirement. The Company has implemented a comprehensive plan for maintenance of its physical and electronic data. In line with this, a proper record room has been maintained at its Head Office for safe custody of the various physical documents; where the records are stacked on pre-numbered racks. All records along with rack number have been entered in the record management system from where any record can be traced by entering the particular of record required. For timely recovery of its soft data on the Cloud, on-site and remote Data Recovery (DR) site is available with the Company.

Business Continuity / Disaster Recovery Plan *(BCR 5.13)*

Without a defined, communicated and tested Business Continuity Plan (BCP) / Disaster Recovery Plan (DRP), the risk of extended unavailability of business processes and information systems in the event of any catastrophe increases exponentially. Further, absence of appropriate management plan can also result in damage to reputation, high costs of resumption and lost business.

The Company has developed a comprehensive Disaster Recovery Plan by using cloud technology services, addressing all the critical business functions and systems within the domain of Data Centre.

The principal objective of the disaster recovery program is to develop, test and document a well-structured and easily understood plan which will help the Company recover quickly and effectively from an unforeseen emergency situation which may interrupt business operations.

The plan is being periodically tested and reviewed to ensure that all essential aspects have been adequately covered and that all relevant individuals are fully aware of their responsibilities in the event of a disaster. The Company also has taken following measures to ensure quick and smooth availability of data recovery:

- Live testing is also performed by the relevant department to respond spontaneously.
- Training of responsible staff is also carried out on regular basis.
- Daily data backup is stored in DR site using cloud.

Compliance with Code of Corporate Governance

The requirements of the Code of Corporate Governance set out by the regulatory authorities have been duly complied with. A statement to this effect is annexed in the report.

Details about Board meetings and its attendance.

S. No.	Name Of Directors	Number of meetings attended
1	Saifuddin N. Zoomkawala (Non-Executive Director)	5
2	Hasanali Abdullah (Non-Executive Director)	5
3	Taher G. Sachak (Non-Executive Director)	4
4	Ali Raza Siddiqui (Non-Executive Director)	5
5	Saad Bhimjee (Non-Executive Director)	5
6	Tanveer Sultan Moledina (Independent Director)	5
7	Yasmin Hyder (Independent Director)	5

Presence of Chairman - Audit Committee in the Annual General Meeting *(BCR 5.20)*

The Chairman of the Audit Committee attended the 91st Annual General Meeting of the Company held on March 28, 2024.

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of EFU General Insurance Limited

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

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (both herein referred to as 'the Code') prepared by the Board of Directors of EFU General Insurance Limited (the Company) for the year ended 31 December 2024 in accordance with the requirements of Regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Provision (lxxvi) of Code of Corporate Governance for Insurers, 2016.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Code as applicable to the Company for the year ended 31 December 2024.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 4 March 2025
Karachi
UDIN: CR202410096mJ6pcN8SP

Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 & Listed Companies (Code of Corporate Governance) Regulations, 2019 For the year ended December 31, 2024 *(BCR 5.14)*

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

The Company, being an insurer, has applied the principles contained in the Code and CCG 2019 in the following manner:

1. The total numbers of Directors are eight (08) as per the following:

a: Male: 7
b: Female: 1

2. The Company encourages representation of independent, non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Female Director	Ms. Yasmin Hyder
Independent Director	Mr. Tanveer Sultan Moledina
Non-Executive Directors	Mr. Saifuddin N. Zoomkawala
	Mr. Hasanali Abdullah
	Mr. Taher G. Sachak
	Mr. Saad Bhimjee
	Mr. Asad Nasir
Executive Director	Mr. Kamran Arshad Inam

Mr. Ali Raza Siddiqui resigned as non-executive director with effect from December 27, 2024 and Mr. Asad Nasir has joined the Board with effect from February 1, 2025.

The independent directors meet the criteria of independence as laid down under the Code and CCG 2019. *(BCR 5.01 (b))*

3. The directors have confirmed that none of them is serving as a director in more than seven listed companies including this Company.

4. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a development financial institution or a non–banking financial institution or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.

5. A casual vacancy occurring on the Board on 28th December 2024 was filled up by the directors within 35 days thereof.

6. The Company has prepared a "Statement of Ethics and Business Practices" as Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

7. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

8. All powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and CCG 2019. The decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and the key officers, have been taken by the Board.

9. The meetings of the Board were presided over by the Chairman. The Board met at least once in every quarter. The Board has complied with the requirement of the Act and CCG 2019 with respect to frequency, recording and circulating minutes of meeting of the Board. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meeting were appropriately recorded and circulated.

10. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and CCG 2019.

11. All Directors of the Company have acquired certification under the Director's training program.

12. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.

13. The Board has arranged Orientation course for its directors during the year to apprise them of their duties and responsibilities.

14. Mr. Najmul Hoda Khan was appointed by the Board as Chief Financial Officer of the Company on September 9, 2024 due to retirement of Mr. Altaf Gokal. There was no change of Company Secretary and Head of Internal Audit during the year. The Board has approved the remuneration of Chief Financial Officer, Company Secretary and Head of Internal Audit Department.

15. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and CCG 2019 and fully describes the salient matters required to be disclosed.

16. The financial statements of the company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.

17. The directors, Chief Executive Officer and other executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.

18. The Company has complied with all the corporate and financial reporting requirements of the Code and CCG 2019.

19. The Board has formed the following Management Committees:

Underwriting Committee:

Name Of The Member	Category
Mr. Kamran Arshad Inam	Chairman
Mr. Imran Ahmed	Member
Mr. Khurram Nasim	Member
Mr. Muhammad Sohail Nazir	Member
Mr. Mansoor Abbassi	Member

Claim Settlement Committee:

Name Of The Member	Category
Mr. Kamran Arshad Inam	Chairman
Mr. Aftab Fakhruddin	Member
Mr. Badar Amin Sissodia	Member
Mr. Farrukh Aamir Baig	Member
Ms. Fatima Bano	Member

Reinsurance & Co-insurance Committee:

Name Of The Member	Category
Mr. Kamran Arshad Inam	Member
Mr. Najmul Hoda Khan	Member
Mr. Mansoor Abbassi	Member
Mr. Imran Ahmed	Member
Mr. Khurram Nasim	Member
Mr. Muhammad Sohail Nazir	Member
Mr. Pervez Ahmed	Member

Risk Management & Compliance Committee:

Name Of The Member	Category
Mr. Kamran Arshad Inam	Chairman
Mr. Najmul Hoda Khan	Member
Mr. Imran Ahmed	Member
Mr. Khurram Nasim	Member
Mr. Muhammad Sohail Nazir	Member
Mr. Mansoor Abbassi	Member
Mr. Atif Anwar	Member
Mr. Ali Ghulamali	Member
Mr. Amin Punjani	Member

20. The Board has formed the following Board Committees:

Ethics, Human Resource and Remuneration Committee:

Name of the Member	Category
Ms. Yasmin Hyder	Chairperson - Independent Director
Mr. Saifuddin N. Zoomkawala	Member - Non-Executive Director
Mr. Hasanali Abdullah	Member - Non-Executive Director
Mr. Kamran Arshad Inam	Member - Managing Director and Chief Executive Officer

Investment Committee:

Name of the Member	Category
Mr. Hasanali Abdullah	Chairman - Non-Executive Director
Mr. Saifuddin N. Zoomkawala	Member - Non-Executive Director
Mr. Taher G. Sachak	Member - Non-Executive Director
Mr. Kamran Arshad Inam	Member - Managing Director and Chief Executive Officer
Mr. Najmul Hoda Khan	Member - Chief Financial Officer

21. The Board has formed an Audit Committee. It comprises of five members, of whom two are independent directors and three are non-executive directors. The chairman of the Committee is an independent director. The composition of the Audit Committee is as follows:

Audit Committee:

Name of the Member	Category
Mr. Tanveer Sultan Moledina	Chairman - Independent Director
Mr. Hasanali Abdullah	Member - Non-Executive Director
Mr. Taher G. Sachak	Member - Non-Executive Director
Ms. Yasmin Hyder	Member - Independent Director
Mr. Asad Nasir	Member - Non-Executive Director

22. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

23. The meetings of the Committees, except Ethics, Human Resource and Remuneration Committee, were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The meetings of Ethics, Human Resource and Remuneration Committee were held twice during the year.

24. The Board has set up an effective internal audit department which comprises of suitably qualified and experienced staff for the purpose and are conversant with the policies and procedures of the Company and are involved in the internal audit function on a regular basis.

25. The Chief Executive Officer, Chief Financial Officer, Company Secretary & Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code. Moreover, the persons heading the underwriting, claim, reinsurance, risk management and grievance functions possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

Name of the Person	Designation
Mr. Kamran Arshad Inam	Chief Executive Officer
Mr. Najmul Hoda Khan	Chief Financial Officer
Mr. Amin Punjani	Company Secretary, Compliance and Risk Officer
Mr. Ali Ghulamali	Head of Internal Audit
Mr. Imran Ahmed	Head of Underwriting - Motor
Mr. Sohail Nazir	Head of Underwriting - Marine, aviation and transport
Mr. Mansoor Abbassi	Head of Underwriting - Fire and Property Damage
Mr. Khurram Nasim	Head of Underwriting - Miscellaneous
Mr. Pervez Ahmed	Head of Reinsurance
Mr. Aftab Fakhruddin	Head of Claims and Grievance Function

26. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No, XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company.

27. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, CCG 2019 or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

28. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code.

29. The Board ensures that the risk management system of the Company is in place as per the requirements of the Code.

30. The Company has set up a risk management function, which carries out its tasks as covered under the Code.

31. The Board ensures that as part of the risk management system, the Company gets itself rated from PACRA, VIS and AM Best which are being used by risk management function and risk management & compliance committee as a risk-monitoring tool. The rating assigned by PACRA and VIS on July 31, 2024 and February 19, 2025 respectively, are AA++ with stable outlook while the rating assigned by AM Best on July 19, 2024 is B- with stable outlook.

32. The Board has set up a grievance function, which fully complies with the requirements of the Code.

33. The Company has not obtained any exemption from the Securities and Exchange Commission of Pakistan in respect of the requirements of the Code.

34. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the CCG 2019 and all material principles contained in the Code have been complied with; and

35. Explanation for non-compliance with requirements of CCG 2019 other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are as follows:

REGULATION	REQUIREMENT	EXPLANATION FOR NOT MEETING NON-MANDATORY REQUIREMENTS
10A	**Environmental, Social and Governance (ESG) matters**	
	The board takes appropriate measures to proactively address the sustainability risks and opportunities and assess their potential financial and operational impacts and implement strategies for management and mitigation thereof. The committee shall also submit to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	At present the Ethics, Human Resource and Remuneration Committee provides governance and oversight in relation to the Company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced by SECP through notification dated June 12, 2024 will be complied with in due course.
29	**Nomination Committee**	
	The Board may constitute a separate committee designated as the nomination committee.	The functions of Nominations Committee are being performed by the Board.

The independent directors are appointed in terms of Section 166 (3) of the Companies Act, 2017 (the “Act”) through the process of election prescribed under Section 159 of the Act.

The Board has fixed the number of directors to be elected as seven (7) which included two (2) independent directors which were duly elected by the shareholders in their extraordinary general meeting held on July 7, 2023. The Board of Directors have appointed a Chief Executive Officer who is a deemed director in terms of Section 188 of the Act.

The fraction arrived at while calculating the one-third of Independent Directors has not been rounded up to one as the Board believes and understands that two (2) independent directors are sufficient and have requisite competencies, skills, knowledge, and experience to fulfill their obligations as per requirements of the applicable law and regulations and does not warrant the appointment of a third independent Director.

TAHER G. SACHAK	**HASANALI ABDULLAH**	**KAMRAN ARSHAD INAM**	**SAIFUDDIN N. ZOOMKAWALA**
Director	Director	Managing Director & Chief Executive Officer	Chairman

Environmental, Social & Governance (ESG) / Sustainability Strategy

GENERAL

Environmental, Social & Governance (ESG) / Sustainability Strategy *(BCR 4.01 & 4.02 (b))*

As a trusted insurer, EFU General is committed to fostering positive change in the social fabric of Pakistan and contributing to Pakistan's economic progress while upholding the highest standards of corporate responsibility.

This report provides ESG strategy and its impact on employees, customers, business partners, other stakeholders and the broader community in which we operate. The ESG strategy aims to integrate ESG considerations into its business practices, aligning with climate environment friendly.

The Board has assigned the ESG responsibility to its sub-committee, which reports annually to the Board.

Chairman's Overview on Sustainable Practices *(BCR 4.03)*

At EFU General Insurance, we recognize that sustainability is not just a responsibility—it is a driver of long-term financial success. Our commitment to environmental, social, and governance (ESG) practices strengthens our resilience, enhances stakeholder trust, and creates sustainable value for shareholders.

Environmental and social initiatives

In line with our ESG initiative EFU General shall continue to support philanthropic organizations working on the Environmental and Social Initiatives aligned with focused Sustainable Development Goals (SDGs), thus paving the way for a more sustainable future.

The Company remains committed to promoting the responsible use of resources and the preservation of the environment. Through initiatives focused on renewable energy adoption, clean water access, infrastructure resilience, and proactive climate change mitigation efforts, we strive to minimize our ecological footprint and contribute to a healthier planet.

Our SDG goals include:

- No Poverty
- Good Health and well- Being
- Quality Education
- Gender Equality
- Clean Water and Sanitation
- Decent Work and Economic Growth
- Industry, Innovation, and Infrastructure
- Reduced Inequalities

Social responsibility: EFUG's commitment to social responsibility remains steadfast, guiding our efforts to create a positive societal impact. Through an array of initiatives encompassing healthcare accessibility, education particularly for persons with different abilities, vocational trainings leading to employment, gender equality, and fostering diversity and inclusion we are poised to empower communities and foster social equity.

Our ESG strategy aims to address pressing social challenges and cultivate a more inclusive and prosperous society. As we continue to advance these initiatives, we envision a future where every individual has the opportunity to thrive and contribute for a brighter tomorrow. Details of the Company's CSR Initiatives are presented in CSR section of these Annual Report.

Governance Excellence

EFU General stands committed to upholding the highest standards of corporate governance, integrity, and transparency in all aspects of our operations. As we pave the way forward, our governance framework remains pivotal in ensuring accountability, ethical conduct, and the creation of long-term value for our shareholders, employees and other stakeholders.

Transparency and Disclosure:

EFU General will continue its unwavering commitment to transparent communication and disclosure practices. By providing stakeholders with timely and accurate information about our operations, performance, and risks, we bolster trust and confidence among our stakeholders while upholding the principles of accountability.

Risk Management:

EFU General will strengthen its robust risk management processes to identify, assess, and mitigate risks associated with ESG threats. This includes conducting risk assessments and implementing measures to mitigate ESG-related risks, monitoring and reporting on ESG-related risks as well as their potential impact on business operations.

Ethics and Compliance:

By establishing robust code of conduct, providing ongoing ethics training, and implementing mechanisms for reporting ethical concerns, EFU General ensures compliance with laws and regulations while safeguarding individuals who report misconduct.

Board Oversight:

The Board of Directors of the Company will continue to provide vigilant oversight and strategic guidance to ensure alignment with legal requirements, industry standards, and stakeholder expectations. By setting strategic direction, overseeing risk management, and ensuring compliance with regulatory requirements, the Board plays a crucial role in driving sustainable business practices.

Stakeholder Engagement: *(BCR 5.12 (j))*

EFU General will enhance its stakeholder engagement efforts to better understand their needs, concerns, and expectations. By establishing effective communication channels, conducting regular consultations, and incorporating stakeholder feedback into our ESG strategies, we ensure inclusivity and responsiveness in our decision-making processes.

ESG initiatives have a profound impact on stakeholders and the broader community, fostering a culture of responsibility and sustainability. Through environmental stewardship, social responsibility and governance excellence, EFU General aims to create long-term value for shareholders while promoting equality, protecting the environment, and improving societal welfare. By integrating ESG principles into our business strategies and aligning with the Sustainable Development Goals, EFU General demonstrates its commitment to responsible corporate citizenship, driving positive change and contributing to build a more sustainable future for all.

EFU General provides health and medical facilities to its employees. *(BCR 4.04 & 5.12 (i))*

EFU General takes environmental initiatives by integrating the 3Rs (Reduce, Reuse, Recycle) into their operations while also reducing pollution, depletion, and degradation of natural resources by reusing the papers on both sides, promoting the water saving by installing the automatic taps.

The Company is in the process of installation of solar power plant for power generation to reduce the use of fossil fuel for generation of electricity.

A project to install a complete fire fighting system to cover all three sections and 7 floors with a Hydrant network, Hose reels and a pressurized water delivery is in its final stages of design review and contract signing. Expected project implementation time is approximately 20 weeks.

Being an old building, constructed 70 years ago, a detailed study is being conducted to assess structural integrity. Report will include as deliverables, actions required to enhance the lifespan, while also ensuring the safety of all those who work here and visitors.

Building lighting design is under review with an objective of rationalizing Power consumption

In efforts to expand the digitization process, a Facility maintenance software has been developed to achieve better cost controls, execution and records for maintenance planning EFU General actively implements the Technological innovation to play a crucial role in advancing sustainability by improving energy efficiency and innovation. We have introduced e-policy to reduce the usage of paper.

Insurance-related sustainability-related risks and opportunities: *(BCR 3.02 (c) & 3.05)*

The insurance sector is heavily influenced by sustainability factors, particularly in relation to climate change, resource scarcity, regulatory shifts, and evolving customer expectations. Insurers must assess these risks and opportunities to maintain financial stability and ensure long-term growth. The risk and opportunities for EFU General are as follows:

Risks: *(BCR 3.01, 4.02 & 4.02 (d))*

1. Climate Change Risks – Increased claims due to extreme weather events (floods, storms, wildfires, earthquakes etc.).
2. Regulatory Risks – Change in laws and regulations will affect the company.
3. Liability Risks – Legal claims related to environmental damage etc.
4. Market Risks – Shift in consumer preferences towards other insurers with strong ESG commitments.

Opportunities: *(BCR 3.01 & 4.02)*

1. Sustainable Investments – Shifting investment portfolios to ESG-friendly assets like green bonds and low-carbon companies.
2. Technology & Risk Management – Using AI for climate risk modeling and data-driven underwriting.
3. Incentivizing Sustainability – Charging lower premiums for more focused eco-friendly businesses and EVs.

Financial Impact of Sustainable Practices

Risk Mitigation & Cost Efficiency

Sustainable underwriting practices, climate risk assessments, and responsible investment strategies reduce exposure to financial losses from environmental and regulatory risks. Energy efficiency initiatives and digital transformation lower operational costs, improving profitability.

Market Competitiveness & Revenue Growth

Eco-friendly insurance products and responsible investment portfolios attract ESG-conscious clients and investors, opening new revenue streams. Enhanced customer trust leads to higher retention rates, driving long-term financial stability.

Regulatory Compliance & Investor Confidence

Proactive adherence to sustainability regulations minimizes legal risks and penalties. Strong governance practices and transparent ESG reporting enhance investor confidence, increasing access to capital and improving credit ratings.

Corporate Social
Responsibility

Corporate Social Responsibility (CSR)

"EFU General believes to be a responsible Corporate Citizen. It provides support to various organization creating impact on social landscape of the Country."

Aga Khan Hospital and Medical College Foundation (AKHMCF)

The Aga Khan Hospital and Medical College Foundation (AKHMCF) is a leading healthcare institution known for its high-quality medical services, research, and education. It provides world-class healthcare across various specialties, ensuring access to advanced medical treatments. The hospital is recognized for its patient-centered approach, cutting-edge technology, and highly trained medical professionals.

Afzaal Memorial Thalassemia Foundation (AMTF),

The Afzaal Memorial Thalassemia Foundation (AMTF), established in 2003, is a registered non-governmental organization dedicated to providing comprehensive, free-of-cost care to children suffering from thalassemia and other blood disorders. Located in Karachi, Pakistan, AMTF offers a range of services under one roof, including outpatient and inpatient care, a state-of-the-art intensive care unit (ICU), specialized clinics, laboratory and diagnostic services, and a blood bank.

Al Furqan Welfare Organization (AFWO)

The Al Furqan Welfare Organization (AFWO), established in 2012, began with just 16 students and 2 teachers, driven by a mission to provide quality education to underprivileged children in Pakistan. Over the years, AFWO has expanded its efforts, focusing on creating schools in underserved communities to empower children through education and uplift entire communities both morally and economically. AFWO operates multiple schools, known as AF Schools, aiming to democratize literacy and shape bright futures for the next generation.

Anjuman Kashana-e-Atfal-o-Naunihal (AKAN)

Anjuman Kashana-e-Atfal-o-Naunihal (AKAN) is a charitable institution in Karachi supporting orphaned girls and abandoned infants since 1965. It currently cares for 126 girls, providing education, career guidance, and marriage facilitation. AKAN has placed around 800 abandoned babies into loving families worldwide.

Bait-ul-Sukoon

Bait-ul-Sukoon, provides comprehensive care to underprivileged patients in Karachi. It offers diagnostic, treatment, and support services, including chemotherapy, radiotherapy, psychological counseling, and hospice care. Since its inception, the hospital has registered over 49,218 patients and conducted more than 280,000 consultations.

Burhani Medical Welfare Association (BMWA)

The Burhani Medical Welfare Association (BMWA), also known as the Burhani Blood Bank & Thalassemia Centre, is a charitable organization dedicated to providing medical assistance to individuals suffering from thalassemia and other blood disorders. Based in Karachi, Pakistan, BMWA offers a range of services, including blood transfusions, diagnostic facilities, and patient support programs. The organization is committed to improving the quality of life for patients by ensuring access to safe blood and comprehensive care.

Cancer Foundation Hospital (CFH)

The Cancer Foundation Hospital (CFH) in Karachi, established in 2017, is a non-profit institution providing comprehensive and affordable cancer care. With over 100 inpatient beds, including 27 critical care beds, CFH offers chemotherapy, surgical oncology, endoscopy, and advanced radiology services, including Pakistan's first 3D mammography. It also has a well-equipped laboratory and telemedicine facilities to support remote patients.

ChildLife Foundation

The ChildLife Foundation is a non-profit organization in Pakistan providing quality and free healthcare to children. It focuses on emergency care by modernizing pediatric ERs in public hospitals, telemedicine centers for remote consultations, and preventive health programs promoting nutrition and hygiene. Funded by donations and Zakat, it ensures all services remain accessible to those in need.

The Citizens Foundation (TCF)

The Citizens Foundation (TCF) is a non-profit organization established in 1995 in Pakistan, dedicated to providing quality education to underprivileged children. As of 2022, TCF operates 1,833 school units, educating approximately 280,000 students, with an all-female faculty of 12,000 teachers and principals.

Fakhr-e-Imdad Foundation (FIF)

Fakhr-e-Imdad Foundation (FIF), established on May 13, 2000, focuses on delivering quality education, vocational training, IT training, and healthcare services in rural regions of the country. FIF's educational institutions are situated in underserved areas such as Mirwah Gorchani, Mandranwala, and Tando Ghulam Ali.

Friends of Burns Centre

The Burns Centre, located at Civil Hospital, Karachi, is a 66-bed facility that has been dedicated to providing comprehensive medical and operational services to underprivileged burn patients at no cost. In addition to patient care, the Centre is actively involved in research and the training of medical professionals in the specialized fields of Burns Care and Plastic Surgery.

Friends of Pink Ribbon

Friends of Pink Ribbon is a dedicated group within Pink Ribbon Pakistan, a non-profit organization established in 2004 to combat breast cancer through awareness, early detection, and treatment. Pink Ribbon Pakistan operates the country's first dedicated breast cancer hospital in Lahore.

HANDS Foundations

HANDS (Health and Nutrition Development Society) is a leading non-profit organization in Pakistan, established in 1979, dedicated to community empowerment through healthcare, education, poverty alleviation, and infrastructure development. With over 10,000 professionals and thousands of volunteers, HANDS provides medical services, builds schools, supports livelihoods, and improves infrastructure in underserved areas.

The Helpcare Society (THS)

The Helpcare Society (THS) is a non-profit, non-political organization established in September 1998, dedicated to providing quality education to underprivileged children in Pakistan. Its flagship project, Teach A Child (TAC) School, offers a 14-year comprehensive education from nursery to university, charging a nominal fee of Rs. 5 per month to ensure accessibility.

The Hunar Foundation

The Hunar Foundation (THF), established in 2008, empowers marginalized youth in Pakistan through vocational and technical education. Offering industry-focused training in fields like electrical installation, plumbing, welding, and beauty therapy, THF ensures high educational standards with globally recognized certifications from City & Guilds (UK).

IBP School of Special Education

The IBP School of Special Education, established under the Institute of Behavioral Psychology, provides specialized education and therapeutic services for children with developmental and intellectual disabilities. It caters to students with conditions like Autism, Down Syndrome, and Cerebral Palsy, offering a tailored curriculum focused on academics, vocational skills, and life skills.

Indus Hospital

Indus Hospital is a state-of-the-art healthcare facility in Karachi, Pakistan, founded in 2007 with the mission of providing free, high-quality healthcare services to underserved communities. It is a fully integrated, multi-specialty hospital offering services in areas such as oncology, cardiology, pediatrics, orthopedics, and more. The hospital operates with a commitment to compassion, excellence, and innovation, relying on donations to cover its operational costs.

Lady Dufferin Hospital

Lady Dufferin Hospital, established in 1893, is one of the oldest and most renowned hospitals in Karachi. The hospital specializes in maternal and child healthcare, offering a range of services including obstetrics, gynecology, pediatrics, and neonatology.

Kidney Center

The Kidney Center in Karachi, Pakistan, is a leading healthcare institution dedicated to the prevention, diagnosis, and treatment of kidney-related diseases. Established in 1994, the center offers specialized services such as dialysis, kidney transplantation, and nephrology consultations. With state-of-the-art facilities and a focus on providing affordable care, the Kidney Center serves a large number of patients, particularly those from underserved communities.

Layton Rehmatullah Benevolent Trust (LRBT)

Layton Rehmatullah Benevolent Trust (LRBT), established in 1984, dedicated to providing free eye care and treatment to underprivileged communities. LRBT operates a network of eye hospitals and clinics across the country, offering services such as cataract surgeries, treatment for eye diseases, and corrective eye surgeries, all at no cost to the patients. The trust's mission is to eliminate blindness in Pakistan.

Marie Adelaide Leprosy Centre (MALC),

The Marie Adelaide Leprosy Centre (MALC), established in 1962, is dedicated to the elimination of leprosy, tuberculosis (TB), and the prevention of blindness. Founded by Dr. Ruth Pfau, a German-born physician and nun, MALC has been instrumental in providing comprehensive care to individuals affected by these diseases.

Markaz-e-Umeed Foundation

Markaz-e-Umeed Foundation is dedicated to supporting children with special needs. Established with the goal of providing education, therapy, and vocational training, the foundation focuses on empowering individuals with disabilities and promoting their inclusion in society. Through its specialized programs, Markaz-e-Umeed aims to improve the quality of life for these children and help them lead independent and fulfilling lives.

Memon Medical Institute

Memon Medical Institute is a prominent healthcare facility in Karachi, Pakistan, dedicated to providing high-quality medical services to the community, particularly focusing on the underserved population. The institute offers a range of medical services, including general healthcare, specialized treatments, and emergency care. It is equipped with state-of-the-art medical technology and staffed by skilled healthcare professionals.

Panah Trust

Panah Trust is dedicated to providing shelter, support, and rehabilitation for individuals in need, particularly those facing homelessness and social isolation. Established with the aim of offering a safe haven, the trust provides basic necessities such as food, medical care, and education to underprivileged individuals. Panah Trust also focuses on empowering its beneficiaries by offering vocational training and other rehabilitation programs, helping them reintegrate into society.

Patients Aid Foundation (PAF)

Patients Aid Foundation (PAF) provides financial assistance and healthcare support to underprivileged patients in need of medical treatment. Established with the goal of alleviating the burden of healthcare costs for the economically disadvantaged, PAF helps cover the expenses of surgery, medications, diagnostic tests, and other essential healthcare services.

Patients' Behbud Society for AKUH

The Patients' Behbud Society for AKUH (Aga Khan University Hospital) is a charitable organization dedicated to providing financial assistance to low-income patients seeking medical care at AKUH. Established to support individuals who cannot afford the treatment, the society helps cover the expenses for surgeries, medications, and other essential healthcare services. It plays a vital role in ensuring that every patient, regardless of their financial status, receives quality healthcare at one of Pakistan's leading hospitals.

Poor Patients Aids Society

The Poor Patients Aids Society is dedicated to providing financial assistance and healthcare support to underprivileged patients who cannot afford the high costs of medical treatment. The society focuses on offering free or subsidized medical care, including surgeries, medicines, diagnostic tests, and hospitalization, ensuring that patients from low-income backgrounds receive necessary treatment.

Sindh Institute of Urology and Transplantation (SIUT)

The SIUT Trust (Sindh Institute of Urology and Transplantation) is a leading non-profit healthcare institution in Pakistan, dedicated to providing high-quality medical services, particularly in the field of urology, nephrology, and organ transplantation. Founded in 1970, SIUT offers comprehensive healthcare services, including dialysis, kidney transplants, cancer treatments, and other specialized care, regardless of patients' financial status.

Society for the Rehabilitation of Special Children (SRSC)

The Society for the Rehabilitation of Special Children (SRSC) is a non-profit organization dedicated to supporting and rehabilitating children with physical and mental disabilities. Established with the aim of providing specialized education, therapy, and vocational training, SRSC works to enhance the quality of life for special needs children.

Special Olympics Pakistan

Special Olympics Pakistan is a non-profit organization that provides sports training and competition opportunities for individuals with intellectual disabilities. Part of the global Special Olympics movement, the organization aims to empower athletes by promoting inclusion, improving physical and mental health, and building self-confidence through sports.

Zubaida Machiyara Trust (ZMT)

The Zubaida Machiyara Trust (ZMT) is dedicated to providing healthcare services to underserved communities in Pakistan. Established in memory of Zubaida Kassim, the Trust aims to make healthcare accessible to those who cannot afford it. ZMT operates a network of free healthcare clinics that offer medical consultations, diagnostic services, and essential medicines. In addition to its clinic-based services.

Implementing Governance Practices Exceeding Legal Requirements

The Company regularly provides training for its officers and departmental heads to comply with the relevant laws and regulations. Company follows practice of good governance and compliance with the Code of Corporate Governance practices.

Energy Conservation

Every year, we do our in-house Energy Conservation Audit which is bench marked by monthly reports. In this way, we keep a close watch over our energy conservation. All electrical items used in our offices are energy-friendly. A rotation system is also introduced in which HVAC system (Gas Fired Cooling Towers) are turned on and off on set intervals. Lights are switched off during Lunch break.

Water Conservation

Water conservation system includes automatic water conservative taps that have resulted in reduction of water utilization, thus efficiently reducing unnecessary water usage.

Environmental Protection Measures

The Company is well aware of its social responsibility in regard to environmental protection. Therefore, we encourage healthy environment and take steps which could add value to our belief. Our experienced and qualified team makes sincere efforts to create a healthy environment for trade & industry in carrying out their business and the public in general. Since our business of covering the risk involves human intellectual skills, therefore, it does not have any adverse environmental impact. We have placed green beautiful plant pots on all floors in abundance for positive impact on environment and promote an eco-friendly workspace that has led to a considerable reduction of carbon emission from the environment.

Consumer Protection Measures

Emphasis on earning the trust of the customers is the keystone of EFU's corporate culture. It is the first thing that we inculcate in new inductees in our human resource. “Keep delivering on promises and customers will keep coming back” was our credo when we opened for business, it is our credo now, and will remain so for the future. With protection from EFU, business houses have grown and diversified, enhancing the Country's economic progress and our business portfolio. It is no surprise that with many customers the status of EFU is that of a “family insurer”. It is also gratifying that every year a noteworthy part of our new business comes from referrals by our existing customers, some of whom have been insuring with us for generations.

VIS and PACRA rate us “AA++” with Stable Outlook and A. M. Best has rated us as “B-” with Stable Outlook but the more valuable reflection for us is the way customers perceive us. Most often this is expressed in just three words; “My Insurance Company”. This is the reason why we have slogan of “EFU - Your Insurance Company”.

Procedure Adopted for Quality Assurance of Products / Industrial Relations

EFU General believes that meeting customer expectations comes from consistently meeting standards and delivering consistent results is at the core of quality assurance procedures. It is our responsibility to ensure that every employee understands the quality definitions and how he / she is to make certain those standards are met. Measuring the quality that is delivered is critical for consistent results. Department / Branch Heads monitor work processes and maintain quality standards. As per ISO 9001:2015 standards, EFU General has established procedures for quality assurance of services by continually improving the effectiveness of the quality management system through the use of:

- the quality policy,
- quality objectives,
- audit results,
- analysis of data
- corrective and preventive actions,
- regular management reviews,
- trainings,
- customer feedback system and
- monitoring / measurement activities.

The old expression, "There is always room for improvement," rings true when it comes to quality assurance. To keep our business on the cutting edge, we always ask the question, "How can we make this better?" By tweaking the process where required or by raising standards each year, we will see our overall business quality improve to levels higher than ever before

Business Ethics and Anti-corruption Measures

The Board has adopted the Statement of Ethics and Business Practices. All employees are informed of this and are required to observe these rules of conduct in relation to business and regulations. Statement of Ethics and Business Practices are based on integrity, dignity, culture of excellence and ethical dealing with clients, peers and the public.

Financial Contribution to the National Exchequer

Your Company contributes substantially to the national economy in terms of taxes and duties and the contribution is increasing as the Company is growing. This year the Company contributed Rs. 9.88 billion to the National Exchequer in the form of Federal Excise Duty, Sales Tax, Income Tax, Federal Insurance Fee, Custom Duties, and Policy Stamps etc. *(BCR 5.23)*

Natural Catastrophe Impact

Natural disaster is an act of nature such as earthquakes, floods, and hurricanes which inflict serious damage to property and lives. In order to assess potential insured loss from natural catastrophe perils, various catastrophe models were designed like Risk Quantification & Engineering and Corporate Risk Solution. These models provide decision makers with a range of expert views of the risk aiding objective evaluation, benchmarking and decision making. Access to multiple models in Asia and particularly in Pakistan, is important given the potential high level of uncertainties in model outcomes due to the relatively low loss experience, access to quality data and the low level of insurance penetration making it historically difficult to build and calibrate models to local conditions. EFU ensures that property reinsurance program is designed in accordance with the recommendations made by such Catastrophe modelling. No natural catastrophe event happened during last five years.

Management Representations & Outlook

Awards & Recognitions

At EFU General, excellence is not just a goal it is our standard. Our unwavering commitment to innovation, customer trust, and industry leadership has earned us numerous accolades over the years. These prestigious awards serve as a testament to our dedication to delivering superior insurance solutions, maintaining the highest service standards, and setting new benchmarks in the industry. Each recognition reinforces our promise to safeguard our clients with integrity, resilience, and excellence.

Awards and Recognitions

Brands Icon Award 2024

EFU General Insurance Limited, as a premier general insurance provider in Pakistan, proudly received the prestigious ‘Brands Icon Award 2024’ for Best General Insurance Company, awarded by The Brands Foundation. This recognition serves as a hallmark of excellence, highlighting brands that demonstrate exceptional market standing and consumer preference within their industry. EFU’s consistent achievement of this award underscores our commitment to delivering superior services to our customers. This accomplishment reflects the dedication and relentless effort of the entire EFU Family.

16th Corporate Social Responsibility Award 2024

In 2024, EFU General was honored with the ‘16th Corporate Social Responsibility (CSR) Award’ by the National Forum for Environment and Health, in recognition of our initiative in ‘Public Health Safety (NFEH).’ This award is notable as the first and only CSR accolade in Pakistan registered with the Intellectual Property Organization of Pakistan. This acknowledgment is a testament to EFU’s ongoing dedication to social and environmental sustainability and our commitment to enhancing the quality of life in various communities.

21st Environment Excellence Awards 2024

EFU General has been awarded the ‘Annual Environment Excellence Awards 2024’ by the National Forum for Environment and Health (NFEH). This award affirms EFU’s steadfast commitment to energy conservation and environmental protection, contributing to a sustainable and greener Pakistan. Our continued recognition in this domain for seven consecutive years illustrates our leadership in upholding environmental standards in the nation.

14th Annual Fire Safety Award 2024

At the 14th Fire Safety & Security Convention 2024, organized by the Fire Protection Association of Pakistan and the National Forum for Environment and Health (NFEH), EFU General was honored with the 14th Fire Safety Award. Our organization prioritizes the implementation of Health, Safety, and Environment (HSE) objectives, striving for continuous improvement to create a safe working environment for our employees and stakeholders. Our commitment to occupational health, safety, and environmental protection has resulted in our receipt of this award for ten consecutive years.

18th Consumer Choice Award 2024

EFU General proudly received the 18th Consumer Choice Award 2024, recognizing our status as the Best General Insurance Company in Pakistan. This accolade reflects our exemplary performance in the non-life insurance sector, as recognized by the Consumers Association of Pakistan (CAP). This significant event aims to foster consumer awareness and promote healthy competition among business leaders to enhance the quality of goods and services available to consumers.

Shaukat Khanum CSR Award 2024

EFU General was honored with the Shaukat Khanum CSR Award in recognition of its commitment to corporate social responsibility and unwavering support for healthcare initiatives. This prestigious accolade acknowledges EFU General's contributions towards the welfare of communities, reinforcing its dedication to making a meaningful impact through sustainable and responsible business practices.

Memberships of Industry, Associations and Trade Bodies

Key benefits of joining a trade association is the ability to support the mission of the organization and possibly influence legislation that affects the industry. These industry associations help provide a forum for networking, training and education, certifications, influence, spreading best practices, exchange of thoughts and information, building relationship across the board. The Company is associated with various chambers of commerce, associations, forums, and trade bodies to be able to actively play key role in addressing the issues concerning the organization and business community at large. EFU General Insurance Limited being the oldest Insurance Company feels pride in its association with the following bodies:

- Insurance Association of Pakistan
- Pakistan Business Council
- Management Association of Pakistan
- Pakistan Institute of Corporate Governance
- Federation of Pakistan German Chamber of Commerce & Industry
- Pakistan Belgium & Luxemburg Business Forum
- Karachi Chamber of Commerce and Industry
- Rawalpindi Chamber of Commerce and Industry
- Islamabad Chamber of Commerce and Industry
- Pak China Joint Chamber of Commerce
- The Pakistan National Committee of the International Chamber of Commerce & Industry
- Pakistan Insurance Institute
- Employers Federation of Pakistan

Business Rationale for Major Capital Expenditure

The investment in Information Technology is the primary focus area of the Company. This is in order to have a state-of-the-art IT environment that enables optimal use of technology thus saving operational cost and provision of timely services to the clients. Moreover, the Company has made significant investment in the renovation of branches and head office to deliver prompt services to our clients and to provide a better working environment to its employees respectively.

Compliance with International Financial Reporting Standards (IFRS) *(BCR 11.01)*

Your Company complies with the applicable International Accounting Standards (IAS)/IFRS vital for true and fair preparation and presentation of financial information. Compliance to IFRS encourages sufficient disclosures of the financial statements that are beneficial for informed decisions of stakeholders.

The International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as applicable in Pakistan, have been followed in preparation of the financial statement. The adoption of IFRS status is explained in detail in note 2.1 of annexed unconsolidated and consolidated financial statements.

Strategic Objectives *(BCR 2.01)*

- Retain leadership position in the market.
- Explore opportunities by introducing new products and diversifying product portfolio.
- Pursue continuous improvement and technological advancement.
- Enhance corporate capabilities and motivation through skill enhancement, management development and reward programs.

Resource Allocation

The Company believes in generating its own capital to implement the strategies or plans in order expand its business activities. Resources are budgeted and allocated for the management to operate professionally without Board's intervention in operations.

Corporate Restructuring, Expansion and Discontinuance *(BCR 2.08)*

Currently, the Company has no such plans.

Changes in Objectives / Strategies from Prior Years

There are no significant changes in the Company's objectives / strategies as compared to prior years.

Key Performance Indicators (KPIs) of the Company

The Company is persistently endeavoring to lay emphasis on being the preferred insurer as well as maintaining its leadership position in the industry. The key measures for KPIs against stated objectives of the Company are stated as under:

- Improving underwriting results - The business managers are continuously making efforts to increase business from their existing fields of operations and also explore untapped markets.
- Improved overheads - We continue to look at the expense base and control and try to make additional mileage from each rupee spent.
- Continue to be market leader - With nine decades of market presence, EFU is a brand name in Insurance industry of Pakistan.
- Customer satisfaction - At EFU General, customer service is a promise, a determination to do what is right for the customers. We have earned the trust of customers with our dedication to serve them in the best possible manner and always delivering on our promises.
- Increasing shareholders' wealth - Maximizing shareholders' wealth is among the core objectives of the Company. Increasing the Company's value would also satisfy the other goals.
- Managing investment income through investment mix according to economic & market conditions.

Capital Structure

The Company maintains strong financial base. The Company's solvency as at 31st December 2024 was Rs. 14.3 billion as against required solvency of Rs. 4.1 billion i.e. excess of Rs. 10.2 billion over minimum required solvency (which is more than 3.5 times the minimum required).

Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates

EFU General Insurance Limited, established in 1932, is a prominent non-life insurance company in Pakistan.

Ownership Structure: As of December 31, 2024, the ownership distribution of the Company is available in pattern of shareholding.

Operating Structure and Relationship with Group Companies:

EFU General Insurance Limited operates as the parent company, with EFU Life Assurance Limited as its subsidiary.

Statement of Management Responsibilities towards the preparation and presentation of Financial Statements

The Management is responsible for the preparation and presentation of financial statements in accordance with accounting and reporting standards as applicable in Pakistan and requirements of Insurance Ordinance, 2000 and Companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting. Board of Directors is responsible for overseeing the Company's financial reporting process.

The Management has established system of internal control that is designed to provide reasonable assurance that assets are safeguarded from loss or un-authorized use, and to produce reliable accounting records for the preparation of financial information. The Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards and applicable laws, and maintains proper standards of conduct for its activities. The Financial Statements are duly audited by external auditors of the Company in accordance with the International Auditing Standards as applicable in Pakistan. The external auditors have confirmed that the financial statements have been prepared in conformity with the accounting and reporting standards as applicable in Pakistan. The financial statements of the Company have been duly signed by Chairman, Chief Executive Officer, Chief Financial Officer and two Directors as required by law.

Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.

EFU General Insurance Limited operates within a structured ownership framework. Below is an overview of its beneficial ownership and group relationships:

Major Shareholders of EFU General Insurance Limited: *(BCR 1.05)*

Shareholder	Percentage of Ownership
*Jahangir Siddiqui & Co. Ltd.	21.10%
Muneer Bhimjee	14.44%
Managing Committee Of Ebrahim Alibhai Foundation	12.02%
Rafique Bhimjee	11.10%
Energy Infrastructure Holding Pvt Ltd.	7.54%

*Jahangir Siddiqui & Co. Ltd. is the holding Company of JS Group. Other details are available in Pattern of shareholding.

Group Structure and Relationships:

EFU Life Assurance Limited: EFU General Insurance Limited holds a significant stake and control in EFU Life Assurance Limited, effectively making it a subsidiary. *(BCR 1.07)*

A general review of the Performance of the Company, including its subsidiary and major improvements from last year. *(BCR 1.09)*

The Earnings per Share of EFU General and EFU Life are as follows:

Company Name	2023	2024
EFU General Insurance Limited	Rs. 16.41	Rs. 18.56
EFU Life Assurance Limited	Rs. 20.64	Rs. 28.82

The Earnings of EFU Companies have significantly improved in the year 2024.

Position of EFU General Insurance Limited in the Value Chain: *(BCR 1.11)*

1. **Upstream (Input Side):** EFU sources risk coverage from reinsurers companies.
2. **Technology & IT Support:** Collaborates with fintech firms for digital insurance platforms and automation.
3. **Core Role:** Acts as an insurance provider, offering general insurance policies.
4. **Underwriting & Pricing:** Evaluates risks and determines premium costs for firms, businesses and individuals.
5. **Policy Issuance:** Provides coverage for motor, fire, marine, travel, engineering insurance and miscellaneous class.
6. **Claims Processing:** Works with surveyors, auto workshops, salvage buyers etc. to settle claims efficiently.
7. **Sales & Distribution:** Uses brokers, agents, banks (bancassurance), and online channels to sell policies.
8. **Customer Base:** Includes corporate clients, SMEs, retail customers etc.
9. **Regulatory Compliance:** Ensures adherence to SECP and other regulatory bodies.
10. **Downstream (Service Side):** Works with legal experts, repair shops, salvage buyers, adjusters etc. to process claims.

The effect of seasonality on business in terms of sales: *(BCR 1.12 (b))*

Seasonality plays significantly influence on the sales dynamics of EFU General Insurance Limited like:

- **Year-End:** Major clients policies are renewed at their respective year ends.
- **Travel season:** surge in the travel policy.

The legitimate needs, interests of key stakeholders and industry trends: *(BCR 1.13)*

EFU General Insurance Limited operates within a dynamic landscape, balancing the legitimate needs and interests of its key stakeholders while adapting to prevailing industry trends.

Key Stakeholders and their Interests are as follows:

Clients require Comprehensive coverage options, prompt claims processing, and transparent policy terms.

Shareholders and Investors require Sustainable profitability, prudent risk management, and consistent returns on investment.

Employees require fair compensation, professional development opportunities, and a supportive work environment.

Regulatory Bodies (e.g., SECP) needs Compliance with legal frameworks, financial transparency, and consumer protection.

Community and Society require Corporate Social Responsibility (CSR), sustainable and ethical business practices, and contributions to societal well-being.

Industry Trends / Digital Transformation:

The Pakistani insurance sector is increasingly adopting digital technologies to enhance customer experience and operational efficiency. Collaborations between banks and insurance companies are on the rise, expanding distribution channels and accessibility of insurance products.

Significant Event during the year and after reporting period: *(BCR 1.17)*

No significant event took place after the reporting period. During the year, Our subsidiary, EFU Life Assurance Limited has acquired 100% of shareholding of EFU Health, a EFU Group health insurance Company, which was subsequently merged with and into EFU Life.

The capabilities and resources of the Company that provide sustainable competitive advantage, resulting in value creation *(BCR 2.03)*

EFU General Insurance Limited has developed several key capabilities and resources that provide a sustainable competitive advantage, leading to significant value creation.

Robust Financial Performance: The Company has maintained strong operating profitability during previous six years. The data is provided in financial analysis section of this report.

Strategy & Resource Allocation

Liquidity Management Strategy

Your Company carefully administers its liquidity to ensure its ability to meet all its obligations efficiently. The Company operates and honor's its obligations through the cash flow generated from its core business as well as investment and other income.

Significant Changes in Assets & Liabilities

The Company's performance, as compared to the preceding year, has shown improvement, details of which are in the Directors' Report. The Company's Total Assets rose by 7.2 % over last year. Window Takaful Operations' Assets showed a increase of 28.0% over last year.

Strategies in place to Achieve Objectives

Our strategy is designed to deliver sustainable, profitable growth in a changing and competitive business environment in order to maintain leading position in the industry. To take EFU General to the greater height, in addition to writing normal conventional and takaful business, we are also focusing on the markets and customer segments where we have competitive edge and offer superior value proposition to our customers.

The Window Takaful Operations are also growing. We see further growth in Takaful market in the years to come. We have the highest takaful written contribution (premium) in the market not only in Window Takaful operating segment but even higher than dedicated takaful companies writing non-life business.

We continue to invest in our people and systems and processes to better understand our customer's needs, serve them in the way they require, increase collaboration and improve efficiency.

Resource Allocation *(BCR 2.02)*

Effective resource allocation is crucial for an insurance company to remain competitive, ensure financial stability, and provide excellent customer service.

An insurance company should allocate financial capital for claims, operations, investments, and technology. We remain focus on skilled hiring, training, and retention. Our Intellectual capital drive innovation, compliance and market research. Social capital enhances customer trust, partnerships, and community engagement. Natural capital supports sustainability and climate risk solutions.

Analysis of Prior Period's Forward-looking Disclosure *(BCR 9.01 to 9.05)*

Your Company had set financial targets for 2024 of being the largest and the best Company in the insurance sector and pleased to report that your Company continues to maintain the lead position inside Pakistan in non-life insurance sector.

Progress in 2024

Despite macroeconomic headwinds during the year, your company remained the market leader. During the year, gross written premium was Rs. 41.2 billion as against Rs. 41.5 billion last year. The net premium revenue has been depicting consistent growth over the last several years, underlining the Company's sufficient capital adequacy coupled with financial strength. The net premium revenue for the year was Rs. 14.5 billion as against Rs. 12.3 billion for the last year. For the year, investment & other income was Rs.2.3 billion despite the heightened volatility in interest rates.

The key performance indicators set to achieve management objectives focused on maximizing customer satisfaction, enhancing shareholder value, and maintaining market leadership.

Simultaneously, the company continued implementing a robust Enterprise Risk Management (ERM) program.

To cultivate a supportive and motivating work environment, the Company has established formal policies prioritizing employee well-being. These policies include access to healthcare, insurance, clean water, open communication, and professional development through training programs. Last year, the Company successfully implemented Human Resource software and conducted technical and leadership training for employees.

The Management remains vigilant in assessing business needs and implementing strategic measures to protect stakeholder interests.

Forward-Looking Statement for 2025

The Company anticipates steady underwritten premium, net premium and profit growth in the short to medium term, driven by increased digital adoption, customer-centric products, innovation, and strategic partnerships. In the long term, we expect further growth in business through technology driven products, regulatory-driven market opportunities, and climate-related insurance products. Key risks include regulatory changes, economic downturns, and climate impact on claims.

Sources & Assumptions for Projection

Projections are based on historical trends, actuarial models, regulatory insights, and market research.

Status of Ongoing Projects, Future Research & Development Initiatives

The Company will continue to keep innovating and develop the new products in line with the regulatory and customer's requirements.

Government's Policies Related to Insurance Sector and Impact on Performance

The Government of Pakistan has implemented various Ordinances, Rules and Regulation to express the goals, decisions, and actions adopted by government for political, social, and economic management. Other than Micro Insurance Rules 2014, Insurance Rules, 2017, Insurance Ordinance, 2000, The Marine Insurance Act 2018 and Companies Act, 2017, the Government of Pakistan has passed (Anti Money Laundering and Countering Financing of Terrorism AML/CFT Regulations, 2020) which in addition to implementing suitable transaction monitoring measures also prevent insurance products from being used for criminal purposes, also help to ensure that Insurers AML/CFT programs include suitable customer due diligence (CDD) measures to verify the identities of their customers. Moreover, (Corporate Insurance Agents Regulations, 2020) lays down the requirement for any person working as an insurance agent in life and non-life business to comply with code of conduct, certification and training requirement without which they will not be able to operate.

Initiatives on Promoting and Enabling Innovation

Due to increase in cyber-attacks and data breaches, the company has taken the initiative to implement the Information Security standard - ISO 27001-2013 which will enhance our IT/information security governance, risk management process, and security culture along with securing data/information at every level. The initiative also complies with the SECP Cyber Security Framework, which had been rolled out in April 2020.

Strategic Reinsurance Partnerships

EFU General is protected by top-rated global reinsurers, enhancing its capacity to underwrite large and diverse risks, thereby providing a competitive edge over other insurers.

Technological Advancements

The Company has leveraged technology to streamline claims processing and deliver tailored services, enabling it to capture market share and maintain a competitive edge.

Comprehensive Product Portfolio

EFU General offers a diverse range of insurance products, catering to various market segments, which enhances its ability to meet diverse customer needs and sustain its market position.

Experienced Management and Workforce

The Company's professional management and highly motivated field force contribute to effective strategy execution and customer service excellence.

These capabilities and resources collectively strengthen EFU General's market position, fostering sustained value creation for its stakeholders.

Business Model *(BCR 7.01 & 7.02)*

Input/ resources

1. Capital provided by the shareholders
2. Tangible assets of the company (buildings, investment properties, office, furniture computer system other equipment etc.)
3. Intangible assets of the company (various software, Apps, website, brand name etc.)
4. Human capital (Board of Directors, Management, Employees, etc.)
5. Legal existence (registered and licensed to operate in the country)
6. Use of the other natural resources such environment resources include but not limited to water, gas and air etc.
7. Use of man-made resources, building, cars etc.

Strategic Objectives

1. Retain leadership position in the market.
2. Explore opportunities by introducing new product portfolio.
3. Pursue Continuous improvement and technological advantage.
4. Enhance corporate capabilities and motivation through skill enhancement, management development and reward program

Process

1. Product development and marketing.
2. Underwriting
3. Claims processing
4. Investment
5. Financial, marketing
6. Governance, risk and controls
7. IT and systems
8. Human Resources

Outputs

1. Value Additions to the Company (shareholders etc.) and enhancing profitability.
2. Meeting the needs of our Stakeholders such as Management, Regulators, Employees, and Rating Agencies
3. Insurances and Takaful Products.
4. Innovations in products & marketing channels.
5. Best Services to our customers
6. Enhance our Relationship
7. Corporate Social Responsibility.

Company's strategy on market development, product and service development *(BCR 2.04)*

EFU General's Market, Product and Service Development are as follows:

- **Digital Expansion:** Partnered with tech companies for making insurance easily accessible.
- **Strong Financial Performance:** The profits for the year are continuously growing with Growth through strategic investments in equities, securities, and real estate.
- **Diverse products:** Motor, property, marine, aviation, miscellaneous and liability insurance.

EFU General Insurance Limited's strategies and resource allocations are influenced by several key factors: *(BCR 2.05)*

(a) **Technological Changes:** EFU General consistently upgrades its technology infrastructure, enhancing Management Information Systems (MIS), trend analysis, forecasting, and customer interactions. This commitment to technological advancement has led to improved operational efficiency and customer satisfaction.

b) **Sustainability Reporting and Challenges:**

- Integration of Sustainability Practices: The Company emphasizes sustainable practices and innovative technologies in its operations. This approach aligns with global trends in sustainability, potentially enhancing corporate reputation and stakeholder trust.

c) **Initiatives in Promoting and Enabling Innovation:** EFU General recognizes the importance of innovation in product development and technological advancement. The company's focus on agile and open innovation aims to accelerate product development and adapt to evolving customer needs, thereby maintaining competitiveness in the insurance industry.

d) **Resource Shortages:** The insurance sector in Pakistan faces challenges such as a shortage of skilled human resources. This scarcity necessitates strategic resource allocation towards talent acquisition and development to ensure sustained growth and service excellence.

By addressing these factors, EFU General Insurance Limited aims to enhance its strategic positioning and resource management, ensuring long-term success in a competitive market.

Key Performance Indicators (KPI)s *(BCR 2.06)*

EFU General Insurance Limited employs several KPIs to assess its progress toward strategic objectives. These metrics are crucial for evaluating operational efficiency, financial health, and customer satisfaction.

1. **Underwriting Profitability:**

   Combined Ratio: Measures the sum of incurred losses and expenses relative to earned premiums. A ratio below 100% indicates underwriting profitability.

2. **Financial Performance:**

   Return on Equity (ROE): Assesses the Company's efficiency in generating profits from shareholders' equity.

   Investment Income: Evaluates returns from the company's investment portfolio, contributing to overall profitability.

3. **Operational Efficiency:**

   Expense Ratio: Calculates operating expenses as a percentage of net premiums earned, indicating cost management effectiveness.

   Claims Processing Time: Monitors the average duration to settle claims, reflecting operational efficiency and customer service quality.

4. **Market Position:**

   Gross Written Premiums (GWP): Tracks total premiums before deductions, indicating market share and growth.

5. **Customer Retention:**

   Renewal Ratio: Measures the percentage of policies renewed, reflecting customer satisfaction and loyalty.

   Relevance of KPIs in the Future: These KPIs are expected to remain pertinent as they provide comprehensive insights into the company's performance. However, emerging factors such as technological advancements and evolving regulatory requirements may necessitate the integration of additional metrics.

   By continually refining its KPIs, EFU General Insurance effectively aligns its strategies with dynamic market conditions, ensuring sustained growth and competitiveness.

The linkage of strategic objectives with company's overall mission, vision and objectives. *(BCR 2.07)*

Mission: To provide services beyond expectation with a will to go an extra mile.

Vision: To continue our journey to be better than the best.

1. **Customer-Centric Services** – Enhancing customer experience aligns with the mission of exceptional service and vision of industry leadership.
2. **Technological Advancement** – Innovation in digital services supports efficiency, reinforcing the company's drive for excellence.
3. **Product Diversification** – Expanding offerings meets diverse customer needs, ensuring competitiveness and market growth.
4. **Human Resource Development** – Investing in skilled talent strengthens service quality and long-term success.
5. **Robust Risk Management** – Strong financial and risk control strategies ensure sustainability and trust.

These objectives drive EFU General's growth, innovation, and industry leadership, staying true to its mission and vision.

Risks & Opportunities

Competitive Landscape and Market Positioning *(BCR 1.15)*

We adjust our market position and make strategies towards competition based on the following five forces:

Industry Competitors

Several insurance players in the market with a sole drive of offering low price identical products and lower cost of clients switching from one Company to leads to high rivalry in the market.

The Power of Buyers

With large numbers of insurance players in the market coupled with few new projects in the country and non-existence of regulatory control on pricing in general insurance industry enhance the bargaining power of the insurance hence leading to lower premium

The Power of Suppliers

Insurance companies are heavily dependent on the reinsurance arrangements, higher cost of reinsurance arrangements coupled with high inflation in the country leads to higher cost.

Potential entrants

High capital requirements set by the regulator, highly regulated industry, high cost, low profitability and lower demand of insurance products in the Country is a barrier to the new entrants, however, the changing demographic structure, technological disruption, Insurtech provide an opportunity to the new players in the market.

Substitute products

Very few alternatives to the insurance/takaful products are available.

Critical Challenges to EFU and Responses

EFU General values all its stakeholders and have put in place various measures to address the interests of our stakeholders as well as to minimize risk to our shareholders. However, the external enviroment is continuously changing and posing challenges. Some of the challenges such as advancements in information technology, cyber security, climatic changes, and economic volatility are seen as critical. The Company is well aware of these challenges and articulates various strategies to minimize the ramification of these challenges.

To address the issue of advancements in information technology, IT infrastructure is upgraded and strategies developed / reviewed to respond to the changing IT landscape. On ongoing basis cyber security policies and procedures to protect our assets, data of our employees and policyholders from external attacks are reviewed and altered.

In addition to economic & political challenges, we are also very well aware of the global responses to the climatic changes and its implications on our business portfolio in the future. Over the years, EFU General has developed in house skills and expertise under the guidance of experienced Board of Directors that efficiently deal with the economic uncertainties.

International Integrated Reporting Framework

The Company has ensured that the 'Fundamental Concepts', 'Content Elements' and 'Guiding Principles' of the integrated reporting are covered as much as possible in this 'Annual Report 2024'. The financial and non-financial information provided in 'Annual Report 2023' will enable EFUG stakeholders to better understand its position and in turn will lead to better and more informed decision-making by them.

Following fundamental concepts of integrated reporting are addressed in the 'Annual Report 2024':

- **Value creation, preservation or erosion for the Company and for others.** This includes value for the Company in the form of financial returns its shareholders and for other external stakeholders including society at large.
- **The Capitals.** The Company depends on various forms of capital that are categorized under the heading of financial, social and relationship, human, intellectual, etc.
- **Process**, through which value is created, preserved or eroded. This relates to the process by which different types of capitals are used to create value for the stakeholders.

Following guiding principles of integrated reporting are addressed in the 'Annual Report 2024':

- Strategic focus and future orientation
- Connectivity of information
- Stakeholders relationship
- Materiality
- Conciseness
- Reliability and completeness
- Consistency and comparability

Following content elements of integrated reporting are detailed as chapters in the 'Annual Report 2024':

- Organizational overview
- Governance
- Strategy and resource allocation
- Business Model
- External environment
- Risk and opportunity
- Outlook
- Performance
- Basis of preparation and presentation

IT Governance and Cybersecurity Programs

IT security policies and procedures are in place to respond effectively and minimize deviations and continuous reviews and controls are placed based on experience and new knowledge. EFU was certified ISO-27001:2013 last year and continues to improve its security posture. Incident Response Plan (IRP), Business Continuity Plan (BCP), and Disaster Recovery Plan (DRP) in place for un-interrupted core operations.

Enterprise Resource Planning (ERP) and its effective implementation *(BCR 5.21)*

EFU General has in house developed ERP system integrated with Underwriting, Finance, Human Resource, Re-Insurance, online web app, etc. This facilitates us to manage the operations in a single, unified system thereby improving efficiency and communication between departments.

Compliance Department regularly reviews the SECP and other related websites and for updates and amendments in laws and regulations.

Risk Management Framework and Methodology *(BCR 3.03 & 3.04)*

Our Company places great importance on managing risks and has a built-in mechanism for identification, quantification, managing and reporting risks. The risk management of our Company consists of three lines of defense system. The first line of defense is implemented through the head of departments. The second line of defense is implemented through the Enterprise Risk Management (ERM) function that facilitate the identification, quantification, and management of risks across the organization and report key risks of the Company to the Board of Directors through the Risk Management and Compliance Committee (RMCC). The third line of defense of our Company is the internal audit function which conduct independent audit of the Company. The Enterprise Risk Management (ERM) of our Company is based on two pillars; the governance and framework of ERM. The governance structure provides organizational and hierarchical structure, defines roles and responsibilities, and policies & procedures, whereas the framework outlines the processes to identify, quantify, manage, and report key risks of the Company to the management.

The organizational and hierarchical structure of the ERM consist of risk champions, Risk Officer and RMCC. Each department has one or two risks champions who identify risks in their respective department and provide expert opinion on the severity and likelihood of risks through risk registers and report risks of their respective department to the Risk Officer of the Company who independently quantify, monitor, and rank the risks. The risk officer reports key risks to the RMCC. The RMCC makes tactical and strategic decisions to minimize, mitigate, avoid, or transfer key risks thereby enhancing the chances of achieving strategic objectives of the Company. The RMCC provides updates to the Board of Directors on key risks of the Company.

The risk management framework of our Company is based on six steps procedure:

Establishing the Context: Understanding the internal and external environment in which the company operates is key to risk identification. At our Company, we first establish the context in which we operate. This includes understanding business and economy, competitive environment, regulatory regime, geographical locations in which the Company operates, the demographic structure of population, technological & climatic changes, and political environment within the country.

Risk Identification: The internal and external risks of the Company are identified by the risk champions of each department by considering the context of the Company.

Risk Quantification: Qualitative and quantitative tools are used to quantify all risks of the Company. The risks are ranked based on their quantification and top risks of the Company are determined.

Risk Management: The key risks of the Company are managed based on the risk appetite of the Company. The Risk Management and Compliance Committee (RMCC) makes decisions on the key risks to achieve the desired strategic objectives of the Company.

Risk Communication: The RMCC decisions are communicated to the concerned functions/departments for implementation and Board of Directors are kept aware of the key risks of the Company.

Monitoring and Review: The risk management process is continuously monitored to identify and manage the emerging risks and to proactively devise strategies for reducing the risk exposure of the Company.

Business Risk

The Company continuously monitors and controls risks to the business.

Risk Factors

Factors that may materially affect the achievement of our strategic as well as operational objectives are termed as risk factors. The risk factor may arise from internal failed processes, people, or systems in place or as a result of changes in the economic, political, social, demographic, environmental, technological landscape and regulatory framework. We, at EFU General continuously identify various risks of the company. However, due to the continuous changes in the internal as well as external landscape, not all risks of the company could be identified. In addition, risks that are known to us and may affect our strategic as well as operational goals are outlined below:

1. Actual claims exceed our loss reserves

The results of our operations and financial condition is dependent upon our ability to accurately quantify the severity and frequency of the risks that we insure. Reserves are established for unpaid losses and loss associated expenses. This could be highly complex process which is subject to considerable variability. The estimation of the reserves is based on many complex variables such as the current legal and regularity environment, settlements procedures, inflation and the severity and likelihood of the claims. The amount and timing of the settlement of the claims are uncertain and therefore, the actual payments could vary from the calculated loss reserves. In case, our reserves are lower than the required, we would be required to increase our reserves and therefore would have significant impact on our profitability.

2. Premium Risk

We have professional teams to determine prices of our product by considering our past history of claims and expense and considering the market prices. However, the future experience may behave differently than the past resulting in premium deficiencies which can expose us to significant premium risk.

3. Natural Disasters

Our company has substantial exposure to losses resulting from catastrophes which can be caused by various events such as earthquake, drought, hailstorm, floods, fire, war, terrorism, political instability, nuclear accidents and other natural or man-made catastrophes. The severity and likelihood of these catastrophes is unpredictable and can have significant impact on our business. Furthermore, the change in climate may increase the severity and frequency of the natural disasters which can have significant impact on our business. The occurrence of one or more such events can have adverse implications for our operations as well as financial position.

4. Emerging Claims

As a result of unexpected change in the external landscape such as regularity, judicial, financial, technological, climatic changes as well as insurance industry practices may lead to unexpected claims and coverage. This issue may increase either the frequency or the claim severity that could pose a significant risk to our company. In some instances, these changes may not become apparent until after we have issued insurance or reinsurance contracts that are affected by the changes. As a result, the full extent of liability under our insurance or reinsurance contracts may not be known for many years after issuance.

5. Reinsurance Risk

There is a possibility that we may not be able to purchase reinsurance for some of the risks and if we do so there is a possibility that the payments are not payable. We purchase reinsurance from high rated reinsurance companies, however there is a chance of non-payment of claims by the reinsurer due to either their inability, insolvency or unwillingness. Although we have no such experience in past yet there is a chance of this risk which exposes us to a sever risk.

Credit Risk

We have exposure to counterparties through reinsurance and in various industries, including banks, and other investment vehicles that expose us to credit risk in the event our counterparty fails to perform its obligations. We also have exposure to financial institutions in the form of secured and unsecured debt instruments and equity securities. In accordance with industry practice, premiums from some clients are received in installments, which exposes the Company to Credit Risk.

Investment Risk

Our investment assets are invested by our internal fund management professionals under the direction of investment committee and in accordance with the investment policy established and approved by the Board of Directors. Although our investment guidelines are based on diversification of risks and conservation of principal and liquidity, yet our investment portfolio could be subject to market risks such as interest rate risk, credit risk and liquidity risk.

A decline in the stock market prices and other factors impacting the value of our investments, could result in impairments and could adversely affect our net income and other financial results.

Interest Rate Risk

Interest rates are highly sensitive to many factors, including inflation, monetary and fiscal policies, and domestic and international political conditions. Changing interest could impact the performance of our investment portfolio. We take necessary measures to mitigate/minimize the interest rate risks, however, we may not be able to effectively mitigate interest rate sensitivity.

Liquidity Risk

The volatile nature of losses could force us to liquidate our securities which may cause us to incur capital losses.

Credit Downgrade Rating Risk

A decline in our credit rating have manifold implications. For example, a downgrade in credit rating could affect our customers resulting in premium losses and hence earning of the company. A decline of credit rating may affect our competitive position as insurer resulting in loss of premium and market share.

Operational

The regulatory and political regimes under which we operate, and their volatility, could have an adverse effect on our business. Laws and regulations not specifically related to the insurance industry include trade sanctions that relate to anti-money laundering laws, and terrorism etc.

IT Risk

A failure in our operational systems or infrastructure or those of third parties, including due to security breaches or cyberattacks, could disrupt business, damage our reputation, and cause losses.

Model Risk

We use various statistical models developed on the basis of several assumptions. These models assist us in decisionmaking, however, the actual results may be materially different from the model outputs which exposes us to risk of loss.

Loss of Senior Executive and/or inability to hire and retain qualified personnel

EFU's key achievement is to attract, retain, and motivate our existing key executives who play a great role in our success both in the business operations and in the infrastructure of the company. The loss of the services of any of our key executives or the inability to hire and retain other highly qualified personnel in the future could adversely affect our ability to conduct or grow our business.

Employee error and misconduct

Losses, among other things, may result from, fraud, errors, failure to document transactions properly, failure to obtain proper internal authorization, failure to comply with underwriting or other internal guidelines, or failure to comply with regulatory requirements. Resultant losses could adversely affect our business, the results of operations, and our financial condition.

Strategic

Insurance markets are highly competitive, which could result in fewer submissions, lower premium rates, and less favorable policy terms and conditions. This could reduce our profit margins and may have adverse implications for income and shareholders' equity. Advancements in technology are taking place in marketing, underwriting, distribution channels, claims, and operations at a fast pace. In addition, our competitors may use data analytics and technology as part of their business strategy. As a result, we could be at a competitive disadvantage if, over time, our competitors are more effective than us in their utilization of technology and evolving data analytics. If we do not anticipate or keep pace with these technological and other changes impacting the insurance industry, it could also limit our ability to compete in desired markets.

Opportunity Report

As a leading insurance company of the country, the Company is in a position to avail and exploit a number of opportunities. Following is the summary of significant opportunities currently present.

- Expand general takaful solutions through window operations;
- Increasing reach to all parts of the country through expanding distribution network & exploring omni channel for mass marketing
- Develop micro insurance solutions for the socio-economic group at the bottom of the pyramid;
- Focus on insurance awareness through continuous investments in communication channels and market education; and
- With increasing mobile penetration amongst the masses, utilize such platforms for customer interaction, awareness, marketing and sales

Materiality Approach

Management believes materiality as a key component of an effective communication with stakeholders. In general, matters are considered to be material if, individually or in aggregate, they are expected to significantly affect the performance and profitability of the Company.

Key Sources of Estimating Uncertainty

The preparation of financial statements requires management and the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingencies. These estimates are based on experience and various other assumptions that management and the Board believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The key areas of estimating uncertainty, which may have a significant effect on the amounts recognized in the financial statements, are discussed below:

Provision for unearned premiums

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

Premium deficiency reserve (liability adequacy test)

The expected future liability is estimated by reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable. The movement in the premium deficiency reserve is recognized as an expense or income in the profit and loss account for the year.

Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognized in respect of all claims incurred up to the financial statement date, which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs. Reinsurance recoveries against outstanding claims are recognized as an asset and measured at the amount expected to be received.

Employees' retirement benefits

Your Company operates defined benefit pension fund and defined benefit gratuity fund for its eligible employees. The accounting treatment is carried out in accordance with International Accounting Standard (IAS) 19 - Employee Benefits. The amounts recognized in respect of the above schemes represent the present value of defined obligations adjusted for re-measured gains and losses reduced by the fair value of plan assets.

Deferred taxation

Deferred tax is recognized using the balance sheet liability method for all temporary differences between the amounts attributed to assets and liabilities for financial reporting and taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization of the carrying amount of assets and liabilities using tax rates enacted at the balance sheet date.

Investments

As required by Insurance Rules, 2017, your Company records Investment in equities and fixed income securities at fair value. The Investment in Subsidiary is now accounted for at fair value and classified as available-for-sale in the unconsolidated financial statements.

Impairment in value of investments

All impairment losses are recognized in the profit and loss account. Reversal in impairment is taken to Other Comprehensive Income. Provisions for impairment are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

Investment properties

Valuation of investment properties are carried out by qualified independent valuers. The fair value is determined on the basis of professional assessment of the current prices in an active market for similar properties in the same location and condition.

Useful lives of fixed assets

The assets' residual values, useful lives and method for depreciation are reviewed at each financial year end and adjusted if impact on depreciation is significant. Land and building are revalued by independent professionally qualified valuer.

Premium due but unpaid

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if there is objective evidence that one or more events have had a negative effect on the estimated future cash flows of that asset.

Sensitivity Analysis of Company's Profitability

Main sources of income for the Company are underwriting income (net of reinsurance, claims and expenses) and investment income.

Underwriting - net of reinsurance

The Company's profit from underwriting not only depends on existing customer base but we also have diversified customer base. Careful scrutiny of expected claims, reinsurance cost and risk appetite are taken into consideration for underwriting policies.

Claims

Law and order situation, natural calamities and control weaknesses give rise to events leading towards claims to occur. The Company deters and manages the unforeseen situation with appropriate reinsurance arrangements.

The sensitivity of the Company's profitability to severity / size of claims has been given in the relevant notes to the financial statements.

Expenses

Management and general expenses represent the operational cost of the Company. Management expenses, in particular, are directly related to the business written during the period. The Company timely monitors and reports variations in expenses so that prompt action is taken. These variations are monitored against previous periods and the budgeted figures and are reviewed by the management on regular basis.

Investment Income

Investment income generated from equity investments is correlated to equity market's performance. The mechanics of stock market depend on various factors and are beyond management's control. The company maintains a portfolio to benefit from dividend income and capital gain arising from investment in equity market.

Fixed Income Securities

Fixed income portfolio comprises of Pakistan Investment Bonds, Treasury Bills, Ijarah & Corporate Sukuks, Term Finance Certificates and Term Deposits. Return on fixed income securities is sensitive to interest rate risk.

Prospects of the Company including Targets for Financial and Non-Financial Measures *(BCR 6.01 (b))*

Over the years, quality of service, customer satisfaction and employee's motivation are the key areas on which management continuously takes measures for improvement. The Company believes its strength lies in the satisfaction of its customers. During the year, management conducted various training courses for the development of employees at various levels.

Economic challenges could have impact on the business potential.

Window Takaful Business has expanded and has shown significant growth, which is expected to continue in the years to come

Financial Measures

The financial measures identified by the Company into consideration are as follows:

- Budgets
- Monetary policy / discount rate
- Taxes and levies
- Inflation
- Capital market's benchmarks

Non-Financial Measures

The non-financial measures identified by the Company taken into consideration are as follows:

- Customers' trust and satisfaction
- Company's standing and brand name
- Compliance with regulatory framework
- Technological innovation
- Employees training and development

Sensitivity to the Fluctuation in Foreign Currency Exchange Rates

The Company, at present is not materially exposed to the fluctuation of the foreign currency exchange rates as majority of the operations are carried out in Pakistani Rupees, hence the amount of assets, liabilities, revenues and expenditures are not materially sensitive to the fluctuation in exchange rates of foreign currencies.

Operations in Export Processing Zone (EPZ)

The Company operates through 30 branches (2023: 47) in Pakistan including a branch in Export Processing Zone (EPZ) providing Insurance services to the entities situated there. A change in USD exchange rate may increase or decrease the value of the Assets and Liabilities in EPZ which are reported by the Company in the financial statements after translating the same into local currency.

Reinsurance payments and recoveries

Premiums payable / receivable and claims receivable to / from reinsurers are generally denominated in Pak Rupees, thus the variation in exchange rate has no material impact at the time of settlement with reinsurers.

Overseas Claims Payment

The Company's certain claims and liabilities are settled through loss adjuster (third party) in foreign currencies at the prevailing exchange rates. The Company in parallel regularly monitors exchange rate fluctuations for these claims.

Workplace Diversity *(BCR 5.12 (b))*

Workplace diversity entails having a workforce composed of individuals from various backgrounds, including differences in race, ethnicity, gender, age, religion, physical ability and other demographic factors. Organizations that embrace diversity are more flexible, experience consistent growth and set the benchmark as competitive industry leaders.

Our management is fully committed to becoming a more diverse organization and we have implemented new policies and initiatives to achieve this goal. In pursuit of diversity, we specifically encourage gender diversity in all areas to enhance employee performance, foster innovation, and broaden our talent pool. Our dedication extends to ensuring gender equity throughout the workplace where all staff members are offered equal opportunities, rights and respect regardless of their gender.

We recognize the significance of diversity and inclusion as integral components of our workplace culture. These aspects not only contribute to the well-being of our employees but also provide tangible benefits to the overall success of our business. To uphold fairness, strategies are in place to address social challenges that have hindered women from operating on an equal playing field.

In support of our female employees, we offer a range of facilities including access to a gym, sports club, sports day, various sports activities, and special prizes for female participation, training and development opportunities, health awareness sessions, celebrations of Eid and women's day, paid maternity leaves and supportive working conditions. We conduct regular reviews of our policies, procedures and strategies to ensure the maintenance of gender equity principles with diverse representation being a key focus.

Our commitment to promoting gender diversity is evident in our hiring practices. This represents an overall increase in the total percentage of female employees within our organization.

Health and Sports Activities

EFU is probably one of the few corporates which has Doctor available at the Head Office of the Company and basic health related issues are discussed by the employees for themselves and their families and patients are prescribed medicines and in case special attention is required they are referred to specialists or hospitals. Company has a state-of-the-art in-house sports and recreational club. The club is equipped with gym facilities, machines and equipment. The club also maintains various in-house sports and other facilities like Table Tennis, Snooker, Chess, Carom and Draught. This helps better and cordial interactions at work place amongst all levels of employees.

As part of recreational activities EFU participates in tournaments from time to time like cricket and table tennis and other indoor games. EFU participates in Cricket matches organized by Insurance Association of Pakistan and table tennis tournaments held locally.

ERP Training

In house trainings are carried out by IT and other departments as part of continuous upscaling the operations.

ERP Risk Management

The company controls risk factors on ERP projects by implementing ISO-27001:2013 and SECP Cybersecurity Framework for insurers.

Board's Responsibility Statement on Cyber Risk Oversight *(BCR 8.01)*

The Board of Directors recognizes the critical importance of cybersecurity in protecting the company's assets, customer data, and business operations. The Board is committed to evaluating, enforcing, and ensuring compliance with all legal and regulatory requirements related to cyber risks.

To uphold these responsibilities, the Management has implemented the following measures:

- **Cyber Risk Oversight & Compliance:**

  Regular reviews of cybersecurity policies and frameworks to align with regulations, including SECP guidelines and data protection laws.

- **Risk Assessment & Mitigation:**

  Continuous evaluation of cyber threats and vulnerabilities through periodic security audits, penetration testing, risk assessments and external audits.

- **Incident Response & Breach Management:**

  A comprehensive Cyber Incident Response Plan (CIRP) is in place to ensure timely detection, response, and recovery in case of security breaches.

- **Management Accountability:**

  The Board ensures that senior management enforces cybersecurity best practices, allocates sufficient resources, and maintains strict governance over IT security measures.

- **Employee Training & Awareness:** *(BCR 8.09)*

  The company invests in regular cybersecurity training programs for employees to strengthen awareness, internal and external audits and reduce security risks.

IT Governance and Cybersecurity Strategy:

The Company is committed to maintaining a robust IT governance framework and cybersecurity strategy to safeguard data, protect stakeholders and ensure compliance with regulations. *(BCR 8.02)*

IT Governance Framework:

- The Board oversees IT governance, ensuring alignment with corporate strategy and regulatory requirements.
- Regular IT audits are conducted to assess system security, operational efficiency, and regulatory compliance.

Cybersecurity Programs, Policies & Procedures:

- The Company has a Cybersecurity Policy that defines security protocols, access controls, and incident response mechanisms.
- A Data Protection Policy ensures compliance with data privacy laws, including encryption and secure data handling.
- Cyber Risk Assessments are conducted periodically to identify and mitigate vulnerabilities.
- A Business Continuity and Disaster Recovery Plan (BCP/DRP) ensures resilience against cyber threats and system failures.

Industry-Specific Cybersecurity Requirements:

- Compliance with Securities and Exchange Commission of Pakistan (SECP) guidelines on cybersecurity for insurers.
- Implementation of ISO 27001 standards for information security management.

Cybersecurity Strategy: *(BCR 8.03)*

- **Proactive Threat Monitoring:**

  Continuous monitoring through security tools and Security Information and Event Management (SIEM) systems.

- **Incident Response & Recovery:**

  A well-defined Cyber Incident Response Plan (CIRP) is in place to mitigate damage and ensure quick recovery from breaches.

- **Employee Training & Awareness:**

  Regular cybersecurity awareness sessions to educate employees on phishing, malware, and safe online practices.

- **Strategic Partnerships:**

  Collaboration with cybersecurity firms to stay ahead of emerging threats.

Cyber Security Risk Training Programs

The company remains dedicated to enhancing its cybersecurity infrastructure, ensuring business continuity, regulatory compliance, and the protection of sensitive data.

Board Oversight of Cybersecurity Risks

The Board of Directors considers cybersecurity a critical component of its risk oversight function and ensures a proactive approach to managing cyber risks. The Board is actively engaged with management to oversee cybersecurity strategies, risk assessments, and compliance with regulatory requirements.

Cybersecurity Risk Management and Early Warning System *(BCR 8.04 & 8.05)*

The Chief Infomation Security Officer has been appointed in the Company who gives report to the Board on cyber security, penetration and other tests conducted during the year, audits conducted during the year, update on other relevant matters

Independent Security Assessment of Technology Environment *(BCR 8.06)*

The Company has established an early warning system designed to identify, assess, address, and disclose cybersecurity risks and incidents in a timely manner. This system is an integral part of our risk management framework and ensures effective communication with senior leadership and the Board of Directors.

Key components of the Company's early warning system include:

1. **Continuous Monitoring & Threat Detection**
   - The Company utilizes advanced security tools and real-time monitoring systems to detect potential cybersecurity threats and vulnerabilities.
   - Automated alerts and analytics help identify unusual activities or patterns indicative of a cyber risk or incident. *(BCR 8.07)*
2. **Incident Assessment & Response**
   - A dedicated Cybersecurity Response Team (CRT) evaluates and categorizes identified threats based on severity and potential impact.
   - The CRT follows structured incident response protocols to mitigate risks efficiently.

Resilient Contingency and Disaster Recovery Plan

The Company is committed to maintaining a secure and resilient technology environment through regular independent audits of its cybersecurity framework, infrastructure, and third-party risks. To ensure the effectiveness of its security measures, the Company has established a policy that mandates comprehensive independent security reviews conducted by external cybersecurity experts.

Cyber Insurance Coverage

The Company has implemented a comprehensive contingency and disaster recovery plan to ensure operational resilience and business continuity in the event of an IT failure or cyber breach. This plan is designed to minimize disruption, protect critical data, and restore normal operations efficiently. The Company is also in the process of acquiring the cyber insurance.

Advancements in Digital Transformation *(BCR 8.08)*

The Company is committed to embracing digital transformation as a key enabler of operational efficiency, transparency, and enhanced governance.

Key Elements of the Cybersecurity Training Program:

The Company recognizes that cybersecurity awareness and preparedness are critical components of its overall risk management strategy. To mitigate cybersecurity risks, the Company has implemented a comprehensive education and training program designed to enhance employee vigilance, promote best practices, and ensure compliance with industry standards.

IT Governance Policy

The Company has comprehensive IT Policy, approved by the Board of Directors. The significant features of IT policy are:

1) IT Security including network, applications, data and asset.
2) IT Staff responsibilities.
3) Backup, Maintain Disaster Site and Disaster Recovery Plan.

Enterprise Resource Planning (ERP) and its effective Implementation and Updating

EFU has in house developed ERP system integrated with Underwriting, Finance, HR, Re-Insurance, online web app, etc. This facilitates us to manage the operations in a single, unified system thereby improving efficiency and communication between departments.

Compliance Department regularly reviews the SECP and other related websites and for updates and amendments in laws and regulations.

ERP Training

In house trainings are carried out by IT and other departments as part of continuous upscaling the operations.

ERP Risk Management

The company controls risk factors on ERP projects by implementing ISO-27001:2013 and SECP Cybersecurity Framework.

External Oversight / Audit of Systems *(BCR 5.10)*

The external auditors conduct system and financial audit of annual financial statements in which they obtain an understanding of internal control relevant to Financial Reporting and design audit procedures to test those controls for expressing opinion on the financial statements. Management letter is issued by external auditors in which recommendations are provided for further improvement and effectiveness of internal control system.

EFU General Insurance is an ISO 9001:2015 and ISO/IEC 27001: 2013 certified organization. As part of ISO 9001:2015 and 27001:2013 standards, EFU has established procedures for quality assurance of services, ensuring continual improvement of effectiveness of the quality management system, addressed cybersecurity threats and security breaches by taking required steps to strengthen data security which will help us to gain customer confidence as well as retain customers in terms of data security. In this respect, annual audit conducted by external specialists i.e. Independent Chartered Accountants Firm also ensure compliance of regulatory and standard requirements and system effectiveness.

Risk Management Framework and Methodology

Our Company places great importance on managing risks and has a robust mechanism for identification, quantification, managing and reporting risks. The risk management of our Company consists of three lines of defense system. The first line of defense is implemented through the Head of Departments. The second line of defense is implemented through the Enterprise Risk Management (ERM) function that facilitate the identification, quantification, and management of risks across the organization and report key risks of the Company to the Board of Directors through the Risk Management and Compliance Committee (RMCC). The third line of defense of our Company is the internal audit function which conduct independent audit of the Company.

The Enterprise Risk Management (ERM) of our Company is based on two pillars; the governance and framework of ERM. The governance structure provides organizational and hierarchical structure, defines roles and responsibilities, and policies & procedures, whereas the framework outlines the processes to identify, quantify, manage, and report key risks of the Company to the management.

SWOT Analysis

(BCR 1.14)

S W O T

Strengths

- Over 92 Years in the business
- PACRA and VIS credit rating of AA++ with Stable Outlook
- Diversified product mix
- Market Leader
- Visionary and experienced Board of Directors
- Professional and Competent management
- Outstanding Customer Care and service
- Corporate brand identity
- Largest Country wide branch network

Weaknesses

- Lack of financial education limits consumer interest.
- Low insurance penetration.
- Lack of insurance knowledge by customers.
- Geographical restrictions on investment

Opportunities

- Growth potential in Takaful business
- Increasing needs of new insurance products in light of:
  - Technological changes
  - Environmental changes
- Large un-tapped retail market
- New opportunities and economic reforms with CPEC projects
- Online products can expand customer reach.
- Collaboration with banks for bancassurance.

Threats

- Changing climate and natural disasters due to global warming.
- Competitive Market
- Frequent changes in regulatory enviroment including tax reforms
- Economic instability.
- Lack of economic growth in Pakistan.

Financial Performance

Key Financial Data *(BCR 6.01 (a))*

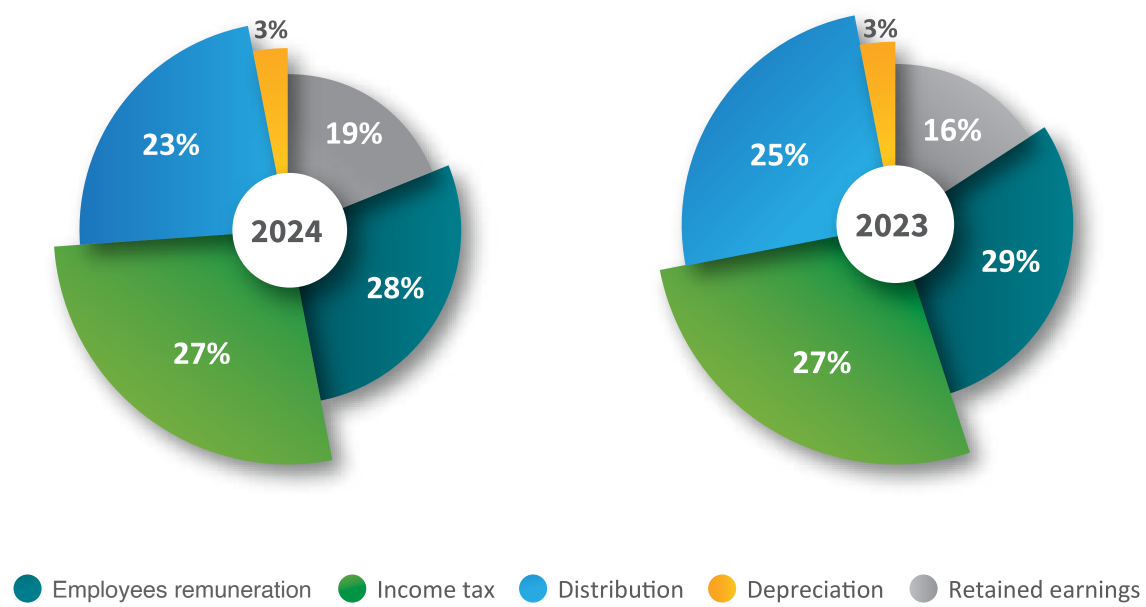
Rupees in Million

	2024	2023	2022	2021	2020	2019
Written Premium (including Takaful Contribution)	**41,269**	41,521	31,957	24,657	22,639	22,064
Earned Premium	**39,142**	33,071	25,376	20,853	19,974	18,984
Net Premium Revenue	**14,552**	12,390	10,293	9,807	8,617	7,460
Underwriting Result	**2,418**	1,649	70	1,552	739	505
Investment & Other Incomes	**3,623**	3,890	2,679	2,257	2,616	2,808
Profit before tax	**6,082**	5,461	3,116	3,817	3,453	3,827
Profit after tax	**3,711**	3,282	2,006	2,707	2,371	2,609
Paid-up Capital	**2,000**	2,000	2,000	2,000	2,000	2,000
Shareholders' Equity	**24,170**	20,408	18,427	19,274	19,579	19,296
Breakup Value per Share without surplus (Rs.)	**120.85**	102.04	92.14	96.37	97.90	96.48
Earnings per Share (Rs.)	**18.56**	16.41	10.03	13.53	11.85	13.04
Investments & Properties	**35,335**	29,769	27,761	26,034	27,254	25,881
Cash & Bank Balances	**1,718**	2,287	1,635	1,190	1,329	1,192
Total Assets	**72,399**	67,549	56,619	47,000	45,812	45,699
Dividend (%)	**100.00**	100.00	100.00	100.00	100.00	100.00
Return on Capital Employed (%)	**25.16**	26.76	16.91	19.80	17.64	19.84

Statement of Value Added *(BCR 6.09)*

Rupees in Million

	2024	2023
Wealth generated		
Net premium revenue	**14,552**	12,390
Investment income	**2,255**	2,390
Rental income	**129**	125
Other income and changes in fair value of investment property	**853**	848
	17,789	15,753
Less: Claims, Commission & Expenses (excluding employees remuneration, depreciation and donations)	**(9,578)**	(8,306)
Profit / (loss) from general takaful operations - OPF	**655**	696
Net wealth generated	**8,866**	8,143
Wealth distribution		
Employees remuneration	**2,473**	2,398
Income tax	**2,371**	2,179
Contribution to society / donations	**12**	13
	4,856	4,590
Distribution		
Cash dividend	**2,000**	2,000
Retained in equity		
Depreciation	**299**	271
Retained earnings	**1,711**	1,282
	2,010	1,553
	8,866	8,143



Vertical Analysis of Statement of Financial Position *(BCR 6.02 (a) & 6.03)*

Rupees in Million

	2024		2023		2022		2021		2020		2019	
	Rupees	%	Rupees	%	Rupees	%	Rupees	%	Rupees	%	Rupees	%
Statement of Financial Position												
Assets												
Property, plant and equipment	3,670	5.07	3,486	5.16	3,102	5.48	2,887	6.14	2,819	6.15	2,967	6.49
Investment property	3,462	4.78	3,192	4.73	3,050	5.39	2,600	5.53	2,518	5.50	2,341	5.12
Investments in subsidiary	8,120	11.22	9,132	13.52	9,517	16.81	9,644	20.52	9,299	20.30	10,169	22.25
Investment												
Equity Securities	8,603	11.88	3,565	5.28	2,718	4.80	3,705	7.88	4,481	9.78	3,271	7.16
Debt Securities	14,484	20.01	12,983	19.22	11,924	21.06	9,406	20.01	10,273	22.42	9,655	21.13
Term Deposits	666	0.92	897	1.33	552	0.97	679	1.44	683	1.49	444	0.97
Loans and other receivables	920	1.27	442	0.65	431	0.76	388	0.83	345	0.75	259	0.57
Insurance / reinsurance receivables	7,634	10.54	8,630	12.78	5,876	10.38	5,013	10.67	3,640	7.95	4,013	8.78
Reinsurance recoveries against outstanding claims	8,596	11.87	7,010	10.38	6,504	11.49	3,974	8.46	3,856	8.42	4,082	8.93
Salvage recoveries accrued	93	0.13	99	0.15	46	0.08	77	0.16	55	0.12	45	0.10
Deferred commission expense	1,511	2.09	1,491	2.21	1,112	1.96	773	1.64	678	1.48	599	1.31
Retirement benefit	2	0.00	88	0.13	-	-	-	-	34	0.07	30	0.06
Taxation - payments less provision	-	-	-	-	-	-	-	-	-	-	22	0.05
Prepayments	10,716	14.80	12,526	18.54	8,552	15.10	5,524	11.75	4,864	10.62	5,851	12.80
Cash and bank	1,718	2.37	2,287	3.39	1,635	2.89	1,190	2.53	1,329	2.90	1,192	2.61
Total Assets	70,195	96.96	65,828	97.45	55,019	97.17	45,860	97.57	44,874	97.95	44,940	98.34
Total assets of Window Takaful Operations - Operator's Fund	2,204	3.04	1,721	2.55	1,601	2.83	1,141	2.43	939	2.05	760	1.66
Total Assets	72,399	100.00	67,549	100.00	56,619	100.00	47,000	100.00	45,813	100.00	45,699	100.00
Equity and Liabilities												
Capital and reserves attributable to Company's equity holders												
Ordinary Share Capital	2,000	2.76	2,000	2.96	2,000	3.53	2,000	4.26	2,000	4.37	2,000	4.38
Reserves	18,965	26.20	15,674	23.20	15,099	26.67	18,384	39.11	16,184	35.33	15,766	34.50
Unappropriated profit	3,205	4.43	2,734	4.05	1,328	2.35	(1,111)	(2.36)	1,396	3.05	1,530	3.35
Total Equity	24,170	33.38	20,408	30.21	18,427	32.55	19,273	41.01	19,580	42.74	19,296	42.22
Surplus on revaluation of property and equipment	1,268	1.75	1,140	1.69	1,133	2.00	1,077	2.29	1,013	2.21	1,000	2.19
Liabilities												
Underwriting provisions												
Outstanding claims including IBNR	13,030	18.00	10,775	15.95	10,368	18.31	7,086	15.08	7,112	15.52	6,273	13.73
Unearned premium reserves	18,315	25.30	19,546	28.94	14,167	25.02	10,518	22.38	9,411	20.54	9,144	20.01
Unearned reinsurance commission	329	0.45	303	0.45	202	0.36	135	0.29	152	0.33	431	0.94
Retirement benefit obligation	81	0.11	44	0.07	14	0.02	9	0.02	-	-	-	-
Deferred taxation	1,427	1.97	361	0.53	20	0.04	278	0.59	724	1.58	668	1.46
Premium received in advance	183	0.25	168	0.25	79	0.14	27	0.06	44	0.10	68	0.15
Insurance / reinsurance payables	7,830	10.82	9,472	14.02	7,684	13.57	4,810	10.23	4,559	9.95	6,068	13.28
Other creditors and accruals	4,624	6.39	3,803	5.63	3,766	6.65	3,222	6.86	2,683	5.86	2,356	5.16
Taxation - provision less payments	363	0.50	818	1.21	35	0.06	51	0.11	93	0.20	-	-
Total Liabilties	46,182	63.79	45,290	67.05	36,335	64.17	26,136	55.61	24,778	54.09	25,009	54.72
Total Equity and Liabilities	71,620	98.92	66,838	98.95	55,896	98.72	46,486	98.91	45,371	99.04	45,305	99.14
Total liabilities of Window Takaful Operations - Operator's Fund	779	1.08	711	1.05	724	1.28	514	1.09	442	0.96	394	0.86
Total Equity and Liabilities	72,399	100.00	67,549	100.00	56,619	100.00	47,000	100.00	45,813	100.00	45,699	100.00

Vertical Analysis of Profit and Loss Account

Rupees in Million

	2024		2023		2022		2021		2020		2019	
	Rupees	**%**	Rupees	%	Rupees	%	Rupees	%	Rupees	%	Rupees	%
Profit and Loss Account												
Written Premium	**37,911**		38,450		29,025		21,960		20,241		19,774	
Net Premium Revenue	**14,552**	**100.00**	12,390	100.00	10,293	100.00	9,807	100.00	8,617	100.00	7,460	100.00
Net Insurance Claims	**(5,818)**	**(39.98)**	(5,123)	(41.35)	(5,600)	(54.41)	(4,277)	(43.61)	(4,359)	(50.59)	(3,549)	(47.57)
Net Commission	**(2,569)**	**(17.66)**	(2,126)	(17.16)	(1,586)	(15.41)	(1,269)	(12.94)	(775)	(8.99)	(556)	(7.45)
Total Insurance claims and acquisition expenses	**(8,387)**	**(57.63)**	(7,249)	(58.51)	(7,186)	(69.81)	(5,546)	(56.55)	(5,134)	(59.58)	(4,105)	(55.03)
Management Expenses	**(3,747)**	**(25.75)**	(3,491)	(28.18)	(3,037)	(29.51)	(2,709)	(27.62)	(2,744)	(31.84)	(2,849)	(38.19)
Underwriting Results	**2,418**	**16.62**	1,650	13.32	70	0.68	1,552	15.83	739	8.58	506	6.78
Investment Income	**2,255**	**15.49**	2,390	19.29	1,925	18.70	1,826	18.62	2,185	25.36	2,262	30.32
Rental Income	**129**	**0.89**	125	1.01	125	1.21	122	1.24	117	1.36	112	1.50
Other Income	**583**	**4.02**	678	5.47	241	2.34	123	1.25	128	1.49	219	2.94
Changes in fair value of investment property	**270**	**1.85**	170	1.37	450	4.37	78	0.80	170	1.97	434	5.82
Other Expenses	**(210)**	**(1.44)**	(236)	(1.90)	(81)	(0.79)	(71)	(0.72)	(72)	(0.84)	(51)	(0.68)
Results of operating activities	**5,445**	**37.42**	4,777	38.56	2,730	26.52	3,630	37.01	3,268	37.93	3,482	46.68
Finance costs	**(18)**	**(0.12)**	(12)	(0.10)	-	-	-	-	-	-	(14)	(0.19)
Reversal of workers' welfare fund	**-**	**-**	-	-	-	-	-	-	-	-	146	1.96
Profit from Window Takaful Operations - Operator's Fund	**655**	**4.50**	696	5.62	388	3.77	186	1.90	186	2.16	214	2.87
Profit before Tax	**6,082**	**41.80**	5,461	44.08	3,116	30.27	3,817	38.92	3,454	40.08	3,828	51.31
Income Tax Expense	**(2,371)**	**(16.29)**	(2,179)	(17.59)	(1,110)	(10.78)	(1,110)	(11.32)	(1,083)	(12.57)	(1,219)	(16.34)
Profit after Tax	**3,711**	**25.50**	3,282	26.49	2,006	19.49	2,707	27.60	2,371	27.52	2,609	34.97

Horizontal Analysis of Profit and Loss Account

	Rupees in Million						% Increase / (decrease) over preceding year					
	2024	**2023**	2022	2021	2020	**2019**	**2024**	**2023**	**2022**	**2021**	2020	2019
Profit and Loss Account												
Written Premium	**37,911**	38,450	29,025	21,960	20,241	19,774	**(1.40)**	32.47	32.17	8.49	2.36	5.29
Net Premium Revenue	**14,552**	12,390	10,293	9,807	8,617	7,460	**17.45**	20.37	4.96	13.81	15.51	(1.35)
Net Insurance Claims	**(5,818)**	(5,123)	(5,600)	(4,277)	(4,359)	(3,549)	**13.57**	(8.52)	30.93	(1.88)	22.82	14.90
Net Commission	**(2,569)**	(2,126)	(1,586)	(1,269)	(775)	(556)	**20.84**	34.05	24.98	63.74	39.39	(5.39)
Total Insurance claims and acquisition expenses	**(8,387)**	(7,249)	(7,186)	(5,546)	(5,134)	(4,105)	**15.70**	0.88	29.57	8.02	25.07	11.65
Management Expenses	**(3,747)**	(3,491)	(3,037)	(2,709)	(2,744)	(2,849)	**7.33**	14.95	12.11	(1.28)	(3.69)	10.47
Underwriting Results	**2,418**	1,650	70	1,552	739	506	**46.55**	2,257.14	(95.49)	110.01	46.05	(61.28)
Investment Income	**2,255**	2,390	1,925	1,826	2,185	2,262	**(5.65)**	24.16	5.42	(16.43)	(3.40)	40.29
Rental Income	**129**	125	125	122	117	112	**3.20**	-	2.46	4.27	4.46	7.70
Other Income	**583**	678	241	123	128	219	**(14.01)**	181.33	95.93	(3.91)	(41.55)	35.83
Changes in fair value of investment property	**270**	170	450	78	170	434	**58.82**	(62.22)	476.92	(54.12)	(60.83)	3,963.29
Other Expenses	**(210)**	(236)	(81)	(71)	(72)	(51)	**(11.02)**	191.36	14.08	(1.39)	41.18	1.74
Results of operating activities	**5,445**	4,777	2,730	3,630	3,267	3,482	**13.98**	74.98	(24.79)	11.11	(6.17)	10.72
Finance costs	**(18)**	(12)	-	-	-	(14)	**50.00**	-	-	-	(100.00)	-
Reversal of workers' welfare fund	**-**	-	-	-	-	146	**-**	-	-	-	(100.00)	-
Profit from Window Takaful Operations - Operator's Fund	**655**	696	388	186	186	214	**(5.89)**	79.38	108.60	-	(13.08)	82.20
Profit before Tax	**6,082**	5,461	3,118	3,816	3,453	3,828	**11.37**	75.14	(18.29)	10.51	(9.80)	17.34
Income Tax Expense	**(2,371)**	(2,179)	(1,110)	(1,110)	(1,083)	(1,219)	**8.81**	96.31	-	2.49	(11.16)	11.72
Profit after Tax	**3,711**	3,282	2,008	2,706	2,370	2,609	**13.07**	63.45	(25.79)	14.18	(9.16)	20.16

Horizontal Analysis of Statement of Financial Position

	Rupees in Million						% Increase / (decrease) over preceding year					
	2024	2023	2022	2021	2020	2019	2024	2023	2022	2021	2020	2019
Statement of Financial Position												
Assets												
Property, plant and equipment	3,670	3,486	3,102	2,887	2,819	2,967	5.28	12.38	7.45	2.41	(5.00)	13.45
Investment property	3,462	3,192	3,050	2,600	2,518	2,341	8.46	4.66	17.31	3.26	7.54	24.61
Investments in subsidiary	8,120	9,132	9,517	9,644	9,299	10,169	(11.08)	(4.05)	(1.32)	3.71	(8.56)	2.74
Investment												
Equity Securities	8,603	3,565	2,718	3,705	4,481	3,271	141.32	31.16	(26.64)	(17.32)	36.97	(34.18)
Debt Securities	14,484	12,983	11,924	9,406	10,273	9,655	11.56	8.88	26.77	(8.44)	6.41	17.33
Term Deposits	666	897	552	679	683	444	(25.75)	62.50	(18.70)	(0.59)	53.71	(12.29)
Loans and other receivables	920	442	431	388	345	259	108.14	2.55	11.08	12.46	33.37	157.98
Insurance / reinsurance receivables	7,634	8,630	5,876	5,013	3,640	4,013	(11.54)	46.87	17.22	37.72	(9.29)	12.18
Reinsurance recoveries against outstanding claims	8,596	7,010	6,504	3,974	3,856	4,082	22.62	7.78	63.66	3.06	(5.53)	21.36
Salvage recoveries accrued	93	99	46	77	55	45	(6.06)	115.22	(40.26)	40.00	23.46	5.30
Deferred commission expense	1,511	1,491	1,112	773	678	599	1.34	34.08	43.86	14.01	13.25	(0.34)
Retirement benefit	2	88	-	-	34	30	(97.73)	-	-	(100.00)	14.52	-
Taxation - payments less provision	-	-	-	-	-	22	-	-	-	-	(100.00)	-
Prepayments	10,716	12,526	8,552	5,524	4,864	5,851	(14.45)	46.47	54.82	13.57	(16.86)	12.54
Cash and bank	1,718	2,287	1,635	1,190	1,329	1,192	(24.88)	39.88	37.39	(10.46)	11.52	(5.91)
Total Assets	70,195	65,828	55,019	45,860	44,874	44,940	6.63	19.65	19.97	2.20	(0.15)	6.37
Total assets of Window Takaful Operations - Operator's Fund	2,204	1,721	1,601	1,141	939	760	28.07	7.50	40.32	21.51	23.59	22.28
Total Assets	72,399	67,549	56,620	47,001	45,813	45,699	7.18	19.30	20.47	2.59	0.25	6.60
Equity and Liabilities												
Capital and reserves attributable to Company's equity holders												
Ordinary Share Capital	2,000	2,000	2,000	2,000	2,000	2,000	-	-	-	-	-	-
Reserves	18,965	15,674	15,099	18,384	16,184	15,766	21.00	3.81	(17.87)	13.59	2.65	8.56
Unappropriated profit	3,205	2,734	1,328	(1,111)	1,396	1,530	17.23	105.87	(219.53)	(179.58)	(8.77)	(44.87)
Total Equity	24,170	20,408	18,427	19,273	19,580	19,296	18.43	10.75	(4.39)	(1.57)	1.47	(0.01)
Surplus on revaluation of property and equipment	1,268	1,140	1,133	1,077	1,013	1,000	11.23	0.62	5.20	6.32	1.26	16.45
Liabilities												
Underwriting provisions												
Outstanding claims including IBNR	13,030	10,775	10,368	7,086	7,112	6,273	20.93	3.93	46.32	(0.37)	13.37	21.18
Unearned premium reserves	18,315	19,546	14,167	10,518	9,411	9,144	(6.30)	37.97	34.69	11.76	2.92	9.45
Unearned reinsurance commission	329	303	202	135	152	431	8.58	50.00	49.63	(11.18)	(64.73)	9.14
Retirement benefit obligation	81	44	14	9	-	-	84.09	214.29	55.56	-	-	(100.00)
Deferred taxation	1,427	361	20	278	724	668	295.29	1,705.00	(92.81)	(61.60)	8.39	(19.02)
Premium received in advance	183	168	79	27	44	68	8.93	112.66	192.59	(38.64)	(35.54)	20.79
Insurance / reinsurance payables	7,830	9,472	7,684	4,810	4,559	6,068	(17.34)	23.27	59.75	5.51	(24.87)	13.78
Other creditors and accruals	4,624	3,803	3,766	3,222	2,683	2,356	21.59	0.98	16.88	20.09	13.87	14.68
Taxation - provision less payments	363	818	35	51	93	-	(55.62)	2,237.14	(31.37)	(45.16)	-	(100.00)
Total Liabilties	46,182	45,290	36,335	26,136	24,778	25,009	1.97	24.65	39.02	5.48	(0.92)	12.13
Total Equity and Liabilities	71,620	66,838	62,302	45,186	45,371	45,305	7.15	7.28	37.88	(0.41)	0.15	6.70
Total liabilities of Window Takaful Operations - Operator's Fund	779	711	724	514	442	394	9.56	(1.80)	40.86	16.29	12.14	(3.28)
Total Equity and Liabilities	72,399	67,549	63,026	45,700	45,813	45,699	7.18	7.18	37.91	(0.25)	0.25	6.60

Cash Flow Summary

Rupees in million

	2024	2023	2022	2021	2020	2019
Cash Flow Summary						
Operating Activities	**676**	937	3,082	159	1,402	911
Investing Activities	**823**	1,828	(651)	1,705	748	1,152
Financing Activities	**(2,017)**	(2,021)	(1,986)	(2,003)	(2,012)	(2,139)
Cash and Cash Equivalents at year end	**2,063**	2,581	1,635	1,190	1,329	1,192

Free Cash Flow *(BCR 6.04)*

Rupees in million

	2024	2023
FREE CASH FLOW		
Net cash flow from operating activities	**676**	937
Net cash generated from / (used in) investing activities	**823**	1,828
Net cash outflow from financing activities	**(2,017)**	(2,021)
Free Cash Flows	**(518)**	744
ECONOMIC VALUE ADDED		
Net Operating Profit after Tax	**3,711**	3,282
Less: Cost of Capital	**-**	-
Economic Value Added	**3,711**	3,282

Indicators and Performance Measures

Overall growth in the insurance industry has a positive relationship with growth in the economy. Insurance industry plays an important role in the economy by managing and indemnifying financial risk and by serving as institutional investor in the capital market.

The Company is continuously working towards exploring new horizons and avenues to increase the market base. The Company is offering both Conventional as well as Takaful products to its customers. We are not only the largest and oldest insurance Company in Pakistan but we are also the leading insurer in terms of market share in Pakistan.

Assumptions in Compiling Indicators

Being a service provider, the Company undertakes various considerations while compiling the indicators such as Company's financial position, financial performance, liquidity position, market standing and customer perception. These assumptions are reviewed, monitored and if needed, amended periodically.

Financial Ratios

		2024	2023	2022	2021	2020	2019
Profitability							
Profit after Tax / Net Insurance Premium	%	**25.50**	26.49	19.49	27.60	27.52	34.97
Profit before Tax / Net Insurance Premium	%	**41.80**	44.07	30.27	38.92	40.08	51.31
Underwriting Result / Net Insurance Premium	%	**16.62**	13.31	0.68	15.83	8.58	6.78
Underwriting Result / Written Premium	%	**6.38**	4.29	0.24	7.07	3.65	2.56
Profit before Tax / Total Income	%	**32.98**	33.20	23.22	31.44	30.29	35.77
Profit after Tax / Total Income	%	**20.12**	19.95	14.95	22.29	20.79	24.38
Profit before Tax / Written Premium	%	**16.04**	14.20	10.74	17.38	17.06	19.36
Profit after Tax / Written Premium	%	**9.79**	8.53	6.91	12.33	11.71	13.19
Premiun Growth Ratio	%	**(1.04)**	32.47	32.17	8.49	2.36	5.29
Combined Ratio *(BCR Ann. 4(11))*	%	**83.38**	88.68	100.11	84.90	92.26	94.09
Management Expenses / Net Insurance Premium	%	**25.75**	28.18	29.51	27.62	31.84	38.19
Net Claims / Net Insurance Premium *(BCR Ann. IV (11))*	%	**39.98**	41.35	54.41	43.61	50.59	47.57
Net Commission / Net Insurance Premium *(BCR Ann. IV (11))*	%	**17.66**	17.16	15.41	12.94	8.99	7.45
Other Expenses / Net Insurance Premium *(BCR Ann. IV (11))*	%	**1.44**	1.91	0.79	0.72	0.84	0.87
Persistency ratio *(BCR Ann. IV (11))*	%	**80.39**	80.42	86.96	87.10	86.02	85.10
Reinsurance premium ceded on gross premium *(BCR Ann. IV (11))*	%	**60.07**	64.16	51.96	50.30	56.11	58.28
Reinsurance claim recovery percentag *(BCR Ann. IV (11))*	%	**12.24**	8.04	15.03	12.25	8.46	12.36
Retention ratio *(BCR Ann. IV (11))*	%	**39.93**	35.84	48.04	49.70	43.89	41.72
Return to Share Holders							
Return on Assets	%	**5.13**	4.86	3.54	5.76	5.18	5.71
Return on Equity	%	**14.59**	15.23	10.26	13.30	11.51	12.85
Return on Investments	%	**7.07**	8.99	7.79	7.79	8.83	9.61
Earnings per Share	Rs.	**18.56**	16.41	10.03	13.54	11.86	13.05
Earnings Growth	%	**13.10**	63.61	(25.90)	14.17	(9.12)	20.16
Price to Earnings Ratio	Times	**6.25**	5.18	9.22	7.76	10.12	8.46
Dividend Yield	%	**8.62**	11.76	10.81	9.52	8.33	9.07
Net Assets per Share	Rs.	**120.85**	102.04	92.14	96.37	97.90	96.48
Breakup Value per Share	Rs.	**127.19**	107.74	97.80	101.75	102.97	101.48
Breakup Value per Share Without Surplus on Revaluation of PPE	Rs.	**120.85**	102.04	92.14	96.37	97.90	96.48
Market Data							
Face Value (per share)	Rs.	**10.00**	10.00	10.00	10.00	10.00	10.00
Market Price per share at the end of the year	Rs.	**116.03**	85.00	92.50	105.00	120.00	110.30
Market Price per share - Highest during the year	Rs.	**137.25**	100.00	118.02	123.75	129.41	127.65
Market Price per share - Lowest during the year	Rs.	**82.30**	73.50	92.50	104.36	78.32	67.50
KSE 100 Index	Points	**115,127**	62,451	40,420	44,596	43,755	40,735
Market Capitalization	(Rs. M)	**23,206**	17,000	18,500	21,000	24,000	22,060
Price to Book Value	Times	**0.91**	0.79	0.95	1.03	1.17	1.09
Cash Dividend per Share	Rs.	**10.00**	10.00	10.00	10.00	10.00	10.00
Cash Dividend	%	**100.00**	100.00	100.00	100.00	100.00	100.00
Dividend Pay out as a % of profit after tax	%	**53.89**	60.94	99.70	73.88	84.35	76.66
Dividend Cover	Times	**1.86**	1.64	1.00	1.35	1.19	1.30
Performance / Liquidity							
Current Ratio	Times	**1.23**	1.11	1.08	1.19	1.26	1.21
Quick Acid Test Ratio	Times	**5.89**	6.07	5.69	6.10	6.96	5.96
Cash / Current Liabilities	%	**3.84**	5.09	4.50	4.60	5.53	4.90
Total Assets Turnover	Times	**0.20**	0.18	0.18	0.21	0.19	0.16
Fixed Assets Turnover	Times	**4.98**	5.45	5.50	4.79	5.32	6.13
Total Liabilities / Equity	Times	**1.91**	2.22	1.97	1.36	1.27	1.30
Paid-up Capital / Total Assets	%	**33.38**	30.21	32.55	41.01	42.74	42.22
Earning Assets / Total Assets	%	**50.08**	44.72	49.79	56.22	60.24	57.20
Gross Yield on Earning Assets	%	**6.58**	8.32	7.27	7.37	8.34	9.08
Equity / Total Assets	%	**33.38**	30.21	32.55	41.01	42.74	42.22
Return on Capital Employed	%	**25.16**	26.76	16.91	19.80	17.64	19.84
Non-Financial Ratios							
Staff Turnover Ratio	%	**11.46**	9.91	6.98	5.64	4.69	5.05
Revenue per Employee	(Rs. '000')	**18,481**	15,273	11,898	10,614	9,680	8,866

Comments on Key Financial Data

Performance Ratios

The claim ratio and expense ratio for the year improved to 39.98 % from 41.35 % and to 25.75% from 28.18% compared to last year. The combined ratio also improved to 83.38% as compared to 88.68% last year.

The return on equity in 2024 was 14.59% as compared to last year's 15.23% while return on capital employed was 25.16 % as compared to 26.76 % last year.

The Company has been maintaining a healthy dividend payout ratio.

Balance sheet

The Company's assets increased to Rs. 72.4 billion from Rs. 67.5 billion last year. Total equity of the Company stood at Rs. 24.2 billion as compared to Rs.20.4 billion last year, i.e. significant increase of 18.63% over last year.

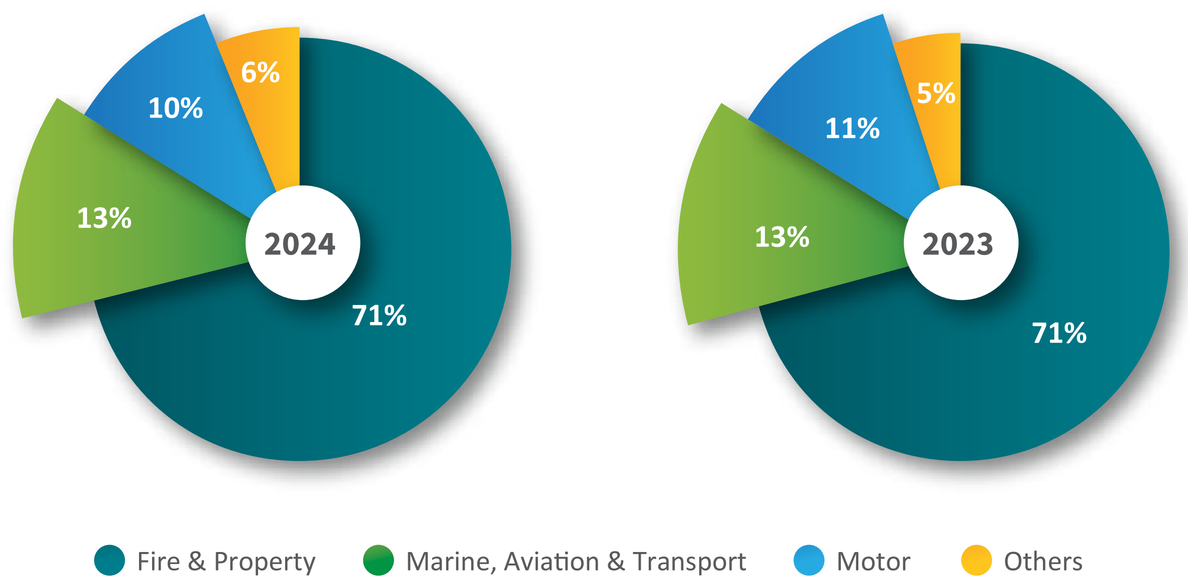
Profit and loss Account

During the year, gross written premium (including takaful contribution) were reported at Rs. 41.3 billion as against Rs. 41.5 billion last year.

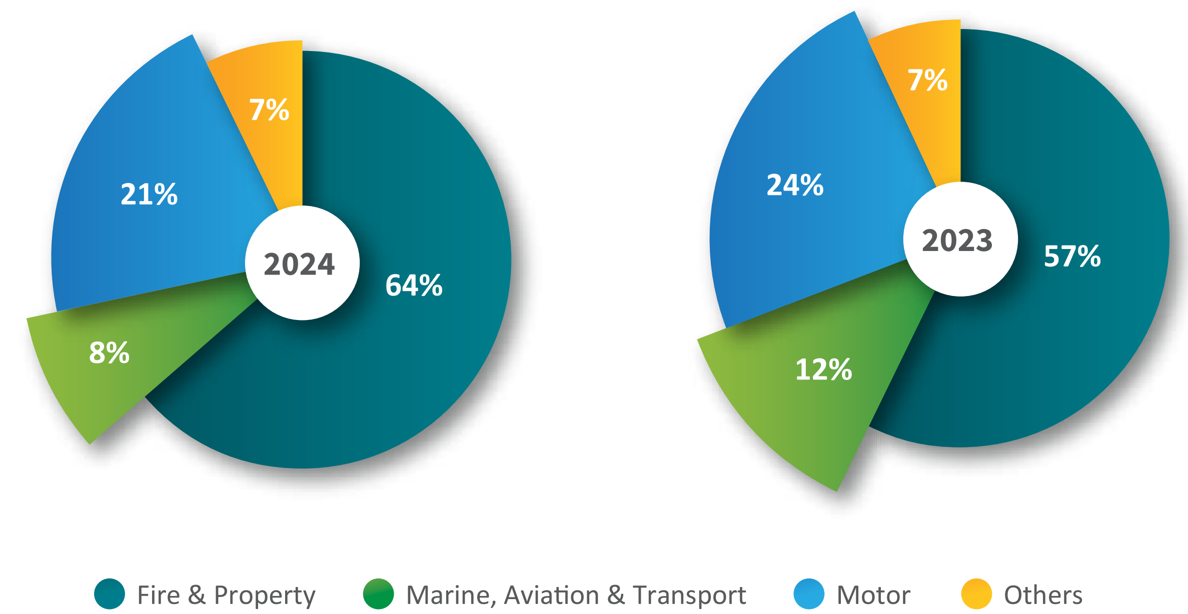
Net premium revenue grew by 17.5% despite challenging business scenarios whereas investment & other income was Rs. 3.62 billion.

ANALYSIS OF FINANCIAL STATEMENTS

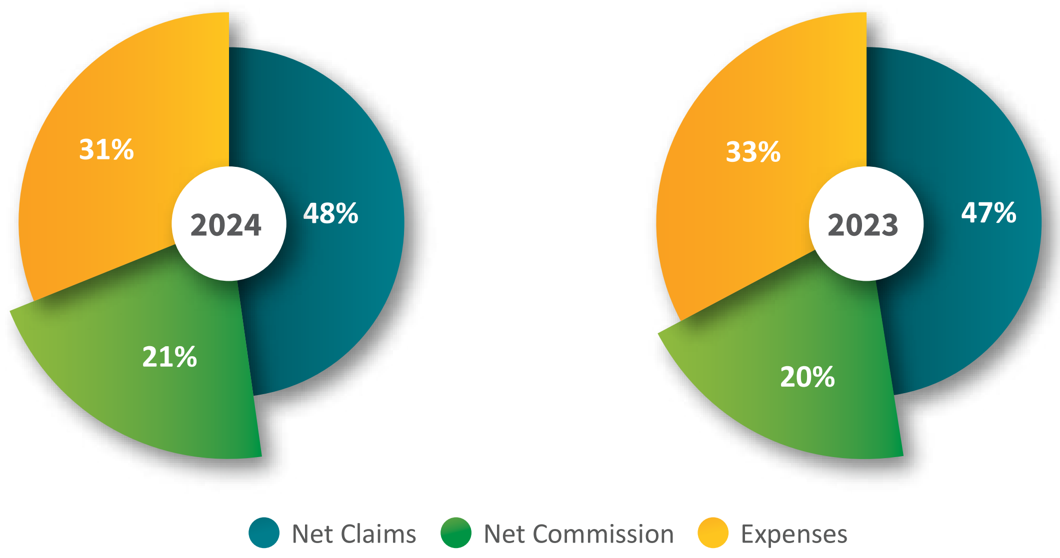
Gross Premium



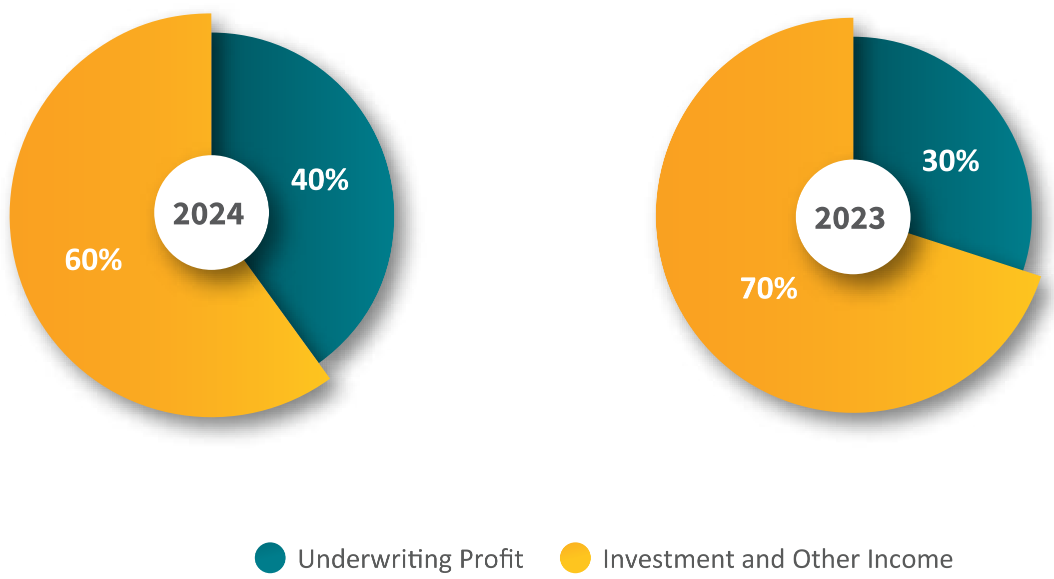
Gross Claims



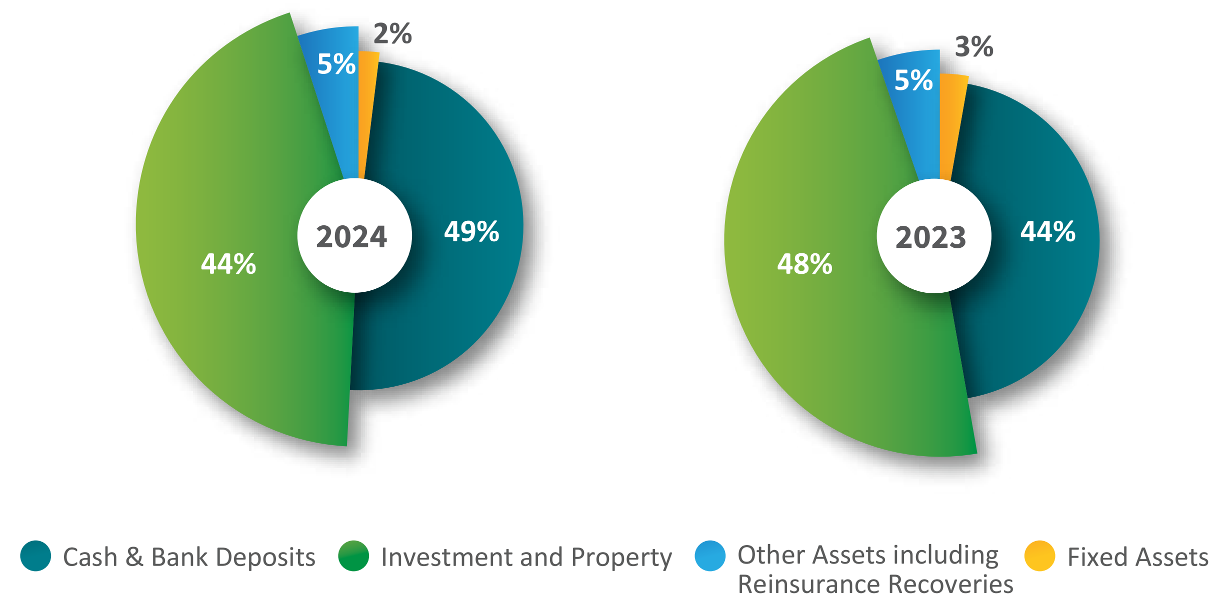
Combined Expenses



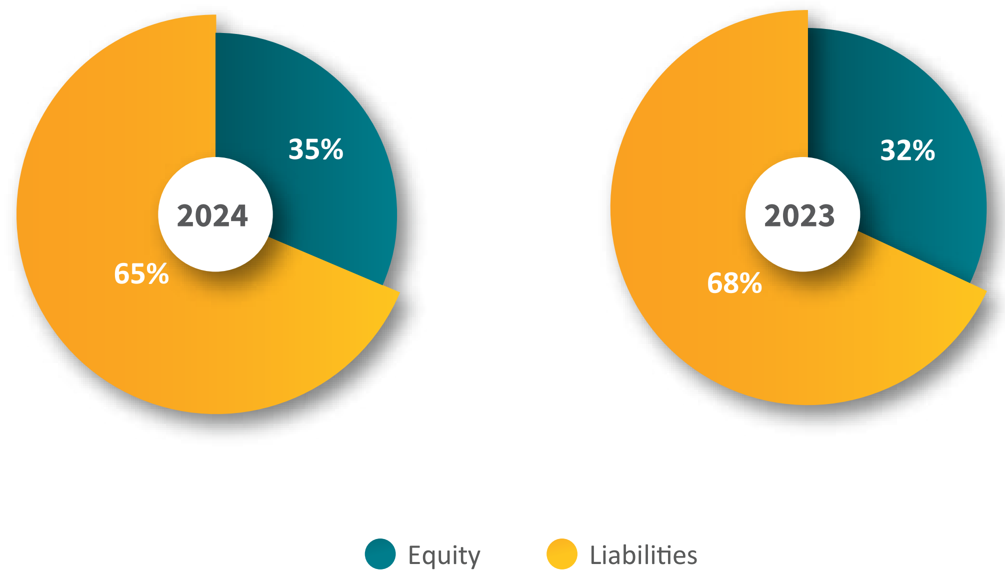
Analysis of Income



Total Assets

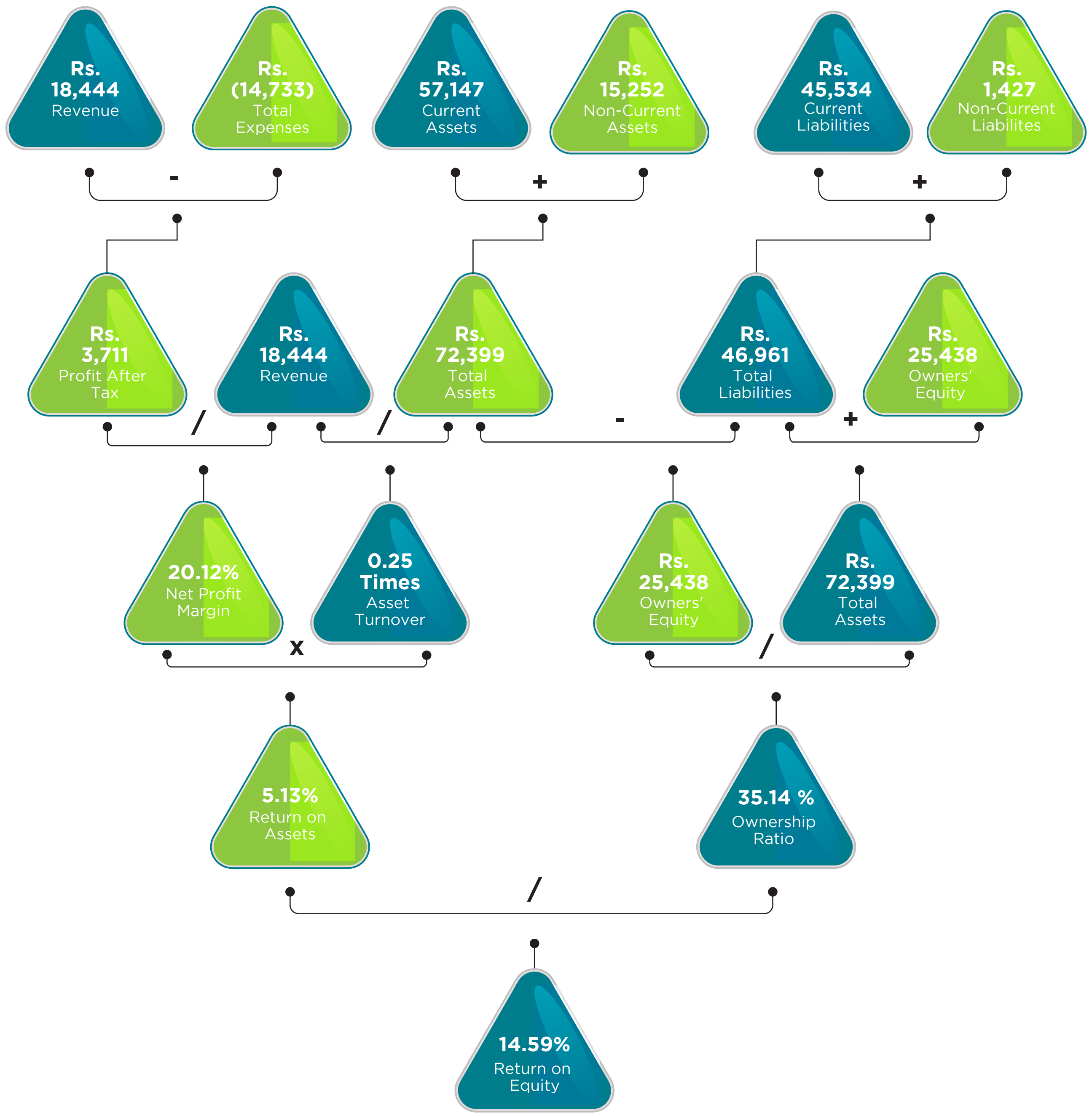


Total Equity and Liabilities



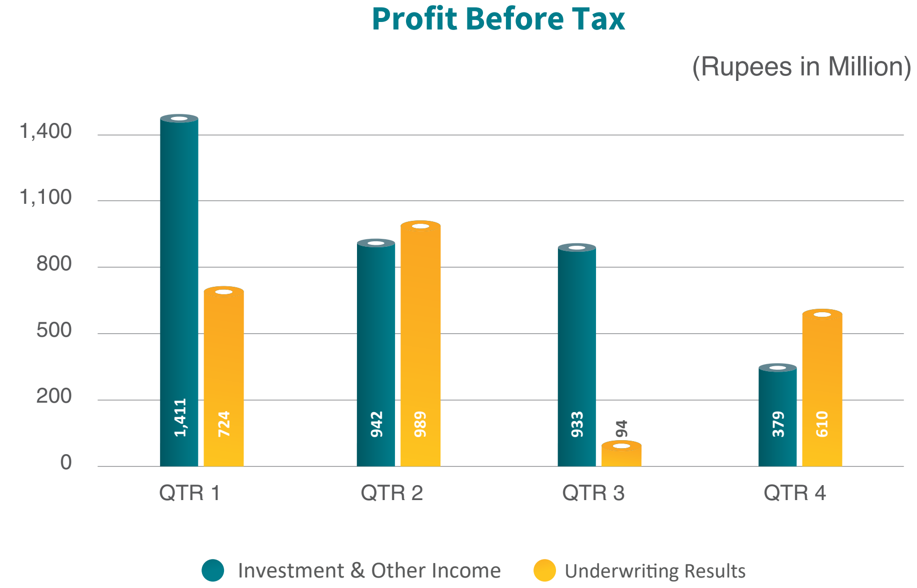
DuPont Analysis 2024

Rupees in Million



Analysis of Variation *(BCR 6.02 (b))*

Quarterly Analysis



Underwriting Results

During the year, the Company recorded 0.6% decline in written premium. The Company had Written Direct Premium and takaful business in Pakistan of Rs. 41.3 billion (inclusive of Rs. 3.4 billion of takaful contribution) as compared to Rs. 41.5 billion (inclusive of Rs. 3.1 billion of takaful contribution) in 2023, while the Net Premium Revenue grew by 17.5 % to Rs. 14.5 billion as compared to Rs. 12.4 billion in 2023.

Investment Income & Other Income

The year observed a decrease of 5.65% in Company's investments income primarily due to impairment charged against investments in subsidiary. Profit from window takaful operations - Operators' Fund decreased by 5.9% to Rs. 655 from Rs. 696 million last year due to significant decline in policy rates.

Profit after Tax

Your Company's profit after tax for the year 2024 was Rs. 3.7 billion as compared to Rs. 3.3 billion in 2023. The earnings per share was Rs. 18.56 as against earnings per share of Rs. 16.41 last year.

Unconsolidated Financial Statements

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Unconsolidated Financial Statements

To the members of EFU General Insurance Limited

Opinion

We have audited the annexed unconsolidated financial statements of **EFU General Insurance Limited** (the Company), which comprise the unconsolidated statement of financial position as at 31 December 2024, the unconsolidated profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes, comprising material accounting policy information and other explanatory information forming part thereof confirm with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at 31 December 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements for the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and

KPMG

in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	**Outstanding claims including incurred but not reported (IBNR)**	
	The Company's liability relating to outstanding claims including Incurred but not reported (IBNR) aggregating to Rs. 13,030 million. The provision for Incurred But Not Reported (IBNR) claims is calculated by the Company in compliance with Circular No. 9 of 2016 issued by the Securities and Exchange Commission of Pakistan (SECP). As per the circular, insurers are required to estimate and maintain IBNR provisions for each business class using the prescribed "Chain Ladder Method" or an alternative method permitted under the SECP Guidelines. Valuation of these liabilities is highly judgmental because it requires a number of assumptions to be made with high estimation uncertainty such as loss ratios, estimates of the frequency and severity of claims. Furthermore, the Company also maintains a provision for claims including IBNR based on the advice of an independent actuary. The determination and application of the methodology and performance of the calculations are also complex.	Our audit procedures amongst other procedures included the following: • Obtaining an understanding of the Company's process and evaluating the design and implementation of key controls in recognition and valuation of insurance liabilities. • Assessing the appropriateness of the Company's accounting policy for recognition and measurement of insurance liabilities, in compliance with applicable accounting and reporting standards. • Assessing the consistency of the methods used for calculation of the IBNR claims and assumptions for the valuation parameters at 31 December 2024 to establish whether these had been subject to any arbitrary discontinuities from those used at 31 December 2023. • Performing procedures to evaluate the accuracy, completeness and reliability of the underlying data utilized for the purposes of measurement by reference to its source. • Inspecting the report submitted by the Appointed Actuary for the year ended 31 December 2024, to the Board of Directors of the Company in respect of the insurance liabilities and the related methods and assumptions used for this purpose.

	Due to the significant judgment and estimation required to determine the obligations relating to outstanding claims including IBNR, we consider it to be a Key Audit Matter. Refer to note 3.16 and 24 to the unconsolidated financial statements relating to outstanding claims including (IBNR).	• Appointing an independent actuarial expert to assess the reasonableness of assumptions and methods used by the management's expert in the valuation of insurance liabilities. Our procedures also included evaluating the adequacy of the work performed by our independent appointed actuarial expert. • Assessing the appropriateness of disclosures made in the unconsolidated financial statements to ascertain whether these are in compliance with the applicable accounting and reporting standards.
2.	**Existence, valuation, and impairment of investments**	
	The investments of Rs 31,873 million as at 31 December 2024 held by the Company. The Company's investment portfolio comprises of government debt securities, equity securities, other fixed income securities and term deposits. We identified the existence, valuation, and impairment of investments as a key audit matter due to the material significance of investments relative to the Company's total asset size, as well as the inherent complexity involved in evaluating the valuation methodologies and assessing potential impairment of the investment portfolio. Refer to note 8 to 11 to the unconsolidated financial statements and the accounting policies in note 3.5 for investments.	Our audit procedures amongst other procedures included the following: • Obtaining an understanding of the Company's process for valuation and classification of investments and evaluating the design and implementation of key controls over the process relating to valuation and classification of the investments. • Obtaining independent confirmations to verify the existence of the investment portfolio as at 31 December 2024 and reconciling the contents of the reply with the books and records of the Company. In that instance, where confirmations were not received, alternate audit procedures were performed. Comparing the external statements of security custodian (CDC/IPS) with the books and records of the Company to assess whether the number of scripts have been accurately recorded by the Company.

		• Performing recalculation by using the data and inputs used in the valuation to assess the accuracy of carrying value of investments at the reporting date. • Evaluating whether the impairment loss in respect of the available for sale securities has been appropriately recognized and is in compliance with applicable financial reporting standards. • Assessing the appropriateness of the accounting policy adopted by the Company for compliance with the requirements of applicable financial reporting framework. • Assessing the appropriateness of disclosures made in the unconsolidated financial statements to ascertain whether these are in compliance with the applicable accounting and reporting standards.
3.	**Premium**	
	The Company generates its income primarily from premiums. Premium from insurance policies amounts to Rs. 39,142 million. We identified premium earned as a key audit matter because it is a key performance indicator of the Company and possess a risk of overstatement by recording transactions that may not have occurred. Refer note 3.14.1 and 23 of the annexed unconsolidated financial statements relating to premiums.	Our audit procedures amongst other procedures included the following: • Obtaining an understanding of the Company process for recognition of premium and evaluating the design and implementation of key controls involved in the process of capturing, processing and recording of premiums. • Comparing, using an appropriate sample of premium earned from the underlying policies issued to evaluate appropriateness of recognized premium during the year. • Assessing the appropriateness of the Company's accounting policy for recognition of premium, in compliance with applicable accounting and reporting standards.

		• Using an appropriate sample, tested premium underwritten close to year end and subsequent to year end to evaluate that revenue from premiums was recognised in the appropriate accounting year in compliance with the applicable accounting and reporting standards. • Recalculating the unearned portion of premium underwritten and ensuring that the appropriate amount is recorded in the current year.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises of Chairman's review, Directors' report and key operating and financial data, horizontal analysis, vertical analysis and statement of value addition and its distribution included in the annual report but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

KPMG Taseer Hadi & Co.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit and loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, and Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made and expenditure incurred during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

KPMG

KPMG Taseer Hadi & Co.

Other Matter

The unconsolidated financial statements of the Company for the period ended 31 December, 2023 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon dated 07 March 2024.

The engagement partner on the audit resulting in this independent auditor's report is **Amyn Malik**.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 04 March 2025
Karachi
UDIN: AR202410096aS9JUDRBA

Unconsolidated Statement of Financial Position

As at 31 December 2024

(Rupees in '000)

	Note	2024	2023
Assets			
Property and equipment	5	3,669,772	3,485,818
Intangible assets	6	-	-
Investment properties	7	3,462,112	3,191,970
Investment in subsidiary	8	8,120,149	9,132,138
Investments			
Equity securities	9	8,603,348	3,565,490
Debt securities	10	14,483,919	12,982,564
Term deposits	11	665,734	896,684
Loans and other receivables	12	920,669	441,912
Insurance / reinsurance receivables	13	7,634,503	8,629,907
Reinsurance recoveries against outstanding claims	24	8,596,247	7,009,843
Salvage recoveries accrued		92,600	99,276
Deferred commission expense	25	1,510,828	1,491,266
Retirement benefit - pension	18	1,680	88,193
Prepayments	14	10,715,960	12,525,940
Cash and bank	15	1,717,797	2,286,861
		70,195,318	65,827,862
Total assets of window takaful operations - Operator's Fund		2,203,554	1,721,427
Total assets		72,398,872	67,549,289
Equity and Liabilities			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital	16	2,000,000	2,000,000
Reserves	17	18,964,631	15,674,047
Unappropriated profit		3,205,197	2,733,704
Total equity		24,169,828	20,407,751
Surplus on revaluation of property and equipment	5.2	1,268,014	1,139,550
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	24	13,029,997	10,774,706
Unearned premium reserve	23	18,315,194	19,546,386
Unearned reinsurance commission	25	329,486	302,821
Retirement benefit - gratuity	18	80,936	44,238
Deferred taxation	19	1,426,822	360,812
Premium received in advance		182,957	167,683
Insurance / reinsurance payables	20	7,830,481	9,472,269
Other creditors and accruals	21	4,622,888	3,804,028
Taxation - provision less payments		362,981	817,640
Total liabilities		46,181,742	45,290,583
		71,619,584	66,837,884
Total liabilities of window takaful operations - Operator's Fund		779,288	711,405
Total equity and liabilities		72,398,872	67,549,289
Contingencies and commitments	22		

The annexed notes 1 to 44 form an integral part of these unconsolidated financial statements.

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Excecutive Officer	Chairman

Karachi 26 Feburary 2025

Unconsolidated Profit and Loss Account

For the year ended 31 December 2024

(Rupees in '000)

	Note	2024	2023
Net insurance premium	23	14,552,144	12,389,706
Net insurance claims	24	(5,817,434)	(5,123,388)
Net commission and other acquistion costs	25	(2,569,332)	(2,126,330)
Insurance claims and acquisition expenses		(8,386,766)	(7,249,718)
Management expenses	26	(3,747,366)	(3,491,120)
Underwriting results		2,418,012	1,648,868
Investment income	27	2,254,619	2,389,885
Rental income	28	128,901	125,289
Other income	29	584,456	677,978
Change in fair value of investment property	6	269,721	170,178
Other expenses	30	(210,148)	(236,050)
		3,027,549	3,127,280
Results of operating activities		5,445,561	4,776,148
Finance cost	21.4.1	(17,985)	(12,045)
Profit from window takaful operations - Operator's Fund	31	654,501	696,368
Profit before tax		6,082,077	5,460,471
Taxation			
Current		(2,688,745)	(2,230,977)
Prior		-	(180,006)
Deferred		317,796	232,123
	32	(2,370,949)	(2,178,860)
Profit after tax		3,711,128	3,281,611
Earnings (after tax) per share - Rupees	33	18.56	16.41

The annexed notes 1 to 44 form an integral part of these unconsolidated financial statements.

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Excecutive Officer	Chairman

Karachi 26 Feburary 2025

Unconsolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	2024	2023
	(Rupees in '000)	
Profit after tax	**3,711,128**	3,281,611
Other comprehensive income		
Total items that may be reclassified subsequently to profit and loss account		
Unrealised gain on available-for-sale investments during the year - net	**2,132,546**	582,262
Unrealised loss on available-for-sale investments during the year - Subsidiary Company - net	**(17,721)**	(82,751)
Unrealised gain / (loss) on available for sale investment from window takaful operations - Operator's Fund - net	**15,187**	(2,959)
Reclassification adjustments relating to available-for-sale investments disposed of during the year	**-**	108,565
Total unrealised gain on available-for-sale investments - net	**2,130,012**	605,117
Effect of translation of foreign branches - net	**(3,958)**	53,061
	2,126,054	658,178
Item not to be reclassified to profit and loss account in subsequent year:		
Actuarial (losses) / gains on defined benefit plans - net	**(84,933)**	34,517
Other comprehensive income	**2,041,121**	692,695
Total comprehensive income for the year	**5,752,249**	3,974,306

The annexed notes 1 to 44 form an integral part of these unconsolidated financial statements.

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Excecutive Officer	Chairman

Karachi 26 Feburary 2025

Unconsolidated Cash Flow Statement

For the year ended 31 December 2024

	Note	2024	2023
		(Rupees in '000)	
Operating cash flows			
a) Underwriting activities			
Insurance premium received		**38,901,894**	35,835,129
Reinsurance premium paid		**(24,413,460)**	(22,882,244)
Claims paid		**(8,195,966)**	(7,863,622)
Reinsurance and other recoveries received		**3,073,592**	2,536,683
Commission paid		**(3,303,692)**	(2,690,319)
Commission received		**662,222**	581,102
Management expenses paid		**(3,223,335)**	(3,189,215)
Net cash flow generated from underwriting activities		**3,501,255**	2,327,514
b) Other operating activities			
Income tax paid		**(2,887,840)**	(1,333,861)
Other operating payments		**(461,800)**	(220,295)
Other operating receipts		**523,617**	163,461
Loans advanced		**(429)**	(1,245)
Loans repayments received		**744**	1,092
Net cash flow used in other operating activities		**(2,825,708)**	(1,390,848)
Total cash flow generated from all operating activities		**675,547**	936,666
Investment activities			
Profit / return received		**2,607,349**	2,238,543
Dividend received		**1,106,311**	994,984
Rentals received		**186,588**	98,586
Payment for investments / investment properties		**(21,805,495)**	(8,890,926)
Proceeds from investments / investment properties		**18,864,028**	7,778,784
Fixed capital expenditures		**(243,417)**	(492,826)
Proceeds from sale of property and equipment		**107,697**	100,914
Total cash flow generated from investing activities		**823,061**	1,828,059
Financing activities			
Payments against lease liabilities		**(58,222)**	(52,174)
Dividends paid		**(1,958,592)**	(1,968,733)
Total cash flow used in financing activities		**(2,016,814)**	(2,020,907)
Net cash flow (used in) / generated from all activities		**(518,206)**	743,818
Cash and cash equivalents at the beginning of year		**2,581,405**	1,837,587
Cash and cash equivalents at the end of year	15.3	**2,063,199**	2,581,405
Reconciliation to profit and loss account			
Operating cash flows		**675,547**	936,666
Depreciation / amortisation expense		**(322,415)**	(290,655)
Finance cost		**(17,985)**	(12,045)
Profit on disposal of property and equipment		**87,585**	96,196
Profit on disposal of investments / investment properties		**108,550**	94,682
Rental income		**128,901**	125,289
Dividend Income		**1,106,311**	999,272
Other investment income		**1,038,517**	1,295,931
Gain on remeasurement of investments at fair value through profit and loss		**1,241**	-
Profit on deposits		**498,433**	395,633
Other (loss) / income		**(1,562)**	186,148
Change in fair value of investment properties		**269,721**	170,178
(Decrease) / increase in assets other than cash		**(971,364)**	7,403,095
Decrease / (Increase) in liabilities other than borrowings		**455,147**	(8,815,147)
Profit after tax from conventional insurance operations		**3,056,627**	2,585,243
Profit from window takaful operations - Operator's Fund		**654,501**	696,368
Profit after tax		**3,711,128**	3,281,611

The annexed notes 1 to 44 form an integral part of these unconsolidated financial statements.

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Excecutive Officer	Chairman

Karachi 26 Feburary 2025

Unconsolidated Statement of Changes in Equity

For the year ended 31 December 2024

(Rupees in '000)

	Attributable to equity holders of the Company							
	Capital reserve					Revenue reserves		
	Share capital	Reserve for exceptional losses	Unrealised gaian / (loss) on revaluation of available-for-sale	Exchange translation reserve	Unrealised gain on fair value of investment property	General reserve	Unappropriated profit	Total
Balance as at 01 January 2023	2,000,000	12,902	57,775	142,661	1,885,773	13,000,000	1,327,614	18,426,725
Total comprehensive income for the year ended 31 December 2023								
Profit after tax	-	-	-	-	(83,242)	-	3,364,853	3,281,611
Other comprehensive income	-	-	605,117	53,061	-	-	34,517	692,695
	-	-	605,117	53,061	(83,242)	-	3,399,370	3,974,306
Transferred from surplus on revaluation of property and equipment	-	-	-	-	-	-	6,720	6,720
Transactions with owners recorded directly in equity								
Final dividend for the year 2022 at the rate of Rs. 5.50 (55.00%) per share	-	-	-	-	-	-	(1,100,000)	(1,100,000)
1st Interim dividend paid for the year 2023 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)
2nd Interim dividend paid for the year 2023 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)
3rd Interim dividend paid for the year 2023 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)
Balance as at 31 December 2023	2,000,000	12,902	662,892	195,722	1,802,531	13,000,000	2,733,704	20,407,751
Total comprehensive income for the year ended 31 December 2024								
Profit after tax	-	-	-	-	164,530	-	3,546,598	3,711,128
Other comprehensive income	-	-	2,130,012	(3,958)	-	-	(84,933)	2,041,121
	-	-	2,130,012	(3,958)	164,530	-	3,461,665	5,752,249
Transferred from surplus on revaluation of property and equipment	-	-	-	-	-	-	9,828	9,828
Transactions with owners recorded directly in equity								
Final dividend for the year 2023 at the rate of Rs. 5.50 (55.00%) per share	-	-	-	-	-	-	(1,100,000)	(1,100,000)
1st Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)
2nd Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)
3rd Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)
Other transfer within equity								
Transfer to general reserve	-	-	-	-	-	1,000,000	(1,000,000)	-
Balance as at 31 December 2024	2,000,000	12,902	2,792,904	191,764	1,967,061	14,000,000	3,205,197	24,169,828

The annexed notes 1 to 44 form an integral part of these unconsolidated financial statements.

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Excecutive Officer	Chairman

Karachi 26 Feburary 2025

Notes to the Unconsolidated Financial Statements

For the year ended 31 December 2024

1 Legal status and nature of business

EFU General Insurance Limited (the Company) was incorporated as a public limited company on 02 September 1932. The Company is registered under Companies Act, 2017 and is listed on the Pakistan Stock Exchange and is engaged in non-life insurance business comprising of fire and property damage, marine, aviation and transport, motor and miscellaneous.

The Registered Office of the Company is situated in Kamran Centre, 1st Floor 85 East, Jinnah Avenue Blue Area Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Company was granted authorisation on 16 April 2015 under Rule 6 of Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of general takaful products by the Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on 6 May 2015. The Company operates through 30 (2023: 47) branches in Pakistan including a branch in Export Processing Zone (EPZ).

1.1 In 2018, the Company had assessed its control position in relation to its investments in EFU Life Assurance Limited ("EFU Life") after its agreement with some shareholders of EFU Life effective 31 March 2018, accordingly it was concluded that the Company has the ability to control the composition of the Board of Directors of EFU Life, therefore EFU Life has become the subsidiary of the Company from 31 March 2018.

1.2 On 19 April 2024, the Board of Directors of EFU Life passed a resolution to approve a scheme of amalgamation under Section 284(1) of the Companies Act, 2017, to amalgamate its wholly owned subsidiary, EFU Health Insurance Limited ("EFU Health"), with and into EFU Life. As such, as of the effective date of 01 May 2024, the entirety of EFU Health has been merged with and into EFU Life.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017, General Takaful Accounting Regulations, 2019 and Takaful Rules, 2012.

- Directives issued by the Securities and Exchange Commission of Pakistan (note 2.5.1).

In case requirement differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012, and the General Takaful Accounting Regulations, 2019 have been followed.

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

Total assets, total liabilities and profit / (loss) of the Window Takaful Operations of the Company (referred to as the Operator's Fund) has been presented in these unconsolidated financial statements in accordance with the requirements of Circular 25 of 2015 dated 09 July 2015. A separate set of financial statements of the General Window Takaful Operations has been reported which is annexed to these unconsolidated financial statements as per the requirements of the SECP Takaful Rules, 2012, General Takaful Accounting Regulations, 2019.

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for the available-for-sale investments, held for trading investments, land and buildings, and investment properties that have been measured at fair value. Further lease liabilities and their related right-of-use assets measured at their present values at initial recognition, and the Company's liability under defined benefit plan is determined based on present value of defined benefit obligation less fair value of plan assets.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated financial statements are presented in Pakistani Rupees which is also the Company's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupees in thousand, unless otherwise stated.

2.4 Standards, interpretations and amendments effective during the current year

There are certain new standards, amendments and interpretations that are applicable for accounting periods beginning on or after 1 January 2024, that are considered not to have a material impact on the Company's financial statements and hence summarised below:

Effective date	New amendments to standard
1 January 2024	Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020)
	Non-current liabilities with covenants (Amendment to IAS 1 in October 2022)
	Lease liability in a sale and leaseback (Amendment to IFRS 16 in September 2022)
	Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)

2.5 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2025:

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

- Lack of Exchangeability (amendments to IAS 21) clarify:
  - when a currency is exchangeable into another currency; and
  - how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosures:

  - Financial assets with ESG-linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial asset with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs - e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- Recognition / Derecognition requirements of financial assets / liabilities by electronic payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognise their trade payables on the settlement date (i.e. when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the Company to derecognise its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.
- Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

- Disclosures on investments in equity instruments:

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

Annual improvements to IFRS Accounting Standards – Amendments to:
- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows

The amendments to IFRS 9 address:

A conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables: Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and

- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:

When lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

The amendment on trade receivables may require some companies to change their accounting policy.

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The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

2.5.1 Temporary exemption from IFRS 17 and IFRS 9

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I) / 2023 dated 21 November 2023 IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance / takaful and re-insurance / re-takaful business from financial years commencing on or after 01 January 2026.

IFRS 17, replaces IFRS 4 Insurance Contracts. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition / derecognition of IFRS 17. Companies subject to the requirement of SRO 1715 will also be required to adopt requirements of IFRS-9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

SECP through its S.R.O.506(I)/2024 has directed that the applicability period of optional temporary exemption from applying IFRS 9 Financial Instruments as given in para 20A of IFRS 4 Insurance Contracts is extended for annual periods beginning before 01 January 2026, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

SECP vide letter no. ID/MDPRD/IFRS-17/2021/176 dated 15 June 2021 initiated a four-phase approach towards implementation of IFRS 17 - Insurance Contracts. The first three phases now stand completed and Phase 4 parallel run and implementation has commenced and is currently under progress.

In Phase 4 SECP requires parallel run of IFRS 17 for the year ended 31 December 2024 to be submitted to SECP by 30 June 2025 and dry run on the financial statement of the first quarter of 2025 to be submitted by 30 November 2025.

2.5.2 The tables below set out the fair values as at the end of reporting year and the amount of change in the fair value during that year for the following two groups of financial assets separately:

a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, excluding any financial asset that meets the definition of fair value through profit and loss in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis; and

b) all other financial assets.

Fair value of financial assets as at 31 December 2024 and the change in the fair values during the year ended 31 December 2024.

Notes to the Unconsolidated Financial Statements
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(Rupees in '000)

Financial assets	**As at 31 December 2024 — Failed the SPPI test: Fair value**	**Failed the SPPI test: Change in unrealised gain during the year**	**Passed the SPPI test: Fair value**	**Passed the SPPI test: Change in unrealised gain during the year**
Cash at bank*	-	-	1,717,797	-
Investment in subsidiary	8,120,149	-	-	-
Investment in equity securities	8,603,347	3,895,061	-	-
Investment in debt securities	-	-	14,483,919	524,150
Term deposits*	-	-	665,734	-
Loans and other receivables	2,538	-	-	-
	16,726,034	3,895,061	16,867,450	524,150

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

Fair value of financial assets as at 31 December 2023 and the change in the fair values during the year ended 31 December 2023

(Rupees in '000)

Financial assets	As at 31 December 2023 — Failed the SPPI test: Fair value	Failed the SPPI test: Change in unrealised gain during the year	Passed the SPPI test: Fair value	Passed the SPPI test: Change in unrealised loss during the year
Cash at bank*	-	-	2,286,861	-
Investment in subsidiary	9,132,138	29,051	-	-
Investment in equity securities	3,565,490	1,567,940	-	-
Investment in debt securities	-	-	12,982,564	(647,508)
Term deposits*	-	-	896,684	-
Loans and other receivables	2,853	-	-	-
	12,700,481	1,596,991	16,166,109	(647,508)

*The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies and method of computation adopted in preparation of unconsolidated financial statements are consistent to all years presented in these unconsolidated financial statements.

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3.1 Property and equipment

Land is measured at cost at the time of initial recognition and is subsequently carried at revalued amount. Buildings are initially measured at cost and upon revaluation, is carried at revalued amount less accumulated depreciation and accumulated impairment losses, if any. All other property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated on straight line basis at the rates specified in note 5.1 to these unconsolidated financial statements.

Depreciation on additions is charged from the month in which the asset is available for use, while no depreciation is charged for the month in which the asset is disposed off.

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

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognised. Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at each reporting date.

3.2 Lease liabilities and right-of-use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases and leases of low value assets (if any). The Company recognises lease liability to make lease payments and right-of-use assets representing the right to use the underlying assets. At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises right-of-use asset (ROU asset) and its related lease liability at the commencement date of the lease.

i) Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Notes to the Unconsolidated Financial Statements

For the year ended 31 December 2024

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use asset that do not meet the definition of investment property in property and equipment.

ii) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing source and makes certain adjustments, if needed to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the Unconsolidated Financial Statements

For the year ended 31 December 2024

3.3 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably. Costs directly associated with identifiable intangibles that will have probable economic benefits exceeding costs beyond one year, are recognised as an intangible asset.

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

3.4 Investment properties

Investment property is the property which is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property was initially measured at cost and subsequently at fair value with any change therein recognised in unconsolidated profit or loss accounts.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

The fair value of investment property is determined by external, independent property valuer having appropriate recognised professional qualifications.

3.5 Investments

3.5.1 Recognition and classification

All investments are initially recognised at cost, being the fair value of the consideration given and include transaction costs except for investments held for trading in which transaction cost is charged to profit and loss account. All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the Company commits to purchase or sell investments.

The classification depends on the purpose for which the financial asset is acquired, the Company classified investments as follows:

- In subsidiary - available for sale
- In equity securities - available for sale
- In equity securities - held for trading
- In debt securities - available for sale
- In term deposits - held to maturity

3.5.2 Measurement

3.5.2.1 Available-for-sale

Investments which are not eligible to be classified as at held for trading, or held to maturity are classified as available-for-sale. Further, Investments which at the time of acquisition are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Notes to the Unconsolidated Financial Statements

For the year ended 31 December 2024

Subsequent to initial measurement, these are remeasured at fair value. Surplus / deficit on revaluation from one reporting date to other is taken to other comprehensive income in the Statement of Comprehensive Income. On derecognition or impairment of available-for-sale investments, the cumulative gain or loss previously reported in other comprehensive income is transferred to profit and loss for the period within Statement of Comprehensive Income. Whereas, any reversal in impairment is taken in Statement of Comprehensive Income.

Impairment against financial assets

When the decline in value of an equity security is significant or prolonged, the decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available-for-sale equity securities, the cumulative loss previously recognised in the statement of comprehensive income is removed there from and included in the profit and loss account. Impairment losses recognised in the profit and loss account on equity securities are only reversed when the equity securities are derecognised.

3.5.2.2 Held to maturity

At the time of acquisition, investments with fixed determinable payments and fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held to maturity.

Subsequently, these are measured at amortised cost using the effective yield, less provision for impairment losses, if any. Any premium paid or discount availed on acquisition of held to maturity investment is deferred and amortised over the term of investment using the effective yield method.

These are reviewed for impairment at year end and any losses arising from impairment losses are charged to the profit and loss account.

3.5.2.3 Held for trading

These financial assets are acquired principally for the purpose of generating profit from short-term fluctuation in prices or are part of a portfolio for which there is a recent actual pattern of short-term profit taking. The Company elects to measure certain financial assets and liabilities at their fair value, with any changes in fair value recognised directly in the profit or loss account during each reporting period, indicating that the Company intends to actively trade these instruments.

Subsequent to initial recognition these are measured at fair value by reference to quoted market prices with the resulting gain or loss being included in the profit and loss account for the period to which it relates.

3.5.3 Fair value measurements

The fair value of investments in listed equity securities is determined by reference to the Pakistan Stock Exchange's quoted market prices at the close of period end.

The fair value of investments in mutual funds is determined by reference to the net asset values as published by Mutual Funds Association of Pakistan at period end.

The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the Mutual Funds Association of Pakistan's website.

Notes to the Unconsolidated Financial Statements

For the year ended 31 December 2024

3.5.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amount and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.6 Insurance contracts

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

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

The Company underwrites non-life insurance contract to multiple types of clients with businesses in engineering, automobiles, cement, power, textiles, paper, agriculture, services, trading sector, and individuals as well. The tenure of these insurance contracts depends upon terms of the policies written and vary accordingly.

Contracts may be concluded for a fixed term of one year, for less than one year, and in some cases for more than one year. However, most of the contracts are for twelve months duration. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) of a facultative nature are included within the individual category of insurance contracts, other than those, which fall under Treaty. The insurance risk involved in these contracts is similar to the contracts undertaken by the Company as insurer.

The Company's insurance contracts are classified into the following main categories, depending on the nature and duration of risk and whether or not the terms and conditions are fixed and are:

Fire and property damage

Fire and property damage insurance contracts mainly compensate the Company's customers for damage suffered due to fire, earthquake, riots / strike, explosion, atmospheric disturbance, flood, electric fluctuation and impact, burglary, loss of profit followed by the incident of fire, contractor's all risk, erection all risk, machinery breakdown and boiler damage, etcetera. According to the terms and conditions of the policy, to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities.

Marine, aviation, and transport

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

Motor

Motor insurance contracts provide indemnity for accidental damage to or total loss of insured vehicle including loss of or damage to third party and other comprehensive car coverage, according to terms and conditions of the policy (policy is made under the requirements of the Motor Vehicle Ordinance, 1965).

Miscellaneous

All other types of insurance contracts are classified in miscellaneous category like cover against burglary, loss of cash in safe, cash in transit, cash on counter, fidelity guarantee, personal accident, workmen compensation, travel loss, crop damage, mobilisation and performance bond, public liabilities, livestock loss, bankers and other financial institutions packages, product liabilities, professional indemnity etcetera, according to terms and conditions of the policy.

In addition to direct insurance, the Company also participates in risks under co-insurance contracts from other companies. The nature of the risks undertaken under such arrangement are consistent with the risks in each class of business as stated above in direct and other lead insurance contracts. The accounting policies of the defined insurance contracts have been disclosed in their respective notes to these financial statements.

3.7 Commission

3.7.1 Deferred commission expense

Commission expenses incurred in obtaining and recording policies is deferred and recognised as an expense in accordance with pattern of recognition of premium revenue by applying the twenty-fourths' method.

3.7.2 Commission income

Commission from reinsurers (apart from recoveries) is deferred and recognised as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Profit / commission, if any, under the terms of reinsurance arrangements is recognised when the Company's right to receive the same is established.

3.8 Unearned premium reserve

The unearned premium reserve is the unexpired portion of the premium including administrative surcharge, which relates to business in force at the unconsolidated financial statements date. Unearned premiums have been calculated by applying 1 / 24th method as specified in the Insurance Rules, 2017.

3.9 Insurance receivables and payables

Receivables (including premium due but unpaid) under insurance contracts are recognised when due, at the fair value of the consideration receivable. If there is objective evidence that the receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognises it as impairment loss. Premium received in advance is recognised as liability till the time of issuance of insurance contract thereagainst.

An assessment is made at each reporting date to determine whether there is an objective evidence from external as well as internal sources of information that a financial asset or group of assets may be impaired i.e., recoverable amount at the reporting date is less than the earning amount of the asset. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised in the profit and loss account, for the difference between the recoverable amount and the carrying amount. Provision for impairment are reviewed at each reporting date and adjusted to reflect the current best estimates. Changes in the provisions are recognised as income or expense, in the profit and loss account.

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

3.10 Premium deficiency reserve (liability adequacy test)

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

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses, which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable

The movement in the premium deficiency reserve is recognised as an expense or income in the profit and loss account for the year.

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

	2024	2023
- Fire and property damage	42%	41%
- Marine, aviation and transport	39%	38%
- Motor	47%	49%
- Others	49%	57%

3.11 Reinsurance contracts

Contracts entered into by the Company with reinsurers under which the Company cedes insurance risks assumed during normal course of its business and according to which the Company is compensated for losses on insurance contracts issued by the Company are classified as reinsurance contracts held.

Reinsurance premium is recognised as an expense at the time the reinsurance is ceded. Commission on reinsurance cessions are recognised in accordance with the policy of recognizing premium revenue.

Reinsurance assets represent balances due from reinsurance companies and reinsurance recoveries against outstanding claims. Reinsurance recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Reinsurance liabilities represent balances due to reinsurance companies and are primarily premiums payable for reinsurance contracts and are recognised at the same time when reinsurance premiums are recognised as an expense.

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

An impairment review of reinsurance assets is performed at each financial statement date. If there is objective evidence that the asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the profit and loss account.

Notes to the Unconsolidated Financial Statements
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3.12 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company's key management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Rules, 2017 as the primary reporting format.

The Company has four primary business segments for reporting purposes namely, fire and property damage, marine, aviation and transport, motor and miscellaneous. The nature and business activities of these segments are disclosed in note no. 3.6.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities, which cannot be allocated to a particular segment on a reasonable basis, are reported as unallocated corporate assets and liabilities. Further, the management expenses were allocated to each segments on the basis disclosed in note 3.20.

3.13 Cash and cash equivalents

Cash and cash equivalents includes policy and revenue stamps, bond papers, cash at bank, and term deposits with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

3.14 Revenue recognition

3.14.1 Premium

For all the insurance contracts, premiums / cover notes issued including administrative surcharge received / receivable under a policy / cover note are recognised as written from the date of attachment of the risk to the policy / cover note and over the period of the insurance from inception to the expiry of policy. Where premiums for a policy are payable in instalments, full premium for the duration of the policy is recognised as written at the inception of the policy and related assets set up for premiums receivable at a later date. Premiums are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied.

Revenue from premium is determined after taking into account the unearned portion of premium. The unearned portion of premium income is recognised as a liability.

Reinsurance premium is recognised as an expense after taking into account the proportion of deferred premium expense which is calculated using 1 / 24th method. The deferred portion of premium expense is recognised as a prepayment.

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

3.14.2 Commission income

The revenue recognition policy for commission income is given under note 3.7.2.

3.14.3 Rental Income

Rental income from investment property is recognised as revenue on a straight line basis over the non-cancellable period of the lease, unless another systematic basis is more representative of the time pattern in which use / benefit derived from the investment property is diminished.

3.14.4 Investment income

- Unrealised gain or loss on revaluation of investments classified as at held for trading is included in the profit and loss account in the period to which it relates.
- Gain or loss on sale of investments is accounted for in the profit and loss account in the period to which it relates.
- Interest / mark-up on bank balances, term deposits and government securities is recognised on an accrual basis using the effective interest method.

3.14.5 Dividend income

Dividend income is recognised when right to receive such dividend is established.

3.15 Claims

Claims are charged to profit and loss account as incurred based on estimated liability for compensation owed under the insurance contracts. It includes claims handling costs that are directly related to the processing and settlement of claims (including surveyor cost), a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

3.16 Provision (liability) for outstanding claims including Incurred But Not Reported (IBNR) claims

3.16.1 Outstanding claims

A provision (liability) for outstanding claims is recognised in respect of all claims incurred upto the financial statement date (claims intimated or assessed before the end of the reporting period), which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs. Where applicable, deductions are made for salvage and their recoveries.

Claims recoveries receivable from reinsurers and other recoveries receivable shall be recognised at the same time as the claims which give rise to the right to the recovery are recognised.

3.16.2 Incurred But Not Reported (IBNR) claims

SECP through its circular 9 of 2016 dated March 09, 2016 issued 'SECP guidelines for estimation of incurred but not reported (IBNR) claims reserve 2016' for non-life insurance Companies and required to comply with all provisions of these guidelines with effect from July 01, 2016.

Notes to the Unconsolidated Financial Statements
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The provision for IBNR claims is made at the financial statement date. The Company takes actuarial advice for the determination of IBNR claims. IBNR claims have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF), which represents the extent of future development of claims to reach their ultimate level. The methods used, and the estimates made, are reviewed regularly. The actuarial valuation is carried out by an independent firm of actuaries for determination of IBNR for each class of business.

3.17 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity or in the statement of comprehensive income, in which case it is recognised in equity or in the statement of comprehensive income respectively.

3.17.1 Current tax

Provision for current taxation is based on taxable income determined in accordance with the prevailing law for taxation of income and is calculated using enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for the current taxation also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year or required by any other reason.

3.17.2 Deferred tax

Deferred tax is recognised using the statement of financial position liability method for all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted at the financial statement date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.18 Employees' retirement benefits

3.18.1 Defined benefit plans

The Company operates the following employee defined benefit plans:

- **Funded gratuity scheme**
  The Company operates an approved gratuity fund for all employees who complete qualifying period of service.
- **Funded pension scheme**
  The Company operates an approved pension fund for its entitled employees.

These funds are administered by trustees. The pension plan is a career average salary plan and the gratuity plan is a final basic salary plan. The actuarial valuation of both the plans is carried out on a yearly basis using the Projected Unit Credit Method and contributions to the plans are made accordingly.

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The liability / asset recognised in the statement of financial position is the present value of defined benefit obligation at the reporting date less fair value of plan assets. The defined benefit obligation is calculated annually using Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognised immediately in the statement of comprehensive income. The Company makes contributions to the plan on the basis of advice of its actuary.

Actuarial gains and losses are recognised in other comprehensive income in the year in which they arise.

Past-service costs are recognised immediately in profit and loss account, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss account.

3.18.2 Defined contribution plan

The Company contributes to a provident fund scheme, which covers all permanent employees. Both the Company and the employees make equal contributions to the fund at the rate of 8.33% of basic salary.

3.19 Dividend distribution and reserve appropriation

Dividend to shareholders is recognised as liability in the period in which it is approved. Similarly, reserve appropriation is recognised when approved.

3.20 Management expenses

All expenses of management have been allocated between business of Company and Window Takaful Operations – Operators' Fund to the various revenue accounts as deemed equitable by management based on the detailed exercise carried out by management on an annual basis.

Expenses that are not directly attributable to the underwriting business are charged under other expenses.

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

3.21 Impairment of non financial assets

The management assesses at each reporting date whether there is an objective evidence that the non financial assets or a group of non financial assets (cash generating unit) is impaired. The carrying value of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

A previously recognised impairment loss is reversed only if there has been change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit and loss account.

3.22 Compensated absences

The liability towards compensated absences accumulated by the eligible employees is provided in the period in which they are earned.

3.23 Foreign currencies

3.23.1 Foreign currency translations

Transactions in foreign currencies are translated to rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the reporting date.

3.23.2 Foreign currency balances

Monetary assets and liabilities denominated in foreign currency are translated into functional currency at the exchange rate at the reporting date. Insurance and reinsurance contracts that generate cashflows in a foreign curency are treated as monetary items.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost is translated at the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit and loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- Equity investment designated at available for sale
- Investment in foreign operations

3.23.3 Translation gain and loss

Translation gains and losses are taken to the profit and loss account, except those arising on translation of the net investment in foreign operations (associate) which are taken to the statement of comprehensive income under "exchange translation reserve"until the disposal of the net investment, at which time these are recognised in the profit and loss account.

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

3.24 Earning per share

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

3.25 Share Capital

Ordinary shares are classified as equity and recognised at their face value.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

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

	Note
- Property and equipment	3.1
- Lease liabilities and right-of-use assets	3.2
- Investment properties	3.4
- Insurance receivables and payablesh	3.9
- Premium deficiency reserve (liability adequacy test)	3.10
- Provision (liability) for outstanding claims including Incurred But Not Reported (IBNR) claims	3.16
- Taxation	3.17
- Employees' retirement benefits	3.18
- Contingencies	22

(Rupees in '000)

5 PROPERTY AND EQUIPMENT	Note	2024	2023
Operating assets	5.1	3,561,267	3,387,581
Right-of-use asset	5.1	108,505	98,237
		3,669,772	3,485,818

Notes to the Unconsolidated Financial Statements

For the year ended 31 December 2024

5.1 Operating assets and right-of-use asset *(BCR 12.01 (1))*

(Rupees in '000)

2024

	Cost / Revaluation					Accumulated Depreciation					Written down value	
	As at 01 January	Additions	Disposals	Revaluation	As at 31 December	As at 01 January	Depreciation for the year	Disposals	Revaluation	As at 31 December	As at 31 December	Rate %
Land*	1,643,030	-	-	93,887	1,736,917	-	-	-	-	-	1,736,917	0
Buildings*	1,492,985	7,631	(500)	132,821	1,632,937	453,068	72,653	(500)	-	525,221	1,107,716	5
Right-of-use assets - building	200,274	57,564	(65,295)	-	192,543	102,037	46,088	(64,087)	-	84,038	108,505	lease term
Leasehold improvements	38,627	6,814	(3,838)	-	41,603	28,239	4,660	(3,754)	-	29,145	12,458	lease term
Furniture and fixtures	465,226	8,011	(22,892)	-	450,345	351,146	23,915	(22,748)	-	352,313	98,032	10
Office equipment	368,370	4,551	(12,758)	-	360,163	269,665	16,534	(12,728)	-	273,471	86,692	10
Computer equipment	158,553	34,659	(24,186)	-	169,026	119,379	23,789	(24,158)	-	119,010	50,016	30
Vehicles	1,054,920	181,751	(130,844)	-	1,105,827	612,633	134,776	(111,018)	-	636,391	469,436	20
	5,421,985	300,981	(260,313)	226,708	5,689,361	1,936,167	322,415	(238,993)	-	2,019,589	3,669,772	

2023

	Cost / Revaluation					Accumulated Depreciation					Written down value	
	As at 01 January	Additions	(Disposals) / adjustment	Revaluation	As at 31 December	As at 01 January	Depreciation for the year	(Disposals) / adjustment	Revaluation	As at 31 December	As at 31 December	Rate %
Land*	1,572,614	-	-	70,416	1,643,030	-	-	-	-	-	1,643,030	0
Buildings*	1,258,250	116,797	-	117,938	1,492,985	389,039	64,029	-	-	453,068	1,039,917	5
Right-of-use assets - building	200,457	31,867	(32,050)	-	200,274	90,538	41,875	(30,376)	-	102,037	98,237	lease term
Leasehold improvements	30,586	8,041	-	-	38,627	23,831	4,408	-	-	28,239	10,388	lease term
Furniture and fixtures	458,336	7,091	(201)	-	465,226	326,739	24,591	(184)	-	351,146	114,080	10
Office equipment	342,505	28,016	(2,151)	-	368,370	254,801	16,498	(1,634)	-	269,665	98,705	10
Computer equipment	128,536	31,236	(1,219)	-	158,553	103,238	17,263	(1,122)	-	119,379	39,174	30
Vehicles	896,420	269,778	(111,278)	-	1,054,920	597,833	121,991	(107,191)	-	612,633	442,287	20
	4,887,704	492,826	(146,899)	188,354	5,421,985	1,786,019	290,655	(140,507)	-	1,936,167	3,485,818	

*Are carried at Revaluation model

5.1.1 Details of tangible assets disposed off during the year are as follows:

(Rupees in '000)

Category of Assets	Original cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers
Buildings - additions	500	500	-	-	-	Write off	
Leasehold improvements	3,838	3,754	84	25	(59)	Negotiation	Mr. Shekh Muhammad Ismail
Furniture and fixtures							
Disposals having book value not exceeding Rs. 50,000 individually	22,892	22,748	144	698	554	Negotiation	Various
Office equipments							
Disposals having book value not exceeding Rs. 50,000 individually	12,758	12,728	30	302	272	Negotiation	Various
Computer equipments							
Disposals having book value not exceeding Rs. 50,000 individually	24,186	24,158	28	433	405	Negotiation	Various

Notes to the Unconsolidated Financial Statements

For the year ended 31 December 2024

(Rupees in '000)

Category of Assets	Original cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers
Vehicles	9,002	2,701	6,301	2,500	(3,801)	Negotiation	Mr. Muhammad Sohail Nazir - Employee
Disposals having book value not exceeding Rs. 50,000 individually	3,000	350	2,650	3,500	850	Negotiation	Mr. Faisal Riaz
	3,269	1,035	2,234	2,500	266	Negotiation	Faisal Autos
	3,269	1,199	2,070	2,215	145	Negotiation	Syed Daniyal Abbas Rizvi - Employee
	3,505	1,636	1,869	3,000	1,131	Negotiation	Mahmood Ali Khan - Employee
	3,505	1,753	1,752	3,150	1,398	Negotiation	Asma Babar A Sheikh
	2,415	1,209	1,206	2,213	1,007	Negotiation	Waheed Yousuf - Employee
	2,535	1,945	590	2,475	1,885	Negotiation	Kamran Rashid - Employee
	1,339	760	579	560	(19)	Negotiation	EFU General Insurance Window Takaful Operations
	3,995	3,529	466	3,250	2,784	Negotiation	Muhammad Iqbal Dada - Employee
	202	101	101	170	69	Negotiation	Muhammad Hadi - Employee
	94,808	94,800	8	80,706	80,698	Negotiation	Various
Total - 2024	130,844	111,018	19,826	106,239	86,413		
Total - 2023	195,018	174,906	20,112	107,697	87,585		

5.1.2 Land and Buildings are carried at revalued amount. The latest revaluation was carried out by independent valuer as on 31 December 2024, which resulted in surplus of Rs. 227 million (2023: Rs. 188 million). Had there been no revaluation, the carrying value of the assets would have been as follows:

(Rupees in '000)

	2024	2023
Land	81,664	81,664
Buildings	683,055	731,966
	764,719	813,630

5.2 Surplus on revaluation on land and buildings represents net cumulative increase in the carrying amount as a result of revaluation carried out at revalued amount.

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

	(Rupees in '000)	
	2024	2023
Revaluation surplus as at 1 January	**1,868,114**	1,690,776
Deferred tax on opening value	**(728,564)**	(557,956)
Reported in financial statements	**1,139,550**	1,132,820
Surplus arising on revaluation:		
Land	**93,887**	70,416
Buildings	**132,821**	117,938
	226,708	188,354
Deferred tax liability on revaluation surplus for current year	**(88,416)**	(73,458)
Increase in deferred tax liability due to change in tax rate	**-**	(101,446)
	138,292	13,450
	1,277,842	1,146,270
Net amount transferred to unappropriated profit on account of Incremental depreciation	**(16,112)**	(11,016)
Deferred tax on incremental depreciation	**6,284**	4,296
	(9,828)	(6,720)
As at 31 December	**1,268,014**	1,139,550

5.2.1 Restriction on distribution

The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with the section 241 of the Companies Act, 2017.

5.2.2 Measuring property at fair value

The fair value of owned properties is determined at the end of each year by independent suitably qualified valuer. The fair valuation of the owned properties as at 31 December 2024 and 31 December 2023 were performed by Iqbal A. Nanjee & Co. (Pvt) Ltd.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

5.3 Fair value hierarchy

The fair value hierarchy as at the end of the reporting period was Level 2.

5.4 Forced sale value

Forced sale value of the investment properties are assessed at Rs. 2,275 million (2023: Rs. 2,146 million).

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

5.5 The details of land and buidlings are as follows:

i) This owned property comprises of land and building situated at Plot No. 16 / 6, Ghulam Hussain Kassim Quarter, Main M.A Jinnah Road, Karachi. Having a total covered area of 4,2249.33 sq ft.

ii) This owned property comprises of building situated at Plot No.C-1, Sector B-III, Karachi Export Processing Zone Authority, (Landhi Industrial Area Extension) Mehran Highway Landhi, Karachi. Having a total covered area of 6,615 sq ft.

6 INTANGIBLE ASSETS

Cost and accumulated amortisation in respect of fully amortised intangible assets still in use at the end of the year amounts to Rs. 59.57 million (2023: Rs. 59.57 million).

7 INVESTMENT PROPERTIES

	(Rupees in '000)	
	2024	2023
Balance at 1 January	**3,191,970**	3,050,470
Additions and capital improvements	**421**	2,822
Unrealised gain on remeasurement of fair value	**269,721**	170,178
Disposal	**-**	(31,500)
Balance at 31 December	**3,462,112**	3,191,970

	Land	Buildings	Total
Balance at 1 January 2024	2,151,970	1,040,000	3,191,970
Additions and capital improvements	-	421	421
Unrealised gain on remeasurement of fair value	256,250	13,471	269,721
Balance at 31 December 2024	**2,408,220**	**1,053,892**	**3,462,112**

The investment properties comprises freehold office buildings which are not occupied by the Company. These are held to earn rental income and for long term appreciation in the value.

7.1 Measuring investment property at fair value

The fair value of investment properties are determined at the end of each year by independent suitably qualified valuer. The fair value of the investment properties as at 31 December 2024 and 31 December 2023 were performed by Hamid Mukhtar & Co. (Pvt) Ltd and Iqbal A. Nanjee & Co. (Pvt) Ltd.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

7.2 Fair value hierarchy

The fair value hierarchy as at the end of the reporting period was Level 2.

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

7.3 Forced sale value

Forced sale value of the investment properties are assessed at Rs. 2,770 million (2023: Rs. 2,554 million).

7.4 The details of investment properties are as follows:

i) This investment property comprises of land and building situated at Plot No. 6-D, Main Gulberg, Jail Road, Lahore. Having a total covered area of 188,194.98 sq ft. (valued by Hamid Mukhtar & Co. (Pvt) Ltd).

ii) The investment property comprises of leasehold land situated at Plot No.36-A, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi. Having a total covered area of 20,340 sq ft. (valued by Iqbal A. Nanjee & Co. (Pvt) Ltd.).

iii) This investment property comprises of land situated in Deh Halkani, Tapo Manghopir, Manghopir Road, Taluka District, Karachi. Having a total covered area of 740,520 sq ft. The fair value of the land carried at cost amounting to Rs. 1.47 million cannot be reliably measured due to an ongoing legal dispute between the Company and the Karachi Water and Sewerage Board for the possession of the said land.

7.5 Rental income and related expenses are disclosed in note 28 to these financial statements.

8 INVESTMENT IN SUBSIDIARY

(Rupees in '000)

	2024			2023		
Available for sale	**Cost**	**Impairment / provision**	**Carrying value**	Cost	Impairment / provision	Carrying value
Listed shares	13,682,824	(5,562,675)	8,120,149	13,632,235	(4,529,148)	9,103,087
Surplus on revaluation	-	-	-	-	-	29,051
	13,682,824	(5,562,675)	8,120,149	13,632,235	(4,529,148)	9,132,138

The Company holds 47,578,071 number of shares i.e. 45.31 %, (31 December 2023: 46,933,072 i.e. 46.93 %) of EFU Life Assurance Limited. During the year EFU Life Assurance Limited increased their paid-up share capital from 100,000,000 shares to 105,000,000 shares.

Name	Year	Country of incorporation	Assets	Liabilities	Equity	Revenues	Profit	Interest held
			(Rupees in '000)					%
EFU Life Assurance Limited	**2024**	**Pakistan**	259,798	250,568	9,229	39,408	3,029	45.31
EFU Life Assurance Limited	2023	Pakistan	210,204	203,255	6,949	36,404	2,066	47.31

8.1 The book value of the inventory in subsidiary is Rs. 8,120 million (2023: Rs.9,132 million). Investment in Subsidiary is carried at market value and the difference between the cost and market value is recognised as impairment.

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

8.2 The charge for impairment in the current year is Rs. 1,034 million (2023: Rs. 450 million)

9 INVESTMENT IN EQUITY SECURITIES

(Rupees in '000)

	2024			2023		
	Cost	**Impairment / provision**	**Carrying value**	Cost	Impairment / provision	Carrying value
Available-for-sale						
Related Party						
Listed shares*	461,835	(202,012)	259,823	402,778	(149,476)	253,302
Others						
Listed shares	3,850,795	(400,716)	3,450,079	2,175,779	(431,531)	1,744,248
Unlisted shares	15,216	(15,216)	-	15,216	(15,216)	-
	3,866,011	(415,932)	3,450,079	2,190,995	(446,747)	1,744,248
Surplus on revaluation	-	-	3,893,820	-	-	1,567,940
	4,327,846	(617,944)	7,603,722	2,593,773	(596,223)	3,565,490
Held-for-trading						
Others						
Listed shares	998,385	-	998,385	-	-	-
Surplus on revaluation	-	-	1,241	-	-	-
	998,385	-	999,626	-	-	-
	5,326,231	(617,944)	8,603,348	2,593,773	(596,223)	3,565,490

*The Company has not accounted for investment in related parties as associates, under IAS 28 "Investment in Associates and Joint Ventures", as the management has concluded that the Company does not have significant influence in these companies.

10 INVESTMENT IN DEBT SECURITIES

(Rupees in '000)

	2024			2023		
	Cost	**Impairment / provision**	**Carrying value**	Cost	Impairment / provision	Carrying value
Available-for-sale						
Government securities						
Pakistan investment bonds	8,968,860	-	8,968,860	9,297,209	-	9,297,209
Ijara sukuks	2,848,679	-	2,848,679	2,699,465	-	2,699,465
Treasury bills	1,840,230	-	1,840,230	1,331,398	-	1,331,398
	13,657,769	-	13,657,769	13,328,072	-	13,328,072
Term Finance Certificate - Related party						
Agritech Ltd. - 3rd Issue (B)	5,665	(5,665)	-	5,665	(5,665)	-
Agritech Ltd. - 3rd Issue (A)	34,972	(34,972)	-	34,972	(34,972)	-
	40,637	(40,637)	-	40,637	(40,637)	-
Term Finance Certificate - Others						
Soneri Bank Limited	100,000	-	100,000	100,000	-	100,000
Habib Bank Limited	100,000	-	100,000	100,000	-	100,000
	200,000	-	200,000	200,000	-	200,000
Term Finance Certificates	240,637	(40,637)	200,000	240,637	(40,637)	200,000
Corporate Sukuks - Others						
Dubai Islamic Bank Limited - Tier I	80,000	-	80,000	80,000	-	80,000
Dubai Islamic Bank Limited - Tier II	22,000	-	22,000	22,000	-	22,000
	102,000	-	102,000	102,000	-	102,000
Surplus / (deficit) on revaluation	-	-	524,150	-	-	(647,508)
	14,000,406	(40,637)	14,483,919	13,670,709	(40,637)	12,982,564

(Rupees in '000)

	Name of investment	Maturity year	Effective yield %	Profit payment	Face value	2024
10.1	**Goverment Securities**					
	3 Years Pakistan Investment Bonds	**2026**	16.41 to 16.50	Half yearly	944,800	**942,278**
	3 Years Pakistan Investment Bonds	**2027**	14.70 to 14.90	Half yearly	8,018,400	**8,261,486**
	12 months Treasury Bills	**2025**	17.12	On maturity	2,010,000	**1,877,943**
	5 Years GoP Ijara Sukuks	**2027**	13.41	Half yearly	2,832,500	**2,920,364**
	10 Years Pakistan Investment Bonds	**2028**	13.35	Half yearly	200,000	**179,804**
						14,181,875

	Term Finance certificates and Corporate Sukuks	No. of Certificate 2024	No. of Certificate 2023	Face value	Value of Certificates 2024	Value of Certificates 2023
10.2						
	Agritech Ltd. - 3rd Issue (B) (Related party)	**1,133**	1,133	5,000	**-**	-
	Agritech Ltd. - 3rd Issue (A) (Related party)	**7,000**	7,000	5,000	**-**	-
	Soneri Bank Limited (Others)	**20,000**	20,000	5,000	**100,000**	100,000
	Habib Bank Limited (Others)	**1,000**	1,000	100,000	**100,000**	100,000
	Dubai Islamic Bank Limited - Tier I (Others)	**16,000**	16,000	5,000	**80,000**	80,000
	Dubai Islamic Bank Limited - Tier II (Others)	**4,400**	4,400	5,000	**22,000**	22,000
		49,533	49,533		**302,000**	302,000

Name of investment	Maturity year	Effective yield %	Profit payment	Face value	2024
Term Finance Certificates (TFCs) - quoted					
Agritech Limited - 3rd Issue (B) * (Related party)	2017	11.00	Half yearly	5,000	**-**
Agritech Limited - 3rd Issue (A) * (Related party)	2019	13.35	Quarterly	5,000	**-**
Soneri Bank Limited (Others)	2026	14.57	Half yearly	100,000	**100,000**
Habib Bank Limited (Others)	Perpetual	13.81	Quarterly	100,000	**100,000**
					200,000
Corporate Sukuks - quoted					
Dubai Islamic Bank Limited - Tier I (Others)	Perpetual	18.56	Monthly	80,000	**80,000**
Dubai Islamic Bank Limited - Tier II (Others)	2032	13.52	Half yearly	22,000	**22,044**
					102,044
					14,483,919

*The term finance certificates are held under non-performing status and full provision has been made against these term finance certificates.

10.3 The amount of Pakistan Investment Bonds includes Rs. 235 million (2023: Rs. 235 million) deposited with the State Bank of Pakistan as required by the Section 29 of the Insurance Ordinance, 2000 and Rs. 115 million deposited with NCCPL (2023:170 million) on account of trading in shares.

(Rupees in '000)

Name of investment	Maturity year	Effective yield %	Profit payment	Face value	2023
Goverment Securities					
5 Years Pakistan Investment Bonds	2024	11.52 to 13.35	Half yearly	8,321,500	7,691,687
3 months Treasury Bills	2024	15.59	On maturity	997,725	976,243
12 months Treasury Bills	2024	5.59	On maturity	420,000	354,181
2 Years Pakistan Investment Bonds	2025	17.15	Quarterly	424,500	420,043
3 Years Pakistan Investment Bonds	2026	16.5	Half yearly	400,000	358,229
5 Years GoP Ijara Sukuks	2027	22.19	Half yearly	2,682,500	2,725,578
10 Years Pakistan Investment Bonds	2028	13.35	Half yearly	200,000	154,471
					12,680,432

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

(Rupees in '000)

Name of investment	Maturity year	Effective yield %	Profit payment	Face value	2023
Term Finance Certificates (TFCs) - quoted					
Agritech Limited - 3rd Issue (B) * (Related party)	2017	11.00	Half yearly	5,000	-
Agritech Limited - 3rd Issue (A) * (Related party)	2019	13.35	Quarterly	5,000	-
Soneri Bank Limited (Others)	2026	18.97	Half yearly	100,000	100,000
Habib Bank Limited (Others)	Perpetual	18.66	Quarterly	100,000	100,000
					200,000
Corporate Sukuks - quoted					
Dubai Islamic Bank Limited - Tier I (Others)	Perpetual	17.66	Monthly	80,000	80,000
Dubai Islamic Bank Limited - Tier II (Others)	2032	17.51	Half yearly	22,000	22,132
					102,132
					12,982,564

*The term finance certificates are held under non-performing status and full provision has been made against these term finance certificates.

(Rupees in '000)

		Note	2024	2023
11	**TERM DEPOSIT**			
	Held to maturity			
	Deposits maturing within 12 months			
	Term deposits certificates - local currency	11.1 & 11.2	**-**	278,000
	Term deposits certificates – foreign currency	11.3	**665,734**	618,684
			665,734	896,684

11.1 The rate of return on local term deposit certificates issued by banks were Nil.(20.50 % to 21.22 % per annum as at 31 December 2023) depending on tenure.

11.2 This includes an amount of Rs. Nil million (31 December 2023: Rs. 13 million) placed under lien with commercial banks against bank guarantees and credit facility of corporate credit cards.

11.3 The rate of return on foreign currency term deposit certificates issued by various banks range from 3.25 % to 5.00 % per annum (31 December 2023: 2.75 % per annum) depending on tenure. These term deposit certificates have maturities upto October 2025.

(Rupees in '000)

		Note	2024	2023
12	**LOANS AND OTHER RECEIVABLES – Considered good**			
	Accrued investment income		**567,764**	367,694
	Security deposits	12.1	**234,301**	14,128
	Advances to suppliers	12.2	**79,787**	7,878
	Other receivables		**34,249**	46,053
	Loans to employees		**2,538**	2,853
	Advances to employees		**2,030**	3,306
			920,669	441,912

Notes to the Unconsolidated Financial Statements

For the year ended 31 December 2024

12.1 The Company has deposited Rs 215.195 million in 2024 to the Nazir of Sindh High Court in compliance with the Court's order relating to collection of Workers' Welfare Fund (WWF) contributions as disclosed in note 22.10.

12.2 This includes Rs. 76.36 million paid during the year for the purchase of vehicles.

(Rupees in '000)

13 INSURANCE / REINSURANCE RECEIVABLES - Unsecured and considered good *(BCR Ann. IV (3))*	Note	2024	2023
Due from insurance contract holders		7,610,989	8,573,072
Provision for impairment of receivables from insurance contract holders	13.2	(14,883)	(1,059)
		7,596,106	8,572,013
Due from other insurer / re-insurers		38,397	57,894
		7,634,503	8,629,907

13.1 This includes Rs 78.57 million due from insurance contract holders for more than one year. According to the Company's policy, premium receivables that remain outstanding for more than three years are fully provided.

13.2 Provision for impairment of receivables from insurance contract holders.

(Rupees in '000)

	2024	2023
Balance as on 1 January	1,059	524
Provision during the year	13,824	535
Balance as on 31 December	14,883	1,059

13.3 Due from insurance contract holders include Rs. 48.16 million (31 December 2023: Rs. 33.09 million) receivable from related parties.

(Rupees in '000)

14 PREPAYMENTS	Note	2024	2023
Prepaid reinsurance premium ceded	23	10,661,140	12,479,228
Prepaid charges for vehicle tracking devices		30,253	33,637
Software and hardware support services		-	1,424
Others		24,567	11,651
		10,715,960	12,525,940

Notes to the Unconsolidated Financial Statements

For the year ended 31 December 2024

(Rupees in '000)

15 CASH AND BANK	Note	2024	2023
Cash and cash equivalents			
Policy and revenue stamps and bond papers		44,193	36,666
Cash at bank			
- foreign currency			
Current accounts		25,284	25,006
- local currency			
Current accounts		310,578	258,716
Saving accounts	15.1 & 15.2	1,337,742	1,966,473
		1,648,320	2,225,189
		1,717,797	2,286,861

15.1 The rate of return on saving accounts from various banks ranges from 6.50 % to 11.50 % per annum (2023: 14.50 % to 20.85 % per annum) depending on the size of average deposits.

15.2 This includes an amount of Rs. 39 million (31 December 2023: Rs. 26 million) under lien with commercial banks against bank guarantees and credit facility against corporate credit cards.

15.3 **Cash and cash equivalents include the following for the purposes of the cash flow statement:**

(Rupees in '000)

	2024	2023
Term deposit with original maturity of less than three months	345,402	294,544
Cash and bank	1,717,797	2,286,861
	2,063,199	2,581,405

16 SHARE CAPITAL

16.1 Authorised share capital

(Number of shares in '000) 2024	2023		2024	2023
200,000	200,000		2,000,000	2,000,000

(Rupees in '000)

16.2 Issued, subscribed and paid-up share capital

(Number of shares in '000) 2024	2023		Note	2024	2023
250	250	Ordinary shares of Rs. 10 each fully paid In cash.		2,500	2,500
199,750	199,750	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares.		1,997,500	1,997,500
200,000	200,000			2,000,000	2,000,000

17 RESERVES

	Note	2024	2023
Capital reserve			
Reserve for exceptional losses	17.1	12,902	12,902
Revaluation reserve for unrealised gain on available-for-sale investments - net		2,792,904	662,892
Reserve for change in fair value of investment property - net		1,967,061	1,802,531
Exchange translation reserves		191,764	195,722
		4,964,631	2,674,047
Revenue reserves			
General reserve		14,000,000	13,000,000
Total reserves		18,964,631	15,674,047
Unappropriated profit		3,205,197	2,733,704
		22,169,828	18,407,751

17.1 The reserve for exceptional losses was created prior to 1979 and was charged to income in accordance with the provisions of the repealed Income Tax Act, 1922 and has been so retained to date.

18 EMPLOYEES' RETIREMENT BENEFITS

The latest actuarial valuation as at 31 December 2024 uses a discount rate of 12.25 % (2023: 15.75 %) for defined benefit obligation and plan assets. Basic salary and pension increases to average 10.25 % and 3.00 % (2023: 12.75 % and 0.00 %) respectively per annum in the long term.

Actuarial valuations were conducted using the Projected Unit Credit Method. The Company contributes to the pension and gratuity funds on the advice of the funds' actuary. The contributions are equal the current service cost with adjustment for any deficit. If there is a surplus, the Company takes a contribution holiday.

(Rupees in '000)

	Pension 2024	Gratuity 2024	Pension 2023	Gratuity 2023
18.1 Reconciliation of the present value of defined benefit obligations				
At the beginning of the year	186,238	593,710	185,225	591,491
Current service cost	144	28,074	247	25,372
Interest cost	26,559	83,672	24,787	77,584
Remeasurement (loss) / gain due to:				
Change in demographic assumptions	(98)	3,819	-	-
Change in financial assumptions	78,788	28,111	2,310	-
Experience	30,588	23,987	2,224	12,113
Benefits paid	(35,223)	(124,914)	(28,555)	(112,850)
At the end of the year	286,996	636,459	186,238	593,710
18.2 Changes in fair value of plan assets				
At the beginning of the year	274,431	549,068	254,451	507,985
Interest income	40,490	79,323	34,882	68,092
Remeasurement gain due to:				
Investment return	8,458	17,502	12,870	49,759
Contributions paid by the Company	104	34,060	157	36,082
Contributions paid by the employees	416	-	626	-
Benefits paid	(35,223)	(124,914)	(28,555)	(112,850)
At the end of the year	288,676	555,039	274,431	549,068
18.3 Charge to profit and loss account				
Service cost				
Current service cost	144	28,074	247	25,372
Employee contributions	(416)	-	(626)	-
Net interest (income) / cost	(13,931)	4,349	(10,095)	9,492
Chargeable in profit and loss account	(14,203)	32,423	(10,474)	34,864
18.4 Remeasurements recognised in other comprehensive income				
Change in demographic assumptions	(98)	3,819	-	-
Change in financial assumptions	78,788	28,111	2,310	-
Experience on obligation	30,588	23,987	2,224	12,113
Investment return	(8,458)	(17,502)	(12,870)	(49,759)
Chargeable in statement of comprehensive income	100,820	38,415	(8,336)	(37,646)
Total defined benefit cost	86,617	70,838	(18,810)	(2,782)
18.5 (Asset) / liability on statement of financial position				
At the beginning of the year	(88,193)	44,238	(69,226)	83,506
Defined benefit cost	86,617	71,838	(18,810)	(2,782)
Contributions paid by the Company	(104)	(34,060)	(157)	(36,082)
Retirement benefit obligation allocated to takaful	-	(484)	-	(404)
At the end of the year	(1,680)	80,936	(88,193)	44,238
Reconciliation				
Obligation	286,996	636,459	186,238	593,710
Plan assets	(288,676)	(555,039)	(274,431)	(549,068)
Retirement benefit obligation allocated to takaful	-	(484)	-	(404)
Net (asset) / liability on statement of financial position	(1,680)	80,936	(88,193)	44,238

18.5.1 Company's actuary for retirement benefits provides a consolidated report for all its employees including employees in Window Takaful Operations. The management allocates the retirement benefit obligation based on the number of employees in the Takaful Operations as a ratio of their total employees.

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

18.5.2 Previously the Company has netted off assets and liabilities of defined benefit obligation. However they are payable and receivable from different funds and the same has been disclosed separately in the statement of financial position.

(Rupees in '000)

18.6 Historical data	2023	2022	2021	2020	2019
Pension					
Present value of defined benefit obligation	186,238	185,225	197,805	222,860	218,468
Fair value of plan assets	(274,431)	(254,451)	(257,769)	(267,126)	(246,073)
Surplus	(88,193)	(69,226)	(59,964)	(44,266)	(27,605)
Experience adjustment:					
- Actuarial gain / (loss) on obligation	2,224	3,763	(323)	(3,874)	(1,325)
- Actuarial gain / (loss) on assets	12,870	(8,566)	(11,931)	13,945	7,143
Gratuity					
Present value of defined benefit obligation	593,710	591,491	549,731	511,467	448,210
Fair value of plan assets	(549,068)	(507,985)	(480,563)	(501,662)	(450,294)
Deficit / (surplus)	44,642	83,506	69,168	9,805	(2,084)
Remeasurements due to:					
- Actuarial gain / (loss) on obligation	12,113	31,873	31,873	18,549	(13,557)
- Actuarial gain / (loss) on assets	49,759	(24,592)	(17,780)	26,721	13,926

18.7 Composition of fair value of plan assets

Fund investments	Pension				Gratuity			
	2024		2023		2024		2023	
	%	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)
Debt	93	270,860	98	269,244	90	475,663	94	515,747
Equity	3	7,902	2	5,789	8	44,918	6	31,354
Cash	4	11,369	-	512	2	10,420	-	2,125
	100	290,131	100	275,545	100	531,001	100	549,226

The expected charge to pension and gratuity fund for the year 2024 amounts to Rs. 18 million.

18.8 Sensitivity analysis on significant actuarial assumptions

(Rupees in '000)

Impact on obligation of 1 % change in assumptions

Assumptions	1 % increase	1 % decrease
Discount rate	(44,858)	49,647
Salary	33,433	(30,811)
Pension	17,906	(16,233)

Weighted average duration of the plan is 5.9 years.

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

(Rupees in '000)

	Pension	Gratuity
Projected payments		
Company contributions 2025	38	43,876
Benefit payments:		
2025	44,888	59,847
2026	43,110	116,957
2027	42,820	88,728
2028	41,664	106,297
2029	40,113	185,472
2030 - 2034	185,875	454,779

19 DEFERRED TAXATION

	2024	2023
Deferred debits arising in respect of:		
Impairment of available-for-sale equity securities	(2,410,442)	(1,998,895)
Premium due but unpaid	(5,804)	(413)
Impairment of TFCs	(15,848)	(15,848)
Defined benefit plan	(78,413)	(24,111)
Right-of-use asset	(9,343)	(6,895)
	(2,519,850)	(2,046,162)
Deferred credits arising in respect of:		
Unrealised gain on available-for-sale investments	1,722,400	370,298
Fair value of investment property	1,257,628	1,152,437
Revaluation of property and equipment	811,166	729,033
Accelerated tax depreciation	70,698	68,380
Unrealised gain on investments at held-for-trading	484	-
Effect of translation of foreign branch	84,296	86,826
	3,946,672	2,406,974
Net Deferred Liability	1,426,822	360,812

19.1 Movement in net deferred tax (liability) / asset is as follows:

	2024			
	Balance as at 01 January 2024	Recognised in profit and loss account	Recognised in other comprehensive income	Balance as at 31 December 2024
Deductible temporary difference				
Impairment of available-for-sale equity securities	1,998,895	411,547	-	2,410,442
Premium due but unpaid	413	5,391	-	5,804
Impairment of TFCs	15,848	-	-	15,848
Defined benefit plan	24,111	-	54,302	78,413
Right-of-use asset	6,895	2,448	-	9,343
	2,046,162	419,386	54,302	2,519,850

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

(Rupees in '000)

	2024			
	Balance as at 01 January 2024	Recognised in profit and loss account	Recognised in other comprehensive income	Balance as at 31 December 2024
(Taxable) temporary difference				
Unrealised gain on available-for-sale investments	(370,298)	-	(1,352,102)	(1,722,400)
Fair value of investment property	(1,152,437)	(105,191)	-	(1,257,628)
Revaluation of property and equipment	(729,033)	6,284	(88,417)	(811,166)
Accelerated tax depreciation	(68,380)	(2,318)	-	(70,698)
Unrealised gain on investments at held-for-trading	-	(484)	-	(484)
Effect of translation of foreign branch	(86,826)	-	2,530	(84,296)
	(2,406,974)	(101,709)	(1,437,989)	(3,946,672)
Net deferred tax (liability) / asset	(360,812)	317,677	(1,383,687)	(1,426,822)

	2023			
	Balance as at 01 January 2023	Recognised in profit and loss account	Recognised in other comprehensive income	Balance as at 31 December 2023
Deductible temporary difference				
Impairment of available-for-sale equity securities	1,525,639	473,256	-	1,998,895
Premium due but unpaid	173	240	-	413
Impaiment of TFCs	14,559	1,289	-	15,848
Defined benefit plan	35,575	-	(11,464)	24,111
Right-of-use asset	5,396	1,499	-	6,895
	1,581,342	476,284	(11,464)	2,046,162
(Taxable) temporary difference				
Unrealised gain on available-for-sale investments	(30,980)	-	(339,318)	(370,298)
Fair value of investment property	(928,813)	(223,624)	-	(1,152,437)
Revaluation of property and equipment	(558,088)	4,228	(175,173)	(729,033)
Accelerated tax depreciation	(43,188)	(25,192)	-	(68,380)
Effect of translation of foreign branch	(40,755)	-	(46,071)	(86,826)
	(1,601,824)	(244,588)	(560,562)	(2,406,974)
Net deferred tax (liability) / asset	(20,482)	231,696	(572,026)	(360,812)

20 INSURANCE / RE-INSURANCE PAYABLES

	2024	2023
Re-insurance companies	7,290,100	9,029,081
Co-insurance companies	540,381	443,188
	7,830,481	9,472,269

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

The Company has co-insurance and re-insurance arrangements with various insurance and a domestic re-insurance companies. Under the above arrangements, the receivable and payable balances originate mainly due to premiums collected or claims settled by the lead insurer on behalf of other co-insurers, and in case of re-insurance, the premium ceded to and claims recoverable from the re-insurer under the respective contracts. As per the prevailing industry practices, settlements of balances under co-insurance arrangements are done between the respective insurance companies in normal course of business. The Company believes that the current balances of co-insurers and re-insurer reflected in the records of the Company are based on the underlying contracts and transactions supported by appropriate evidence. In this regard, the Company exchanged balance information with various co-insurers based on significance of the balances and the re-insurers. This information corroborates the balance position of the Company in all material respects.

(Rupees in '000)

21 OTHER CREDITORS AND ACCRUALS

	Note	2024	2023
Security deposits against bond insurance	21.1	1,311,076	1,418,139
Agent commission payable		784,477	863,717
Sales tax payable		647,064	198,961
Unclaimed dividends		547,760	506,352
Accrued expenses	21.2	516,433	315,275
Others	21.3	302,683	178,847
Workers' welfare fund		277,873	152,875
Lease liabilities	21.4	118,784	102,981
Unearned rentals		98,205	48,558
Federal insurance fee payable		18,533	18,323
		4,622,888	3,804,028

21.1 This represents margin deposit on account of performance and other bond policies issued by the Company.

21.2 This includes utility expenses for the month of december (payable at year end), annual supervision fees and expenses of similar nature amounting to Rs.153 million (2023: Rs. 33 million) and provision recorded for marketing and sales conference to be held in 2025 amounting to Rs. 50 million (2023: Nil)

21.3 Since the Company follows trade date accounting, a payable to NCCPL has been recorded for Rs. 233 million which will be settled as per the T+2 rule.

(Rupees in '000)

21.4 Lease liabilities

	2024	2023
Current	51,236	34,989
Non-current	67,548	67,992
	118,784	102,981

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(Rupees in '000)

	2024			2023		
	Minimum lease Payments	Financial charges for future periods	Principal outstanding	Minimum lease Payments	Financial charges for future periods	Principal outstanding
Not later than one year	65,811	14,575	51,236	37,765	2,776	34,989
Later than one year and not later than five years	68,907	18,213	50,694	65,449	16,423	49,026
Over five years	27,711	10,857	16,854	47,199	28,233	18,966
	162,429	43,645	118,784	150,413	47,432	102,981

21.4.1 This lease liabilities contains the finance cost amounting to Rs 17.98 million (2023: 12.05 million)

22 CONTINGENCIES AND COMMITMENTS

22.1 The income tax assessment of the Company has been finalised up to the Tax Year 2024.

22.2 The Income Tax Department made an assessment order for the assessment years 1999-2000 and 2000-2001 by adding back provisions for the bonus to staff, provision for gratuity and excess management expenses. The Company had filed appeals before the Commissioner, of Inland Revenue (Appeals). The appeals have been decided in the favour of the Income Tax Department. The Company has filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Company a tax liability of Rs. 13 million would arise.

22.3 The Income Tax Department (Audit) made an assessment order for the assessment year 2002-2003 by adding certain items. The Company had filed an appeal before the Commissioner Income Tax (Appeals). The appeal was decided in favour of the Company. The Department had filed an appeal before the Income Tax Appellate Tribunal (ITAT) and the same has been decided in the favour of the Company. The Department has filed an appeal before the High Court of Sindh against the order of the Income Tax Appellate Tribunal (ITAT) in respect of the estimated liability of claims, excess perquisites and retrocession commission. If the appeal is decided against the Company a tax liability of Rs. 76 million would arise.

22.4 The Commissioner Inland Revenue (Audit) amended the tax assessment of the Company for the Tax Year 2005 to 2007 by disallowing prorated expenses. The Company had filed appeals before the Commissioner Income Tax (Appeals). The appeals were decided in favour of the Company. The Department then filed appeals before the Income Tax Appellate Tribunal (ITAT). The Income Tax Appellate Tribunal (ITAT) passed an order in favour of the Company. The Department then filed a reference before the High Court of Sindh. The High Court of Sindh maintained the decision of the Income Tax Appellate Tribunal (ITAT). The Department has filed appeals before the Supreme Court of Pakistan against the decision of the High Court of Sindh in respect of proration of expenses and if the appeals are decided against the Company, a tax liability of Rs. 37 million would arise.

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22.5 The Commissioner Inland Revenue (Audit) amended the tax assessment of the Company for the Tax Year 2008 by adding capital gain on investment, depreciation on leased assets, admissible expenses, re-insurance premium ceded, provision for leave encashments, amortisation of premium relative to par and provision for outstanding claims (IBNR). The Company filed an appeal before the Commission of Income Tax (Appeals) against the order of the Income Tax Commissioner (Audit). The Appeal was decided in favour of the Company except addition made on account of the reinsurance premium ceded. The Company had filed an appeal before the Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner(Appeals) for maintaining the decision of the Income Tax Commissioner (Audit) with respect to confirming the addition made on account of reinsurance premium ceded. The Income Tax Appellate Tribunal (ITAT) decided the case in favour of the Company. The Department had filed an appeal in the Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner(Appeals) for the deletion of Capital Gain on Investment, provision for Leave Encashment, and Depreciation on Leased Asset. The Income Tax Appellate Tribunal (ITAT) decided the case in favour of the Company. The Department has filed appeals before the High Court of Sindh against the decision of the Income Tax Appellate Tribunal (ITAT) in respect of tax on reinsurance premium, deletion of Capital Gain on Investment, Provision for Leave Encashment, and Depreciation on Leased Asset. If the appeals are decided against the Company, a tax liability of Rs. 5,099 million would be payable. The High Court of Sindh has issued orders in favour of the assesses on identical cases.

22.6 The Department has filed an appeal for Tax Years 2015 to 2016 before the Income Tax Appellate Tribunal (ITAT) against the order of the Commissioner (Appeals) in respect of Dividend Income taxed at the reduced rate. If the appeal is decided against the Company, a tax liability of Rs. 240 million would arise.

22.7 The Commissioner Inland Revenue (Audit) has made an addition to the income of Tax Years 2017 and 2019 on account of the fair market value of motor vehicles. The Company has filed appeals before the Commissioner Income Tax (Appeals). The Commissioner Income Tax (Appeals) has confirmed the action of the Commissioner, of Inland Revenue (Audit). The Company then filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Company, a tax liability of Rs. 2 million would arise. The Income-tax Appellate Tribunal (ITAT) has issued orders in favour of the Company on this issue in previous years.

22.8 The Company filed an appeal with the Commissioner Inland Revenue (Appeals) challenging the adjustments made by the Commissioner Inland Revenue (Audit) for the Tax Year 2022. These adjustments primarily pertained to disallowed expenses which resulted in increase of taxable income and application of super tax under Section 4C of the Income Tax Ordinance 2001, as amended by the Finance Act 2022. The Company deposited the additional tax demand of Rs. 163 million in protest. While the Commissioner Inland Revenue (Appeals) ruled in favour of the Company by annulling the additions related to expenses, but they upheld the imposition of the super tax. Subsequently, the Company has appealed to the Honourable High Court of Sindh. Notably, the High Court of Sindh has recently issued favourable orders for other taxpayers facing similar cases.

22.9 Following the 18th Amendment to the Constitution, the Governments of Sindh, Punjab, and Baluchistan introduced the Workers Welfare Fund (WWF) levy through the Sindh WWF Act, 2014, the Punjab Workers Welfare Fund Act, 2019 and the Baluchistan Workers Welfare Fund Act, 2022. Notably, the Sindh WWF Act, 2014 was further amended in 2022 to encompass entities under the Shops Act. As a result of this amendment, insurance companies, which were previously exempt, are now required to contribute to the WWF under the provisions of the Sindh WWF Act.

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For the year ended 31 December 2024

22.10 The Sindh Revenue Board (SRB) issued a notice to the Company, demanding WWF contributions for the years 2022 and 2023. The Company challenged this notice before the Honorable High Court of Sindh, contending that it operates as a trans-provincial entity across multiple provinces, and therefore, the Act cannot be applied to such companies. As a result, the Court issued an order restraining the SRB from collecting or recovering the WWF in Sindh, subject to the submission of the disputed amount, as stated in the notice, via Pay Order to the Nazir of the Court. The Court further directed that once this amount is deposited, the SRB must maintain the status quo. In compliance with the Court's order, the Company has submitted a Pay Order amounting to Rs. 215 million.

22.11 In 2014, 2015, 2016, 2017 and 2018 Searle Company Limited issued bonus shares (453,612, 312,993, 664,632, 472,284 and 443,697 shares, respectively) after withholding 5 percent of bonus shares (22,680, 15,650, 34,981, 24,857 and 21,360 shares) respectively. In this regard, a constitutional petition had been filed by the Company in the High Court of Sindh challenging the applicability of withholding tax provision on bonus shares received by the Company. The High Court of Sindh decided the case against the Company. Subsequently, the Company filed an appeal with a larger bench of the High Court of Sindh and in response; the Sindh High Court has suspended the earlier judgement until the next date of hearing, which has not yet been decided. Consequently, the Company has not paid/provided an amount of Rs. 37 million being withholding tax on bonus shares. No provision has been made in these unconsolidated financial statements for the above contingencies, as the management, based on the tax advisor's opinion, is confident that the decision in this respect will be decided in favour of the Company.

22.12 As of the reporting date, the Company had capital expenditure commitments amounting to Rs. 59 million (2023: Nil).

(Rupees in '000)

23 NET INSURANCE PREMIUM	**2024**	2023
Written gross premium ***(BCR Ann.IV(3))***	**37,910,712**	38,450,142
Unearned premium reserve - opening	**19,546,386**	14,167,219
Unearned premium reserve - closing	**(18,315,194)**	(19,546,386)
Premium earned	**39,141,904**	33,070,975
Less:		
Reinsurance premium ceded ***(BCR Ann.IV(6))***	**22,771,672**	24,670,813
Prepaid reinsurance premium - opening	**12,479,228**	8,489,684
Prepaid reinsurance premium - closing	**(10,661,140)**	(12,479,228)
Reinsurance expense	**24,589,760**	20,681,269
	14,552,144	12,389,706

Notes to the Unconsolidated Financial Statements

For the year ended 31 December 2024

(Rupees in '000)

24 NET INSURANCE CLAIMS *(BCR Ann.IV(6))*	**2024**	2023
Claims Paid	**8,202,642**	7,810,103
Outstanding claims including IBNR - closing	**13,029,997**	10,774,706
Outstanding claims including IBNR - opening	**(10,774,706)**	(10,368,176)
Claim expense	**10,457,933**	8,216,633
Less:		
Reinsurance and other recoveries received	**3,054,095**	2,587,195
Reinsurance and other recoveries in respect of outstanding claims - closing	**8,596,247**	7,009,843
Reinsurance and other recoveries in respect of outstanding claims - opening	**(7,009,843)**	(6,503,793)
Reinsurance and other recoveries revenue	**4,640,499**	3,093,245
	5,817,434	5,123,388

24.1 Claim development

The Company maintains adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year. The following table shows the development of the claims over a period of time. All amounts are presented in gross numbers before reinsurance. ***(BCR Ann.IV(1)(5)***

(Rupees in '000)

Accident year	2020 and prior	2021	2022	2023	2024 (Including IBNR)	Total
Estimate of ultimate claims costs:						
– At end of accident year	15,258,967	8,542,972	11,712,189	9,160,636	9,949,830	54,624,594
– One year later	12,095,356	7,306,943	10,943,965	9,695,478	-	40,041,742
– Two years later	10,591,936	7,271,492	11,038,319	-	-	28,901,747
– Three years later	10,041,524	7,160,504	-	-	-	17,202,028
– Four years later	10,110,981	-	-	-	-	10,110,981
Current estimate of cumulative claims	**10,110,981**	**7,160,504**	**11,038,319**	**9,695,478**	**9,949,830**	**47,955,112**
Cumulative payments to date	**8,547,742**	**6,323,614**	**9,331,339**	**7,130,561**	**3,591,859**	**34,925,115**
Liability recognised in statement of financial position	**1,563,239**	**836,890**	**1,706,980**	**2,564,917**	**6,357,971**	**13,029,997**

24.2 The provision for IBNR on the basis of actuarial valuation carried out as at 31 December 2024 amounts to Rs. 454 million (2023: Rs. 386 million).

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

(Rupees in '000)

25	NET COMMISSION AND OTHER ACQUISITION COST	Note	2024	2023
	Commission paid or payable		3,224,452	2,985,686
	Deferred commission expense - opening		1,491,266	1,111,775
	Deferred commission expense - closing		(1,510,828)	(1,491,266)
	Net commission		3,204,890	2,606,195
	Less:			
	Commission received or recoverable		662,223	581,101
	Unearned reinsurance commission - opening		302,821	201,585
	Unearned reinsurance commission - closing		(329,486)	(302,821)
	Commission from reinsurers		635,558	479,865
			2,569,332	2,126,330

26	MANAGEMENT EXPENSES	Note	2024	2023
	Salaries, wages and benefits	26.1	2,291,613	2,242,434
	Bonus		180,948	155,348
	Gratuity		27,685	30,195
	Rent, rates and taxes		13,099	7,049
	Telephone		26,661	23,981
	Postage and telegram		9,379	11,736
	Gas, electricity and fuel		119,659	91,111
	Printing and stationery		47,366	71,201
	Travelling, club and entertainment		137,470	150,888
	Depreciation		298,885	271,015
	Repair and maintenance		243,354	246,693
	Bank charges and commission		4,649	8,022
	Tracker monitoring		68,407	95,801
	Bad debts		13,824	534
	Annual supervision fee of SECP	26.2	168,364	35,049
	Insurance		5,940	5,498
	Levy to Insurance Association of Pakistan		2,000	2,000
	Conveyance		18,215	18,140
	Miscellaneous		69,848	24,425
			3,747,366	3,491,120

26.1 This includes a contribution of Rs. 39.12 million (2023: Rs. 35.47 million) to the employees' provident fund.

26.2 This includes fees of current and prior year, as the amount of prior year was not significant therefore the same has been recognised in the current year.

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

(Rupees in '000)

27	INVESTMENT INCOME	Note	2024	2023
	Income from subsidiary			
	Available-for-sale - dividend income		710,199	696,554
	Income from equity securities			
	Available-for-sale - dividend income		392,389	302,717
	Held-for-trading - dividend income		3,724	-
			396,113	302,717
	Income from debt securities			
	Available-for-sale - return on debt securities		2,071,234	1,672,027
	Income from term deposits			
	Held-to-maturity - return on term deposits		37,570	40,206
			3,215,116	2,711,504
	Net realised (losses) / gains on investments available-for-sale			
	Realised gains on - Equity securities		-	87,737
	Realised (losses) on:			
	Equity securities		(15,040)	-
	Debt securities		(50,498)	-
			(65,538)	87,737
	Held-for-trading			
	Realised gain on: equity securities		159,048	-
			93,510	87,737
	Net unrealised gains / losses on investment at fair value through profit or loss (held-for-trading purpose)		1,241	-
	Total investment income		3,309,867	2,799,241
	Less: Impairment in value of available-for-sale			
	subsidiary		(1,033,527)	(408,538)
	Equity securities		(21,721)	-
	Investment related expenses		-	(818)
			2,254,619	2,389,885

28	RENTAL INCOME	Note	2024	2023
	Rental income		218,951	204,823
	Less: Expenses of investment properties		(90,050)	(79,534)
			128,901	125,289

29	OTHER INCOME	Note	2024	2023
	Return on bank balances		497,994	395,633
	Gain on sale of investment property		-	6,945
	Gain on sale of property and equipment	5.1.1	87,585	96,196
	Return on loans to employees		165	197
	Exchange (loss) / gain		(1,604)	7,196
	Gain on early termination of lease agreements		316	283
	Security deposit written back		-	171,528
			584,456	677,978

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

		Note	2024	2023
			(Rupees in '000)	
30	**OTHER EXPENSE**			
	Legal and professional fee		27,421	19,747
	Auditors' remuneration	30.1	11,604	11,132
	Subscription to association		34,083	39,244
	Charity and donations	30.2	12,042	13,052
	Workers' welfare fund	22.9	124,998	152,875
			210,148	236,050
30.1	**Auditor's remuneration**			
	Audit fee	30.1.1	5,375	4,300
	Special certifications and sundry advisory services		5,069	4,968
	Out-of-pocket expenses		1,160	1,864
			11,604	11,132

30.1.1 The Company's auditor for the current year is KPMG Taseer Hadi & Co., whereas, in the previous year, the Company was audited by EY Ford Rhodes. The base audit fee, excluding other services, amounts to Rs. 5.4 million for the year (2023: Rs. 4.3 million).

30.2 Charity and donations

Donations include the following in whom the directors are interested:

Name of director	Interest in donee	Name and address of donee	2024	2023
			(Rupees in '000)	
Saifuddin N. Zoomkawala	Board member	SIUT Civil Hospital, New Labour Colony, Nanakwara, Karachi.	500	500
Saifuddin N. Zoomkawala	Board member	Fakhr-e-Imdad Foundation, Mirpurkhas Digri Road, Mirwah Gorchani, Mirpurkhas.	500	500
Hasanali Abdullah	Board member	The Aga Khan Hospital and Medical College Foundation Stadium Road, Karachi.	2,250	1,250

30.2.1 Donations to a single party exceeding Rs. 500,000.

Name of donee	2024	2023
Bait ul Sukoon Cancer Hospital	500	500
Citizens Foundation	500	500
Friends of Pink Ribbon (Women's Empowerment Group)	500	500
Hunar Foundation	500	100
Layton Rehmatullah Benevolant Trust	500	500
Memon Medical Institute	500	1,000
SAARC Chamber of Commerce and Industry	500	950
The Patients Behbud Society for AKUH	500	500
The Patient's Aid Foundation	500	500
	4,500	5,050

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

		Note	2024	2023
			(Rupees in '000)	
31	**PROFIT FROM WINDOW TAKAFUL OPERATIONS – OPERATOR'S FUND**			
	Wakala fee		1,141,949	1,164,096
	Commission expense		(355,222)	(348,196)
	General, administrative and management expenses		(474,058)	(420,006)
	Modarib's share of PTF on investment income		134,361	108,203
	Investment income		208,719	202,284
	Direct expenses		(14,693)	(23,185)
	Other income		13,445	13,172
			654,501	696,368
32	**TAXATION**			
	For current period			
	Current		1,998,226	1,658,152
	Deferred		(317,796)	(232,123)
	Super tax	32.1.1	690,519	572,825
			2,370,949	1,998,854
	For prior year(s)			
	Super tax		-	179,649
	Prior years tax		-	357
			-	180,006
			2,370,949	2,178,860

32.1 Relationship between tax expense and accounting profit

	2024	2023	2024	2023
	Effective tax rate %		(Rupees in '000)	
Profit before taxation			6,082,077	5,460,471
Tax at the applicable rate	29	29	1,763,802	1,583,537
Effect of super tax at the rate of 10%	11	10	690,519	572,825
Tax effects of permanent differences	(1)	0	(83,372)	3,529
Tax effects of change in tax rate	0	(3)	-	(161,037)
Prior years tax	0	3	-	180,006
Total tax charged	39	39	2,370,949	2,178,860

32.1.1 The Federal Board of Revenue (FBR) introduced a super tax on high-earning persons under the section 4C, effective from Tax Year 2022. As the Company's taxable income has exceeded Rs. 500 million in the current year as well as prior year, a super tax of 10% on taxable income has been applied in both years.

33 EARNINGS PER SHARE

		2024	2023
Profit after tax for the year	(Rupees '000)	**3,711,128**	3,281,611
Weighted average number of ordinary shares	(Numbers '000)	**200,000**	200,000
Earnings per share - basic and diluted	(Rupees)	**18.56**	16.41

33.1 No figures for diluted Earnings Per Share have been presented as the Company has not issued any instrument which would have dilutive affect on earnings per share. (31 December 2023 : Nil)

34 COMPENSATION OF DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

(Rupees in '000)

	2024				2023			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
Fees	-	9,075	-	9,075	-	10,425	-	10,425
Managerial remuneration	68,400	-	588,155	656,555	38,818	-	572,527	611,345
Leave encashment	5,700	-	37,741	43,441	3,685	-	32,860	36,545
Bonus	20,000	-	96,360	116,360	7,500	-	85,705	93,205
Retirement benefits	6,000	-	37,032	43,032	1,081	-	32,403	33,484
Utilities	3,394	-	67,196	70,590	2,375	-	50,399	52,774
Medical expenses	792	-	26,010	26,802	549	-	23,218	23,767
Leave passage	3,700	-	4,241	7,941	2,000	-	8,500	10,500
Total	107,986	9,075	856,735	973,796	56,008	10,425	805,612	872,045
Number of persons	1	8	322	331	1	9	291	301

34.1 The Chief Executive Officer is provided with the Company maintained cars, house rent and utilities, residence-furnishing allowance, reimbursement of servants and driver salaries, leave fare assistance, club bills, medical facility, group life cover and health insurance. The Executives are provided with free use of Company cars, medical insurance cover and certain items of household furniture and fixtures in accordance with their entitlements. The Chairman and Vice Chairman are provided with free use of Company maintained cars, furnished accommodations, medical insurance covers, residential utilities and leave fair assistance.

The Non-Executive Directors were paid Directors meeting fee of Rs. 9.1 million (2023: Rs. 10.4 million). No other remuneration was paid to Non-Executive Directors.

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

35 RELATED PARTY TRANSACTIONS *(BCR 5.11(c))*

Related parties comprise of directors, major shareholders, key management personnel, associated companies, subsidiary company, and entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. The transactions and balances with related parties during the year other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements are as follows:

(Rupees in '000)

Transactions	2024	2023
Subsidiary company		
Premium written	41,795	30,474
Premium paid	14,937	13,534
Claims paid	3,339	1,375
Dividends received	710,199	696,554
Dividends paid	-	32,766
Associated companies		
Premium written	57,453	66,591
Premium paid	32,257	28,568
Claims paid	33,821	21,327
Dividends received	7,090	11,827
Dividends paid	726,782	694,488
Profit received on deposit	37,570	40,206
Key management personnel		
Premium written	43	465
Claims paid	-	642
Dividends paid	929	7,935
Compensation	151,457	91,420
Sale of vehicle to director	1,900	7,500
Others		
Premium written	87,659	86,469
Claims paid	21,776	193,867
Dividend paid	685,548	663,257
Dividend received	-	7,556
Brokerage paid	7,661	574
Employees' funds		
Contribution to provident fund	39,116	35,569
Contribution to gratuity fund	31,937	34,459
Contribution released to pension fund	14,203	10,474
Dividends paid	4,494	4,494

Notes to the Unconsolidated Financial Statements

For the year ended 31 December 2024

	(Rupees in '000)	
Balances	**2024**	2023
Others		
Balances receivable	**48,160**	33,094
Deposits maturing within 12 months	**-**	278,000
Bank balances	**525,823**	707,200
Employees' funds receivable / (payable)		
EFU gratuity fund receivable / (payable)	**80,936**	(44,237)
EFU pension fund receivable	**1,680**	88,192

Following are the particulars of the related parties other than employee retirement benefit plans, key management personnel and Directors of the Company at the reporting date.

Name of Related Party *(BCR 5.11(b)(d) & 5.12(c))*	**Basis of relationship**	**Aggregate % of Shareholding**
EFU Life Assurance Limited	Subsidiary Company	45.31%
Jahangir Siddiqui & Company Limited	Substantial Shareholder	2.15%
JS Bank Limited	Associated Company	0.00%
JS Global Capital Limited	Associated Company	0.00%
Bank Islami Pakistan Limited	Associated Company	0.26%
Azgard Nine	Associated Company	0.53%
TRG Pakistan Limited	Associated Company	0.09%
EFU Services (Private) Limited	Common Directorship	0.00%
Energy Infrastructure Holding (Private) Limited	Associated Company	0.00%
New World Concepts	Common Directorship	0.00%
JS Investment Limited	Other Related Parties	0.00%
JS Infocom Limited	Associated Company	0.00%
JS International Limited	Associated Company	0.00%
JS Petroleum (Private) Limited	Associated Company	0.00%
Quality Energy Solutions (Private) Limited	Associated Company	0.00%
Future Trust	Other Related Parties	0.00%
JS Lands (Private) Limited	Other Related Parties	0.00%
Aga Khan University Foundation (Pakistan Branch) Geneva	Common Directorship	0.00%
Fakhr-e-Imdad Foundation	Common Directorship	0.00%
Jahangir Siddiqui & Sons Ltd	Other Related Parties	0.00%
Jahangir Siddiqui Securities Services Limited	Other Related Parties	0.00%
Organization for Social Development Initiatives	Common Directorship	0.00%
Sindh Institute of Urology &Transplantion	Common Directorship	0.00%
The Aga Khan Hospital & Medical College Foundation	Common Directorship	0.00%
Tourism Promotion Services Pakistan Limited	Common Directorship	0.00%
Mahvash & Jahangir Siddiqui Foundation	Common Directorship	0.00%
Manzil Pakistan	Common Directorship	0.00%
Thardeep microfinance foundation	Common Directorship	0.00%

Notes to the Unconsolidated Financial Statements

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Name of Related Party	**Basis of relationship**	**Aggregate % of Shareholding**
Trustee Allianz EFU Health Insurance - EPF	Other Related Parties	0.00%
Trustee EFU General Insurance Limited - EGF	Other Related Parties	0.00%
Trustee EFU General Insurance Limited - OPF	Other Related Parties	0.00%
Trustee EFU General Insurance Limited. - SPF	Other Related Parties	0.00%
Trustee EFU Life Assurance Limited. - EPF	Other Related Parties	0.00%
Trustee Jahangir Siddiqui & Company Limited - SPF	Other Related Parties	0.00%

36 SEGMENT INFORMATION *(BCR 6.05 (b) & (BCR Ann.IV(2))*

(Rupees in '000)

	For the year ended 31 December 2024					
Current year	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Total
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	31,450,362	5,875,977	4,461,563	2,488,298	-	44,276,200
Less: Sales tax	4,047,898	644,107	584,223	326,061	-	5,602,289
Stamp duty	2,541	372,770	4,976	5,788	-	386,075
Federal insurance fee	269,606	48,101	38,341	21,076	-	377,124
Gross written premium (inclusive of administrative surcharge)	27,130,317	4,810,999	3,834,023	2,135,373	-	37,910,712
Gross direct premium	26,929,574	4,753,380	3,697,196	2,076,819		37,456,969
Facultative inward premium	169,803	781	-	33,400	-	203,984
Administrative surcharge	30,940	56,838	136,827	25,154	-	249,759
Insurance premium earned	28,239,516	4,752,917	4,062,251	2,087,220	-	39,141,904
Insurance premium ceded to reinsurers	(21,149,108)	(2,630,148)	(36,853)	(773,651)	-	(24,589,760)
Net insurance premium	7,090,408	2,122,769	4,025,398	1,313,569	-	14,552,144
Commission income	571,928	21,858	1	41,771	-	635,558
Net underwriting income	7,662,336	2,144,627	4,025,399	1,355,340	-	15,187,702
Insurance claims	(4,884,702)	(3,310,960)	(1,770,658)	(491,613)	-	(10,457,933)
Insurance claims recovered from reinsurers	2,172,473	2,460,225	(67)	7,868	-	4,640,499
Net claims	(2,712,229)	(850,735)	(1,770,725)	(483,745)	-	(5,817,434)
Commission expense	(2,255,116)	(374,836)	(383,257)	(191,681)	-	(3,204,890)
Management expenses	(1,792,453)	(544,273)	(1,055,162)	(355,478)	-	(3,747,366)
Net insurance claims and expenses	(6,759,798)	(1,769,844)	(3,209,144)	(1,030,904)	-	(12,769,690)
Underwriting result	902,538	374,783	816,255	324,436	-	2,418,012
Net investment income						2,254,619
Rental income						128,901
Other income						584,456
Other expenses						(210,148)
Finance cost						(17,985)
Change in fair value of investment property						269,721
Profit from window takaful operations - Operator's Fund						654,501
Profit before tax						6,082,077

(Rupees in '000)

Current year	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Total
	As at 31 December 2024					
Corporate segment assets	21,262,287	5,491,473	643,712	1,128,100	-	28,525,572
Corporate segment assets - Takaful OPF	256,800	32,739	374,628	24,302	-	688,469
Corporate unallocated assets	-	-	-	-	-	41,669,746
Corporate unallocated assets - Takaful OPF	-	-	-	-	-	1,515,085
Total assets						72,398,872
Corporate segment liabilities	28,614,238	6,819,040	2,700,352	3,650,037	-	41,783,667
Corporate segment liabilities - Takaful OPF	250,313	24,731	358,447	90,875	-	724,366
Corporate unallocated liabilities	-	-	-	-	-	4,398,075
Corporate unallocated liabilities - Takaful OPF	-	-	-	-	-	54,922
Total liabilities						46,961,030

	External premium less reinsurance by geographical segments - 2024
Pakistan	14,531,443
EPZ*	20,701
Total	14,552,144

*This represents US Dollar Equivalent in Pak Rupees.

Previous year	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Total
	For the year ended 31 December 2023					
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	31,509,946	5,755,400	4,712,435	2,337,073	-	44,314,854
Less: Sales tax	3,791,799	616,588	584,202	286,583	-	5,279,172
Stamp duty	449	198,529	1,161	1,022	-	201,161
Federal insurance fee	274,445	48,905	40,864	20,165	-	384,379
Gross written premium (inclusive of administrative surcharge)	27,443,253	4,891,378	4,086,208	2,029,303	-	38,450,142
Gross direct premium	27,408,053	4,834,941	3,919,856	1,999,726		38,162,576
Facultative inward premium	1,012	827	-	13,123	-	14,962
Administrative surcharge	34,188	55,610	166,352	16,454	-	272,604
Insurance premium earned	22,895,435	4,376,503	3,921,834	1,877,203	-	33,070,975
Insurance premium ceded to reinsurers	(17,576,004)	(2,391,706)	(38,217)	(675,342)	-	(20,681,269)
Net insurance premium	5,319,431	1,984,797	3,883,617	1,201,861	-	12,389,706
Commission income	407,546	24,539	29	47,751	-	479,865
Net underwriting income	5,726,977	2,009,336	3,883,646	1,249,612	-	12,869,571
Insurance claims	(4,880,234)	(887,220)	(1,805,419)	(643,760)	-	(8,216,633)
Insurance claims recovered from reinsurers	2,880,623	173,465	(1,231)	40,388	-	3,093,245
Net claims	(1,999,611)	(713,755)	(1,806,650)	(603,372)	-	(5,123,388)
Commission expense	(1,728,145)	(345,421)	(376,474)	(156,155)	-	(2,606,195)
Management expenses	(1,499,639)	(539,577)	(1,107,338)	(344,566)	-	(3,491,120)
Net insurance claims and expenses	(5,227,395)	(1,598,753)	(3,290,462)	(1,104,093)	-	(11,220,703)
Underwriting result	499,582	410,583	593,184	145,519	-	1,648,868
Net investment income						2,389,885
Rental income						125,289
Other income						677,978
Other expenses						(236,050)
Finance cost						(12,045)
Change in fair value of investment property						170,178
Profit from window takaful operations - Operator's Fund						696,368
Profit before tax						5,460,471

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(Rupees in '000)

Previous year	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Total
	As at 31 December 2023					
Corporate segment assets	25,108,230	2,885,056	673,900	1,075,972	-	29,743,158
Corporate segment assets - Takaful OPF	223,056	24,064	335,880	18,336	-	601,336
Corporate unallocated assets						36,084,704
Corporate unallocated assets - Takaful OPF						1,120,091
Total assets						67,549,289
Corporate segment liabilities	31,538,645	4,289,178	2,900,614	3,817,284	-	42,545,721
Corporate segment liabilities - Takaful OPF	216,735	20,561	381,824	34,395	-	653,515
Corporate unallocated liabilities						2,744,862
Corporate unallocated liabilities - Takaful OPF						57,890
Total liabilities						46,001,988

Location	External premium less reinsurance by geographical segments- 2023
Pakistan	12,361,161
EPZ*	28,545
Total	12,389,706

*This represents US Dollar Equivalent in Pak Rupees

37 MOVEMENT IN INVESTMENT

(Rupees in '000)

Name of investment	Held-to-maturity	Available-for-sale subsidiary	Available-for-sale debt securities	Available-for-sale equity securities	Held-for-trading - equity securities	Total
At beginning of previous year	551,692	9,516,994	11,923,983	2,718,022	-	24,710,691
Additions	1,542,552	186,308	6,804,466	354,778	-	8,888,104
Disposals (sale and redemptions)	(1,197,560)	-	(6,032,434)	(330,782)	-	(7,560,776)
Fair value net (losses) / gains (excluding net realised losses)	-	(120,907)	286,549	781,753	-	947,395
Impairment losses	-	(450,257)	-	41,719	-	(408,538)
At beginning of current year	**896,684**	**9,132,138**	**12,982,564**	**3,565,490**	**-**	**26,576,876**
Additions	**47,050**	**50,589**	**14,526,449**	**2,409,122**	**4,771,864**	**21,805,074**
Disposals (sale and redemptions)	**(278,000)**	**-**	**(14,196,753)**	**(673,787)**	**(3,773,179)**	**(18,921,719)**
Fair value net gains / (losses) (excluding net realised gains / (losses)	**-**	**(29,051)**	**1,171,659**	**2,324,318**	**1,241**	**3,468,167**
Impairment (losses) / gains	**-**	**(1,033,527)**	**-**	**(21,721)**	**-**	**(1,055,248)**
At end of current year	**665,734**	**8,120,149**	**14,483,919**	**7,603,422**	**999,926**	**31,873,150**

38 Management of insurance and financial risk

38.1 Insurance risk

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

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

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

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

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

38.1.1 Frequency and severity of claim

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

The Company monitors concentration of insurance risks primarily by class of business. The table below sets out the concentration of the claims and premium liabilities (in percentage terms) by class of business at financial statement date:

Class	2024 Gross claims liabilities	2024 Net claims liabilities	2024 Gross premium liabilities	2024 Net premium liabilities	2023 Gross claims liabilities	2023 Net claims liabilities	2023 Gross premium liabilities	2023 Net premium liabilities
	%	%	%	%	%	%	%	%
Fire and property damage	64	50	76	61	70	47	77	57
Marine, aviation & transport	8	17	9	8	12	13	8	7
Motor	21	18	10	23	7	21	10	28
Miscellaneous	7	15	5	8	11	19	5	8
	100	100	100	100	100	100	100	100

The Company also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighboring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk.

The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company.

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

(Rupees in '000)

Class	2024	2023
Fire and property damage	509,435,681	638,996,000
Marine, aviation & transport	243,111	253,605,000
Motor	106,015	106,015
Miscellaneous	90,649,520	9,339,672

Since the Company operates in Pakistan only, hence, all the insurance risks relate to policies written in Pakistan.

38.1.2 Sources of uncertainty in estimation of future claim payments *(BCR Ann.IV(1))*

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

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the financial statement date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the financial statement date.

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38.1.3 Process used to decide on assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information is available.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, in which case information about the claim event is available. IBNR provisions are initially estimated at a gross level and a separate calculation is carried out to estimate the size of the reinsurance recoveries. The estimation process takes into account the past claims reporting pattern and details of reinsurance programs.

The premium liabilities have been determined such that the total premium liability provisions (unearned premium reserve and premium deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as of financial statement date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

38.1.4 Sensitivity analysis

The Company believes that the claim liabilities under insurance contracts outstanding at the year end are adequate. However, these amounts are not certain and actual payments may differ from the claim's liabilities provided in the unconsolidated financial statements. The impact on the profit before tax and shareholders' equity of the changes in the claim liabilities net of reinsurance is analysed below. The sensitivity to changes in claim liabilities net of reinsurance is determined separately for each class of business while keeping all other assumptions constant.

(Rupees in '000)

	Profit before tax		Shareholder's equity	
Impact of change in claim liabilities by +10 %	**2024**	2023	**2024**	2023
Fire and property damage	**(217,471)**	(175,133)	**(132,657)**	(106,831)
Marine, aviation and transport	**(76,686)**	(48,922)	**(46,778)**	(29,842)
Motor	**(81,328)**	(77,765)	**(49,610)**	(47,437)
Miscellaneous	**(67,889)**	(74,667)	**(41,412)**	(45,547)
	(443,374)	(376,487)	**(270,457)**	(229,657)
Impact of change in claim liabilities by -10 %				
Fire and property damage	**217,471**	175,133	**132,657**	106,831
Marine, aviation and transport	**76,686**	48,922	**46,778**	29,842
Motor	**81,328**	77,765	**49,610**	47,437
Miscellaneous	**67,889**	74,667	**41,412**	45,547
	443,374	376,487	**270,457**	229,657

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38.2 Financial risk

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

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

38.2.1 Credit risk

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

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

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

(Rupees in '000)

Financial assets:	**2024**	2023
Investment in debt securities	**14,483,919**	12,982,564
Term deposits	**665,734**	896,684
Loans and other receivables	**920,669**	441,912
Insurance / reinsurance receivables	**7,634,503**	8,629,907
Reinsurance recoveries against outstanding claims	**8,596,247**	7,009,843
Cash and bank	**1,717,797**	2,286,861
Total assets of window takaful operations - Operator's Fund	**1,489,209**	1,097,935
	35,508,078	33,345,706

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

(Rupees in '000)

Bank Name	Agency	Short term	Long term	2024	2023
Allied Bank Ltd.	PACRA	A1+	AAA	42,942	60,108
Bank Alfalah Limited	PACRA	A1+	AAA	4,857	1,053
Bank Al-Habib Ltd	PACRA	A1+	AAA	82,201	91,912
Faysal Bank Ltd	PACRA	A1+	AA	70,904	161,826
FINCA Microfinance Bank Ltd	PACRA	A3	BBB+	12	11
Habib Bank Ltd	VIS	A-1+	AAA	69,236	79,811
Habib Metropolitan Bank Ltd.	PACRA	A1+	AA+	461,360	644,128
JS Bank Limited	PACRA	A1+	AA	575,297	707,200
MCB Bank Limited	PACRA	A1+	AAA	152,866	191,450
Mobilink Microfinance Bank	PACRA	A1	A	6,514	3,802
National Bank Of Pakistan	PACRA	A1+	AAA	37,640	18,362
Samba Bank Limited	PACRA	A1	AA	3,653	395
Soneri Bank Ltd.	PACRA	A1+	AA-	30	2,125
The Bank Of Punjab	PACRA	A1+	AA+	12,403	5,209
U Microfinance Bank Limited	PACRA	A1	A+	36	43
United Bank Ltd.	VIS	A-1+	AAA	153,653	282,760
				1,673,604	2,250,195

The credit quality of Company's investment in term finance certificates can be assessed with reference to external credit ratings as follows:

(Rupees in '000)

Security	Rating	Rating agency	2024	2023
Agritech Limited - 3rd Issue (B)	N/A	-	5,665	5,665
Agritech Limited - 3rd Issue (A)	N/A	-	34,972	34,972
Soneri Bank Limited	A+	PACRA	100,000	100,000
Habib Bank Limited	AAA	VIS	100,000	100,000
Dubai Islamic Bank limited	A+	VIS	102,000	102,000
			342,637	342,637

The management monitors exposure to credit risk in premium receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables. As at 31 December 2024, the premiums due but unpaid (other than impaired balances) includes amount receivable within one year and above one year amounting to Rs. 7,506 million (2023: Rs. 8,560 million) and Rs. 90 million (2023: Rs. 12 million) respectively.

The credit quality of amounts due from other insurers / re-insurers and claim recoveries from reinsurers can be assessed with reference to external credit ratings as follows:

(Rupees in '000)

Rating	2024 Amounts due from insurers / re-insurers	2024 Reinsurance recoveries against outstanding claims	2023 Amounts due from insurers / re-insurers	2023 Reinsurance recoveries against outstanding claims
A or above (including Pakistan Reinsurance Company Limited)	38,397	7,684,149	57,423	6,278,924
B or above	150	776,310	412	635,947
Others	-	135,788	59	94,972
	38,547	8,596,247	57,894	7,009,843

As at 31 December 2024, the amounts due from insurers / reinsurers includes amount receivable within one year and above one year amounting to Rs. 28 million (2023: Rs. 56 million) and Rs. 10 (2023: Rs. 2 millions) respectively.

38.2.2 Liquidity risk

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

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

The table below provides the maturity analysis of the Company's liabilities as at financial statement date. All liabilities are presented on a contractual cash flow basis except for the provision of outstanding claims (including IBNR), which are presented with their expected cash flows;

(Rupees in '000)

	2024		
	Carrying amount	Up to one year	Greater than one year
Financial liabilities:			
Outstanding claims including IBNR	13,029,997	13,029,997	-
Insurance / re-insurance payable	7,830,481	7,830,481	-
Other creditors and accruals	3,581,213	3,581,213	-
Total liabilities of window takaful operations			
- Operator's Fund	187,345	187,345	-
	24,629,036	24,629,036	-

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	(Rupees in '000)		
	2023		
	Carrying amount	Up to one year	Greater than one year
Financial liabilities:			
Outstanding claims including IBNR	10,774,706	10,774,706	-
Insurance / reinsurance payable	9,472,269	9,472,269	-
Other creditors and accruals	3,391,311	3,391,311	-
Total liabilities of window takaful operations - Operator's Fund	150,251	150,251	-
	23,788,537	23,788,537	-

38.2.3 Market risk

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

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

38.2.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company has securities and deposits that are subject to interest rate risk. The Company limits changes in interest rates in the currencies in which its financial assets are denominated.

Maturity profile of financial assets and liabilities:

(Rupees in '000)

	2024						
	Interest / mark-up bearing			Non-interest / non-mark-up bearing			Total
	Maturity up to one year	Maturity above one year	Sub total	Maturity up to one year	Maturity above one year	Sub total	
Financial assets							
Investment in subsidiary	-	-	-	-	8,120,149	8,120,149	8,120,149
Investments							-
Equity securities	-	-	-	-	8,603,348	8,603,348	8,603,348
Debt securities	1,877,943	12,605,976	14,483,919	-	-	-	14,483,919
Term deposits	665,734		665,734	-	-	-	665,734
Loans and other receivables	2,538	-	2,538	918,131	-	918,131	920,669
Cash and bank deposit	1,337,742	-	1,337,742	354,771	-	354,771	1,692,513
Insurance / reinsurance receivables	-	-	-	7,634,503	-	7,634,503	7,634,503
Reinsurance recoveries against outstanding claims	-	-	-	8,596,247	-	8,596,247	8,596,247
Total assets of window takaful operations - Operator's Fund	678,071	735,464	1,413,535	75,674	-	75,674	1,489,209
	4,562,028	13,341,440	17,903,468	17,579,326	16,723,497	34,302,823	52,206,291
Financial liabilities							
Outstanding claims including IBNR	-	-	-	13,029,997	-	13,029,997	13,029,997
Insurance / reinsurance payables	-	-	-	7,830,481	-	7,830,481	7,830,481
Other creditors and accruals	-	-	-	3,462,429	-	3,462,429	3,462,429
Lease Liabilities	51,236	67,548	118,784	-	-	-	118,784
Total liabilities of window takaful operations - Operator's Fund	-	-	-	187,345	-	187,345	187,345
	51,236	67,548	118,784	24,510,252	-	24,510,252	24,629,036

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(Rupees in '000)

	2023						
	Interest / mark-up bearing			Non-interest / non-mark-up bearing			Total
	Maturity up to one year	Maturity above one year	Sub total	Maturity up to one year	Maturity above one year	Sub total	
Financial assets							
Investment in subsidiary	-	-	-	-	9,132,138	9,132,138	9,132,138
Investments			-			-	-
Equity securities	-	-	-	-	3,565,490	3,565,490	3,565,490
Debt securities	8,973,564	4,009,000	12,982,564	-	-	-	12,982,564
Term deposits	896,684	-	896,684	-	-	-	896,684
Loans and other receivables	2,853	-	2,853	439,059	-	439,059	441,912
Cash and bank deposit	1,966,473	-	1,966,473	320,388	-	320,388	2,286,861
Insurance / reinsurance receivables	-	-	-	8,629,907	-	8,629,907	8,629,907
Reinsurance recoveries against outstanding claims	-	-	-	7,009,843	-	7,009,843	7,009,843
Total assets of window takaful operations - Operator's Fund	123,088	920,277	1,043,365	54,570	-	54,570	1,097,935
	11,962,662	4,929,277	16,891,939	16,453,767	12,697,628	29,151,395	46,043,334
Financial liabilities							
Outstanding claims including IBNR	-	-	-	10,774,706	-	10,774,706	10,774,706
Insurance / reinsurance payables	-	-	-	9,472,269	-	9,472,269	9,472,269
Other creditors and accruals	-	-	-	3,288,330	-	3,288,330	3,288,330
Lease Liabilities	34,989	67,992	102,981	-	-	-	102,981
Total liabilities of window takaful operations - Operator's Fund	-	-	-	150,251	-	150,251	150,251
	34,989	67,992	102,981	23,685,556	-	23,685,556	23,788,537

Sensitivity analysis

As on 31 December 2024, the Company had no financial instruments valued at fair value through profit or loss. For cash flow sensitivity analysis of variable rate instruments, a hypothetical change of 100 basis points in interest rates during the year would have decreased / increased profit for the year by the amounts shown below.

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

(Rupees in '000)

	Change in basis points	Effect on profit and loss before tax	Effect on shareholder's equity
31 December 2024	**100**	**13,377**	**8,160**
	(100)	**(13,377)**	**(8,160)**
31 December 2023	100	19,665	11,996
	(100)	(19,665)	(11,996)

38.2.3.2 Foreign currency risk

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

38.2.3.3 Other price risk

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

The Company's equity investments amounting to Rs. 16,723 million are susceptible to market price risk arising from uncertainty about the future value of investment securities. The Company limits market risk by diversifying its equity investment portfolio and by actively monitoring the developments in equity and money markets.

The above investments include strategic equity investments in its subsidiary amounting to Rs. 8,120 million which is held for long term. The management monitors these strategic investments based on the underlying business and economic characteristic of the investee rather than the short term price fluctuations.

The table below summarises Company's market price risk as of 31 December 2024 and 2023. It shows the effect of a 10 % increase and 10 % decrease in the market prices of equity investments as on those dates on Company's profit and equity.

Had all equity investments, other than subsidiary / associate, been measured at fair values as required by IAS 39 "Financial Instruments". Recognition and Measurement, the impact of hypothetical change would be as follows:

(Rupees in '000)

	Fair value	Price change	Estimated fair value	Effect on profit and loss before tax	Effect on shareholder's equity
31 December 2024	**8,603,348**	**10 % decrease**	**9,463,683**	**-**	**524,804**
		10 % decrease	**7,743,013**	**-**	**(524,804)**
31 December 2023	3,565,490	10 % decrease	3,922,039	-	356,549
		10 % decrease	3,208,941	-	(356,549)

38.2.4 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and meet the regulatory, solvency and paid up capital requirements so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

38.3 FAIR VALUE

38.3.1 IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

38.3.2 All assets and liabilities for which fair value is measured or disclosed in the unconsolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant.

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Following are the assets where fair value is only disclosed and is different from their carrying value:

(Rupees in '000)

	2024								
							Fair value measurement using		
	Available-for-sale	Held-for-trading	Loan and Receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Investments									
Equity securities - quoted	7,603,722	999,626	-	-	-	8,603,348	8,603,348		
Debt securities	14,483,919	-	-	-	-	14,483,919		14,483,919	
Investment in subsidiary	8,120,149	-	-	-	-	8,120,149	8,120,149		
Debt securities of window takaful operations - Operator's fund	1,292,402	-	-	-	-	1,292,402		1,292,402	
	31,500,192	999,626	-	-	-	32,499,818			
Financial assets not measured at fair value									
Term deposits*	-	-	-	665,734	-	665,734			
Loans and other receivables*	-	-	920,669	-	-	920,669			
Insurance / reinsurance receivables*	-	-	7,634,503	-	-	7,634,503			
Reinsurance recoveries against outstanding claims*	-	-	8,596,247	-	-	8,596,247			
Cash and bank*	-	-	-	1,717,797	-	1,717,797			
Total assets of window takaful operations - Operator's fund*	1,292,402	-	44,171	182,636	-	1,519,209			
	1,292,402	-	17,195,590	2,566,167	-	21,054,159			
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	-	(13,029,997)	(13,029,997)			
Premium received in advance*	-	-	-	-	(182,957)	(182,957)			
Insurance / reinsurance payables*	-	-	-	-	(7,830,481)	(7,830,481)			
Other creditors and accruals*	-	-	-	-	(3,581,213)	(3,581,213)			
Total liabilities of window takaful operations - Operator's Fund*	-	-	-	-	(148,581)	(148,581)			
	-	-	-	-	(24,773,229)	(24,773,229)			

Notes to the Unconsolidated Financial Statements

For the year ended 31 December 2024

(Rupees in '000)

	2023								
	Available-for-sale	Held-for-trading	Loan & Receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using Level 1	Level 2	Level 3
Financial assets measured at fair value									
Investments	3,565,490	-	-	-	-	3,565,490	3,565,490		
Equity securities - quoted	12,680,432	-	-	-	-	12,680,432		12,982,564	
Debt securities	9,132,138	-	-	-	-	9,132,138	9,132,138		
Investment in subsidiary									
Total assets of window takaful operations - Operator's fund*	957,785	-	-	-	-	957,785			
	26,335,845	-	-	-	-	26,335,845			
Financial assets not measured at fair value						-			
Term deposits*	-	-	-	896,684	-	896,684			
Loans and other receivables*	-	-	441,912	-	-	430,728			
Insurance / reinsurance receivables*	-	-	8,629,907	-	-	8,629,907			
Reinsurance recoveries against outstanding claims*	-	-	7,009,843	-	-	7,009,843			
Cash and bank*	-	-	-	2,286,861	-	2,286,861			
Total assets of window takaful operations - Operator's fund*	-	-	50,414	89,736	-	140,150			
Total financial assets	26,335,845	-	16,132,076	3,273,281	-	45,730,018			
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	-	(10,774,706)	(10,774,706)			
Insurance / reinsurance payables*	-	-	-	-	(9,472,269)	(9,472,269)			
Other creditors and accruals*	-	-	-	-	(3,288,330)	(3,288,330)			
Total liabilities of window takaful operations - Operator's Fund*	-	-	-	-	(150,251)	(150,251)			
Total financial liabilities	-	-	-	-	(23,685,556)	(23,685,556)			

*The Company has not disclosed fair values of few of the above mentioned financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

Notes to the Unconsolidated Financial Statements

For the year ended 31 December 2024

39 STATEMENT OF SOLVENCY *(BCR Ann.IV(8))*

(Rupees in '000)

	2024	2023
Assets		
Lands and buildings	2,953,138	2,781,184
Furniture, fixtures and office equipment	247,198	262,347
Vehicles	469,436	442,287
Property and equipment	3,669,772	3,485,818
Investment property	3,462,112	3,191,970
Investments in Subsidiary	8,120,149	9,132,138
Investments		
Equity securities	8,603,348	3,565,490
Debt securities	14,483,919	12,982,564
Term deposits	665,734	896,684
	23,753,001	17,444,738
Loans and other receivables	2,538	2,853
Current assets - Others		
Insurance / reinsurance receivables	7,596,106	8,572,013
Amounts due from other insurers / re-insurers	38,397	57,894
Salvage recoveries accrued	92,600	99,276
Reinsurance recoveries against outstanding claims	8,596,247	7,009,843
Accrued investment income	567,764	367,694
Retirement benefits	1,680	88,193
Deferred commission expenses	1,510,828	1,491,266
Prepayments	10,715,960	12,525,940
Security deposits	234,301	14,128
Other receivables	116,066	57,237
	29,469,949	30,283,484
Cash and bank	1,717,797	2,286,861
	70,195,318	65,827,862
Total assets of window takaful operations - Operator's Fund	2,203,554	1,721,427
Total assets	72,398,872	67,549,289

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

	2024	2023
	(Rupees in '000)	
In-admissible assets as per following clauses the section 32(2) of the Insurance Ordinance, 2000.		
Loans to employees	1,842	2,088
Premium due since more than three months	2,917,660	2,586,137
Deferred tax - Operators' fund	-	8,641
Bank deposits related to guarantees	1,311,076	1,418,139
Bank deposits related to liens	38,819	38,819
Shares in any one Company or any group of related companies	6,119,839	7,390,293
Vehicles, furnitures, fixtures, office equipments	716,634	704,634
Vehicles, furnitures, fixtures, office equipments - Operator's fund	5,530	6,487
	11,111,400	12,155,238
Total of in-admissible assets	61,287,472	55,394,051
Total liabilities		
Underwriting provisions		
Outstanding claims including IBNR	13,029,997	10,774,706
Unearned premium reserves	18,315,194	19,546,386
Unearned reinsurance commission	329,486	302,821
Deferred taxation	1,426,822	360,812
Retirement benefit obligation	80,936	44,238
Premium received in advance	182,957	167,683
Insurance / reinsurance payables	7,830,481	9,472,269
Taxation - payments less provision	362,981	817,640
Other creditors and accruals	4,622,888	3,804,028
Total liabilities	46,181,742	45,290,583
Total liabilities of window takaful operations - Operators' Fund	779,288	711,405
Total liabilities	46,961,030	46,001,988
Total net admissible assets	14,326,442	9,392,063
Minimum Solvency Requirement (higher of following)	4,115,959	3,495,204
Method A - U/s 36(3)(a)	150,000	150,000
Method B - U/s 36(3)(b)	4,115,959	3,495,204
Method C - U/s 36(3)(c)	3,411,208	3,311,442
Excess in net admissible assets over minimum requirements	10,210,483	5,896,859

Notes to the Unconsolidated Financial Statements
For the year ended 31 December 2024

40 NON-ADJUSTING EVENT AFTER THE UNCONSOLIDATED FINANCIAL STATEMENT DATE

The Board of Directors in its meeting held on 26 February 2025 have announced a final cash dividend in respect of the year ended 31 December 2024 of Rs. 5.5 per share, 55.00 % (2023: Rs. 5.50 per share, 55.00 %). In addition, the Board of Directors have also approved the transfer to general reserve from un-appropriated profit amounting to Rs. 1,000 million (2023: Rs. 1,000 million). These unconsolidated financial statements for the year ended 31 December 2024 do not include the effect of these appropriations, which will be accounted for subsequent to the year end.

41 NUMBER OF EMPLOYEES

The total average number of employees during the year end as at 31 December 2024 and 2023 are as follows.

	2024	2023
At year end	998	1,077
Average during the year	1,034	1,100

42 CORRESPONDING FIGURES

Corresponding figures of immaterial amounts have been rearranged and reclassified, wherever necessary, to facilitate comparisons, including recognition of a retirement benefit of Rs. 44 million, which has been netted off against related assets in the previous year.

43 GENERAL

Figures have been rounded off to the nearest thousand rupees.

44 DATE OF AUTHORISATION FOR ISSUE OF UNCONSOLIDATED FINANCIAL STATEMENTS

These unconsolidated financial statements were authorised for issue by the Board of Directors in its meeting held on 26 February 2025.

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Excecutive Officr	Chairman

Consolidated Financial

Statements

Directors' Report to the Members on Consolidated Financial Statements

We are pleased to present the consolidated financial statements of EFU General Insurance Limited and our subsidiary, EFU Life Assurance Limited (EFU Life).

Performance Review

Consolidated Gross Written Premium was Rs. 79.5 billion (including Takaful of Rs. 3.4 billion) as compared to Rs. 75.8 billion (including Takaful of Rs. 3.1 billion) for last year, net premium was Rs 53.9 billion as compared to Rs. 48.8 billion for last year and profit after tax was Rs. 5.2 billion as compared to Rs. 4.2 billion last year. The consolidated Total Assets were Rs. 329.3 billion (31 December 2023: Rs 276.2 billion) and consolidated Total Investments stood at Rs 266.7 billion (31 December 2023: Rs. 212.3 billion).

Movement of Reserves

	Rupees '000 December 31, 2024 (Audited)	
Unappropriated profit brought forward (as previously reported)		1,424,395
Profit attributable to ordinary shares	3,533,199	
Transferred from surplus on revaluation of property and equipment (net of tax)	28,513	
Acquisition by Non-Controlling Interest (NCI) without a change in control	(22,371)	
		3,539,341
Profit before appropriations		4,963,736
Appropriations		
Cash dividend - Final 2023		(1,100,000)
Cash dividend - 1st Interim 2024		(300,000)
Cash dividend - 2nd Interim 2024		(300,000)
Cash dividend - 3rd Interim 2024		(300,000)
Transfer to General Reserve		(1,000,000)
		(3,000,000)
Unappropriated Profit carried forward		1,963,736
Earnings per Share		18.91

EMPHASIS OF OUR SUBSIDIARY COMPANY MATTER PARAGRAPH

Statutory auditors, without modifying the audit opinion, have added an emphasis of matter paragraph in the audit report in respect of the following issue:

Provincial Sales Tax on Life Insurance

The Sindh Revenue Board (SRB), through notification SRB-3-4/17/2021 dated June 30, 2021, revoked the previous exemption on life insurance, making it taxable at 3%. Similarly, Khyber Pakhtunkhwa Revenue Authority (KPRA) imposed a 15% sales tax on life insurance from July 1, 2021, under the Khyber Pakhtunkhwa Finance Act 2021.

The Subsidiary Company, along with other life insurers, filed petitions in the Lahore and Sindh High Courts, challenging the provincial sales tax (PST & SST) on life insurance based on the following arguments:

1. Insurance is not a service but a contingent contract that pays upon an event.
2. Provincial sales tax on life insurance is unconstitutional as insurance falls under Federal jurisdiction (Entry 29 of the Federal Legislative List).
3. Flaws in tax application, as investment components of unit-linked policies are also being taxed, despite not being service-related.

On January 14, 2025, the Sindh High Court dismissed the petition, stating that petitioners must first seek relief through the statutory forums. Consequently, the Subsidiary Company and other insurers have filed an appeal in the Supreme Court of Pakistan, arguing that the core legal question was not addressed in the High Court's ruling.

The Insurance Association of Pakistan (IAP) has also taken up the matter with KPRA, emphasizing that insurance is a Federal subject and should not be legislated at the provincial level.

Based on legal advice, the Subsidiary Company has not started charging or withholding sales tax from policyholders. The disputed tax amount stands at Rs. 4,680 million (2023: Rs. 3,537 million). If legal and administrative efforts fail, the tax burden will be passed on to policyholders.

Provincial Sales Tax on Health Insurance

Under the Sindh Sales Tax Act, 2011, Sindh Sales Tax (SST) was applicable on corporate health insurance premiums. However, the Sindh Revenue Board (SRB) had exempted SST from July 1, 2016, to June 30, 2023, through multiple notifications. Effective July 1, 2023, SRB did not extend the exemption.

The Insurance Association of Pakistan (IAP) engaged with SRB to restore the exemption, while the Subsidiary Company sought legal advice, contending that health insurance is not a service under the Insurance Ordinance, 2000. This argument aligns with international precedents where courts ruled that insurance is not a service.

A constitutional petition was filed at the High Court of Sindh, but on January 14, 2025, the court dismissed the case, directing petitioners to first approach the statutory forums. Subsequently, the Subsidiary Company and other insurers have appealed to the Supreme Court of Pakistan, arguing that the core legal question remains undecided.

Based on legal advice, the Subsidiary Company is not charging SST on health insurance policies written in Sindh and has not recognized a liability of Rs. 541.41 million in its financial statements.

The Punjab Revenue Authority (PRA) withdrew the exemption on health insurance from 1 November 2018. The Insurance Association of Pakistan (IAP) and insurance companies, including the Subsidiary Company, contested this move, arguing that health insurance is not a service but an underwriter's promise to pay, as per the Insurance Ordinance, 2000. Legal opinions and precedents from foreign jurisdictions support this stance.

In September 2019, insurance companies challenged the levy of Punjab Sales Tax (PST) on health insurance in the Lahore High Court (LHC), which granted a stay on coercive recovery measures on 3 October 2019. Due to ongoing litigation, the Subsidiary Company has neither charged PST to clients nor recognized the contingent liability in its financial statements.

Additionally, PRA issued a notification on 2 April 2020, exempting PST on health insurance from 2 April 2020 to 30 June 2020. As of 31 December 2024, the disputed PST liability, excluding the exempt period, amounts to Rs. 1017.8 million.

Economic Review

Pakistan's economy registered a moderate recovery with a GDP growth of 2.38 percent in FY2024. Agriculture developed into a primary catalyst for economic expansion supported by industrial and service sectors. Additionally, current account balance improved to surplus of USD 582 million. These factors led to a stable exchange rate and a reduction in inflation, prompting the State Bank of Pakistan (SBP) to lower the policy rate from 22% to 13%.

TAHER G. SACHAK	HASANALI ABDULLAH	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Managing Director & Chief Executive Officer	Chairman

مجموعی مالیاتی حسابات پر شیئر ہولڈرز کیلئے ڈائریکٹرز کی رپورٹ

ہم بمسرت ای ایف یو جنرل انشورنس لمیٹڈ اور اپنے ذیلی ادارے ای ایف یو لائف ایشورنس کمپنی لمیٹڈ (ای ایف یو لائف) کے مالیاتی حسابات یکجا کر کے پیش کر رہے ہیں۔

کارکردگی کا جائزہ:

یکجاشدہ مجموعی تحریری پریمیئم ۹۵.۷۵ بلین روپے (بشمول تکافل کے ۴.۳ بلین روپے) رہا جو کہ گذشتہ سال ۸۵.۷۵ بلین روپے (بشمول تکافل کے ۳.۱ بلین روپے) تھا۔ خالص پریمیئم ۵۳.۹ بلین روپے رہا جو کہ گذشتہ سال ۴۸.۸ بلین روپے تھا اور بعد از ٹیکس منافع ۵.۲ بلین روپے رہا جو کہ گذشتہ سال ۴.۲ بلین روپے تھا۔ یکجاشدہ مجموعی اثاثہ جات ۳۲۹.۳ بلین روپے رہے (۳۱ دسمبر ۲۰۲۳: ۲۷۶.۲ بلین روپے) اور یکجاشدہ مجموعی سرمایہ کاری ۲۶۶.۷ بلین روپے رہے (۳۱ دسمبر ۲۰۲۳: ۲۱۲.۳ بلین روپے)۔

اثاثہ جات کی نقل وحمل:

	روپے ہزاروں میں ۳۱ دسمبر ۲۰۲۴ء (آڈٹ شدہ)
آگے منتقل کئے جانے والے غیر مختص شدہ منافع (جیساکہ پہلے رپورٹ کیا جاچکا ہے)	۱,۴۲۴,۳۹۵
عمومی شیئرز سے منسوب منافع	۳,۵۳۳,۱۹۹
پراپرٹی اور ایکوئپمنٹ کی ری ویلیوایشن پر سرپلس سے منتقل شدہ	۲۸,۵۱۳
کنٹرول میں کسی تبدیلی کے بغیر نان۔کنٹرولنگ انٹرسٹ (این سی آئی) کا حصول	(۲۲,۳۷۱)
	۳,۵۳۹,۳۴۱
مختص کردہ دستیاب منافع	۴,۹۶۳,۷۳۶
مختص کردہ تناسب	
نقد منافع منقسمہ۔ حتمی ۲۰۲۳ء	(۱,۱۰۰,۰۰۰)
نقد منافع منقسمہ۔ پہلا عبوری ۲۰۲۴ء	(۳۰۰,۰۰۰)
نقد منافع منقسمہ۔ دوسرا عبوری ۲۰۲۴ء	(۳۰۰,۰۰۰)
نقد منافع منقسمہ۔ تیسرا عبوری ۲۰۲۴ء	(۳۰۰,۰۰۰)
جنرل ریزرو میں منتقلی	(۱,۰۰۰,۰۰۰)
	(۳,۰۰۰,۰۰۰)
آگے منتقل کیا جانے والا غیر مختص شدہ منافع	۱,۹۶۳,۷۳۶
آمدنی فی شیئر (روپے)	۱۸.۹۱

اقتصادی جائزہ:

پاکستان کی معیشت میں معتدل بحالی دیکھنے میں آئی، جہاں مالی سال ۲۰۲۴ء میں جی ڈی پی کی شرح نمو ۲.۳۸ فیصد رہی۔ زرعی شعبہ صنعتی اور خدماتی شعبوں کی معاونت سے معاشی ترقی کا بنیادی محرک بن کر ابھرا۔ اس کے علاوہ، کرنٹ اکاؤنٹ کا توازن بہتری کی جانب گامزن رہا اور ۵۸۲ ملین امریکی ڈالر کے فاضل ذخائر ریکارڈ کیے گئے۔ ان عوامل کے نتیجے میں شرحِ تبادلہ میں استحکام اور مہنگائی میں کمی واقع ہوئی، جس کے پیش نظر اسٹیٹ بینک آف پاکستان (ایس بی پی) نے پالیسی ریٹ ۲۲ فیصد سے کم کر کے ۱۳ فیصد کر دیا۔

آڈٹ رپورٹ

سبسڈری کمپنی کے اسٹیچوری آڈیٹرز، کے پی ایم جی تاثیر اینڈ ہادی، چارٹرڈ اکاؤنٹینٹس، کراچی نے اپنی آڈٹ رپورٹ میں ایک واضح رائے جاری کی ہے جبکہ اس امر پر زور دیا گیا ہے جو کہ لائف انشورنس سروسز پر پنجاب سیلز ٹیکس (پی ایس ٹی) اور سندھ سیلز ٹیکس (ایس ایس ٹی) کے اسکوپ اور نفاذ کے سلسلے میں مالیاتی حساب کے نوٹ 26.2 میں زیر بحث لایا گیا ہے۔

زیر معاملہ پیراگراف پر زور

اسٹیچوری آڈیٹرز نے آڈٹ کے اظہارِ رائے میں کسی تبدیلی کے بغیر درج ذیل معاملے کے سلسلے میں آڈٹ رپورٹ کے زیر معاملہ پیراگراف کو خصوصی طور پر بھی شامل کیا ہے:

بیمہ زندگی پر صوبائی سیلز ٹیکس

سندھ ریونیو بورڈ (ایس آر بی) نے نوٹیفکیشن SRB-3-4/17/2021 مورخہ ۳۰ جون ۲۰۲۱ء کے ذریعے بیمہ زندگی پر سابق استثنٰی کو ختم کرتے ہوئے اسے 3 فیصد تک قابل ٹیکس بنایا۔ اسی طرح خیبر پختونخوا ریونیو اتھارٹی (کے پی آر اے) نے یکم قانونی مشاورت کے تحت کمپنی سندھ میں جاری کردہ ہیلتھ انشورنس کی پالیسیز پر ایس ٹی وصول نہیں کر رہی اور اس کے مالیاتی حسابات میں 541.41 ملین روپے کی مالیاتی ذمہ داری کو تسلیم نہیں کیا گیا۔

پنجاب ریونیو اتھارٹی (پی آر اے) نے ہیلتھ انشورنس پر استثنٰی یکم نومبر ۲۰۱۸ء کو واپس لے لیا تھا۔ انشورنس ایسوسی ایشن آف پاکستان (آئی اے پی) اور انشورنس کمپنیز بشمول کمپنی نے اس فیصلے پر احتجاج کیا اور دلائل دیئے کہ ہیلتھ انشورنس ایک سروس نہیں ہے تاہم ایک انڈر رائیٹر بیمہ آرڈیننس ۲۰۰۰ء کے مطابق ادائیگی کا وعدہ کرتا ہے۔ اس اقدام کی معاونت میں غیر ملکی فیصلوں سے قانونی رائے اور مثالیں لی گئیں۔

ستمبر ۲۰۱۹ء میں انشورنس کمپنیز نے ہیلتھ انشورنس پر پنجاب سیلز ٹیکس (پی ایس ٹی) کی لیوی کو لاہور ہائی کورٹ (ایل ایچ سی) میں چیلنج کیا جس پر وصولیابی کے اقدام کو ۳ اکتوبر ۲۰۱۹ء کو اسٹے دے دیا گیا۔ جاری قانونی تنازعات کے سبب کمپنی نہ تو صارفین سے پی ایس ٹی چارج کر رہی ہے نہ ہی اپنے مالیاتی حسابات میں اس عارضی مالی ذمے داری کو تسلیم کرتی ہے۔

مزید برآں پی آر اے نے ۲ اپریل ۲۰۲۰ء کو ایک نوٹیفکیشن جاری کرتے ہوئے ہیلتھ انشورنس پر پی ایس ٹی کو ۲ اپریل ۲۰۲۰ء سے ۳۰ جون ۲۰۲۰ء تک کے لئے استثنٰی دیا۔ ۳۱ دسمبر ۲۰۲۴ء کے مطابق متنازع پی ایس ٹی کی مالی ذمہ داری استثنائی مدت سے خارج ہو کر 1017.8 ملین روپے مالیت کی ہوگئی۔

طاہر جی ساچک ڈائریکٹر	**حسن علی عبداللہ** ڈائریکٹر	**کامران ارشد انعام** مینجنگ ڈائریکٹر و چیف ایگزیکٹو آفیسر	**سیف الدین این۔ زومکاوالا** چیئرمین

کراچی: ۲۶ فروری ۲۰۲۵ء

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Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Consolidated Financial Statements

To the members of EFU General Insurance Limited

Opinion

We have audited the annexed consolidated financial statements of **EFU General Insurance Limited** and its subsidiary (the Group) , which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated statement of financial position, the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement together with the notes, comprising material accounting policies and other explanatory information forming part thereof confirm with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Group's affairs as at 31 December 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 23.2 and 23.3 to the annexed consolidated financial statements, which describes that the Group along with other insurance companies had earlier challenged the scope and applicability of provincial sales tax on services on premium received from insurance business in provincial High Courts.

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The Hon'ble Sindh High Court has dismissed the case with a direction to reapproach Sindh Revenue Board on the matter of taxability of life and health insurance business. However, the insurance companies have decided to refer the case to and file a constitutional petition in the Supreme Court of Pakistan.

The Group has not charged provincial sales tax to its clients, nor has recognized any liability for the impugned sales tax amounting to Rs. 6.24 billion as mentioned in notes 23.2 and 23.3 to the consolidated financial statements as the management is confident that the final outcome will be in the favor of Group based on legal opinion.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

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

Following are the key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	**Insurance liabilities and outstanding claims including Incurred but not reported**	
	The Group's liability relating to insurance liabilities and outstanding claims including Incurred but not reported amounts to 255,287 million. Valuation of these liabilities is highly judgmental because it requires a number of assumptions to be made with high estimation uncertainty such as loss ratios, estimates of the frequency and severity of claims. Furthermore, the Group also maintains a provision for claims including IBNR based on the advice of an independent actuary. The determination and application of the methodology and performance of the calculations are also complex.	Our audit procedures amongst other procedures included the following: • Obtaining an understanding of the Group's process and evaluating the design and implementation of key controls in recognition and valuation of insurance liabilities. • Assessing the appropriateness of the Group's accounting policy for recognition and measurement of insurance liabilities, in compliance with applicable accounting and reporting standards. • Assessing the consistency of the methods used for calculation of the IBNR claims and assumptions for the valuation parameters at 31 December 2024 to establish whether these had been subject

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	Due to the significant judgment and estimation required to determine the obligations relating to outstanding claims including IBNR, we consider it to be a Key Audit Matter. Refer to note 3.16, 3.24, 18 and 25 to the consolidated financial statements relating insurance liabilities.	to any arbitrary discontinuities from those used at 31 December 2023. • Performing procedures to evaluate the accuracy, completeness and reliability of the underlying data utilized for the purposes of measurement by reference to its source. • Inspecting the report submitted by the Appointed Actuary for the year ended 31 December 2024, to the Board of Directors of the Group in respect of the insurance liabilities and the related methods and assumptions used for this purpose. • Appointing an independent actuarial expert to assess the reasonableness of assumptions and methods used by the management's expert in the valuation of insurance liabilities. Our procedures also included evaluating the adequacy of the work performed by our independent appointed actuarial expert. • Assessing the appropriateness of disclosures made in the consolidated financial statements to ascertain whether these are in compliance with the applicable accounting and reporting standards.
2.	**Existence, valuation, and impairment of investments**	
	The investments of Rs 266,674 million as at 31 December 2024 held by the Group. The Group's investment portfolio comprises of government debt securities, equity securities, other fixed income securities and term deposits. We identified the existence, valuation, and impairment of investments as a key	Our audit procedures amongst other procedures included the following: • Obtaining an understanding of the Group's process for valuation and classification of investments and evaluating the design and implementation of key controls over the process relating to valuation and classification of the investments.

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	audit matter due to the material significance of investments relative to the Group's total asset size, as well as the inherent complexity involved in evaluating the valuation methodologies and assessing potential impairment of the investment portfolio. Refer to note 8 to 11 to the consolidated financial statements and the accounting policies in note 3.15 for investments.	• Obtaining independent confirmations to verify the existence of the investment portfolio as at 31 December 2024 and reconciling the contents of the reply with the books and records of the Group. In that instance, where confirmations were not received, alternate audit procedures were performed. Comparing the external statements of security custodian (CDC/IPS) with the books and records of the Group to assess whether the number of scripts have been accurately recorded by the Group. • Performing recalculation by using the data and inputs used in the valuation to assess the accuracy of carrying value of investments at the reporting date. • Evaluating whether the impairment loss in respect of the available for sale securities has been appropriately recognized and is in compliance with applicable financial reporting standards. • Assessing the appropriateness of the accounting policy adopted by the Group for compliance with the requirements of applicable financial reporting framework. • Assessing the appropriateness of disclosures made in the consolidated financial statements to ascertain whether these are in compliance with the applicable accounting and reporting standards.

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3.	**Premium**	
	The Group generates its income primarily from premiums. Premium from insurance policies amounts to Rs. 80,757 million. We identified premiums as a key audit matter because it is a key performance indicator of the Group and possess a risk of overstatement by recording transactions that may not have occurred. Refer note 3.13 and 24 of the annexed consolidated financial statements relating to premiums.	Our audit procedures amongst other procedures included the following: • Obtaining an understanding of the Group process for recognition of premium and evaluating the design and implementation of key controls involved in the process of capturing, processing and recording of premiums. • Comparing, using an appropriate sample of premium earned from the underlying policies issued to evaluate appropriateness of recognized premium during the year. • Assessing the appropriateness of the Group's accounting policy for recognition of premium, in compliance with applicable accounting and reporting standards. • Using an appropriate sample, tested premium receipts for life assurance business to evaluate whether the premium amounts have been received from the policyholders before the recognition of premiums (other than group life and health insurance / takaful) as required under Insurance Ordinance, 2000. • Using an appropriate sample, tested premium underwritten for general insurance contracts close to year end and subsequent to year end to evaluate that premiums was recognized in the appropriate accounting year in compliance with the applicable accounting and reporting standards. • Recalculating the unearned portion of premium underwritten and ensuring that the appropriate amount is recorded in the current year.

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4.	**Impairment of goodwill**	
	The Group's intangible assets includes goodwill with carrying value of Rs. 3,173 million, as at 31 December 2024 in relation to its Subsidiary Company. During the year, the Group has recognized an impairment of Rs. 1,690 million against such goodwill. The impairment test of goodwill is considered to be a key audit matter due to involvement of significant judgement and relating impact on the consolidated financial statements. Refer to note 3.1 and 6.2 to the consolidated financial statements for impairment of goodwill.	• Assessing the appropriateness of the Group's accounting policy for testing of goodwill for impairment in accordance with the requirements of the applicable accounting and reporting standards. • Obtaining and inspecting management's calculation of recoverable amount of CGU (EFU Life Assurance Limited) to assess whether goodwill has been appropriately allocated to relevant CGU. • Reperforming calculation of fair value less cost of disposal, by using the quoted price in the active market i.e., Pakistan Stock Exchange, where securities of the CGU are listed. • Evaluating the reasonableness of input data, relevant assumptions and methods used in management's calculation of Value in use (VIU). • Evaluating whether the recoverable amount of CGU has been calculated at higher of fair value less cost to sell and Value in use and the corresponding impairment has been appropriately recognized in the consolidated financial statements. • Assessing the appropriateness of disclosures made in the consolidated financial statements to ascertain whether these are in compliance with the applicable accounting and reporting standards.

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Information Other than the Consolidated and Unconsolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises of Chairman's review, Directors' report and key operating and financial data, horizontal analysis, vertical analysis and statement of value addition and its distribution included in the annual report but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

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

Board of directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon dated 07 March 2024.

The engagement partner on the audit resulting in this independent auditor's report is **Amyn Malik**.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 04 March 2025
Karachi
UDIN: AR202410096Mc7viZN3r

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Consolidated Statement of Financial Position

As at 31 December 2024

(Rupees in '000)

	Note	2024	2023 (Restated)
Assets			
Property and equipment	5	9,882,972	9,666,189
Intangible assets including goodwill	6	3,560,497	5,598,587
Investment property	7	3,462,112	3,191,970
Investments			
Equity securities	8	52,546,031	25,880,151
Debt securities	9	206,603,076	175,305,523
Term deposits	10	1,013,163	8,405,112
Open-ended mutual funds	11	6,512,010	2,718,416
Loans and other receivables	12	5,291,518	4,953,865
Insurance / reinsurance receivables	13	9,025,969	9,691,208
Reinsurance recoveries against outstanding claims	25	8,596,247	7,009,843
Salvage recoveries accrued		92,600	99,276
Deferred commission expense	26	1,510,828	1,491,266
Retirement benefit	19	1,680	88,193
Taxation - payments less provision		794,827	335,088
Prepayments	14	10,864,107	12,663,930
Cash and bank	15	7,387,415	7,341,653
		327,145,052	274,440,270
Total assets of window general takaful operations - Operator's Fund		2,203,554	1,721,427
Total assets		329,348,606	276,161,697
Equity and Liabilities			
Ordinary share capital	16	2,000,000	2,000,000
Reserves	16.3	18,975,730	15,625,981
Unappropriated profit		1,963,736	1,424,395
Equity attributable to equity holders of the parent		22,939,466	19,050,376
Non-controlling interest	38	5,678,794	4,327,868
Total equity		28,618,260	23,378,244
Surplus on revaluation of property and equipment	5.4	2,333,439	2,266,140
Liabilities			
Insurance liabilities - life insurance business	18	242,256,860	196,524,888
Underwriting provisions - general insurance business			
Outstanding claims including IBNR	25	13,029,997	10,774,706
Unearned premium reserves	24	18,315,194	19,546,386
Unearned reinsurance commission	26	329,486	302,821
Retirement benefit obligations	19	80,936	44,238
Deferred taxation	20	4,937,714	3,983,524
Premium received in advance		2,355,594	1,940,090
Insurance / reinsurance payables	21	8,022,899	9,674,489
Other creditors and accruals	22	8,288,939	7,014,766
		55,360,759	53,281,020
Total liabilities		297,617,619	249,805,908
		328,569,318	275,450,292
Total liabilities of window takaful operations - Operator's Fund		779,288	711,405
Total equity and liabilities		329,348,606	276,161,697
Contingencies and commitments	23		

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

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Executive Officer	Chairman

Karachi 26 February 2025

Consolidated Profit and Loss Account

For the year ended 31 December 2024

(Rupees in '000)

	Note	2024	2023 (Restated)
Net insurance premium	24	53,903,817	48,749,543
Net insurance claims	25	(46,941,753)	(37,244,683)
Net commission and other acquisition costs	26	(10,362,006)	(9,334,783)
Insurance claims and acquisition expenses		(57,303,759)	(46,579,466)
Management expenses	27	(8,404,139)	(7,356,027)
Underwriting result		(11,804,081)	(5,185,950)
Investment income	28	41,324,019	35,040,616
Net realised fair value gains on financial assets	29	1,611,232	289,080
Net fair value gains on financial assets at fair value through profit or loss	30	21,104,914	5,949,453
Net change in insurance liabilities (other than outstanding claims)		(42,973,584)	(28,932,077)
Rental income	31	128,901	125,289
Other income	32	897,337	967,989
Change in fair value of investment property	7	269,721	170,178
Impairment of goodwill	6.2.1	(1,689,850)	(363,191)
Other expenses	33	(368,101)	(403,080)
		20,304,589	12,844,257
Results of operating activities		8,500,508	7,658,307
Finance cost	22.2.1	(92,180)	(82,665)
Profit from window takaful operations - Operator's Fund	34	654,501	696,368
Profit before tax		9,062,829	8,272,010
Taxation	35	(3,846,710)	(4,109,524)
Profit after tax		5,216,119	4,162,486
Profit attributable to:			
Equity holders of the parent		3,782,662	3,272,752
Non-controlling interest		1,433,457	889,734
		5,216,119	4,162,486
			(Restated)
Earnings (after tax) per share - Rupees	36	18.91	16.36

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

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Executive Officer	Chairman

Karachi 26 February 2025

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	2024	2023 (Restated)
	(Rupees in '000)	
Profit after tax	**5,216,119**	4,162,486
Other comprehensive income		
Total items that may be reclassified subsequently to consolidated profit and loss account		
Unrealised gain in available-for-sale investments during the year - net	**2,223,450**	616,817
Reclassification adjustments relating to available-for-sale investments disposed of during the year	**-**	108,565
Total unrealised gain for the year	**2,223,450**	725,382
Effect of translation of foreign branches - net	**(3,958)**	53,061
Unrealised gain / (loss) from window takaful operations - Operator's Fund - net	**15,187**	(2,959)
	2,234,679	775,484
Items not to be reclassified to consolidated profit and loss account in subsequent years:		
Actuarial (losses) / gains on defined benefit plans - net	**(84,933)**	34,517
Other comprehensive income for the year	**2,149,746**	810,001
Total comprehensive income for the year	**7,365,865**	4,972,487
Total comprehensive income attributable to:		
Equity holders of the Parent	**5,882,948**	4,064,229
Non-controlling interest	**1,482,917**	908,258
	7,365,865	4,972,487

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

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Executive Officer	Chairman

Karachi 26 February 2025

Consolidated Cash Flow Statement

For the year ended 31 December 2024

	Note	2024	2023 (Restated)
		(Rupees in '000)	
Operating cash flows			
a) Underwriting activities			
Insurance premium / contribution received		**81,451,426**	74,401,752
Reinsurance premium / retakaful contribution paid		**(24,538,748)**	(23,658,814)
Claims paid		**(51,123,518)**	(40,129,844)
Reinsurance and other recoveries received		**3,073,592**	(1,703,519)
Commission paid		**(7,646,729)**	(2,690,319)
Commission received		**662,222**	581,102
Management expenses paid		**(11,212,183)**	(10,229,354)
Net cash flow used in underwriting activities		**(9,333,938)**	(3,428,996)
b) Other operating activities			
Income tax paid		**(4,544,026)**	(2,858,907)
Other operating payments		**(380,096)**	(38,608)
Other operating receipts		**525,297**	163,461
Loans advanced		**(595,548)**	(548,588)
Loans repayments received		**645,640**	588,566
Net cash flow used in other operating activities		**(4,348,733)**	(2,694,076)
Total cash flow used in all operating activities		**(13,682,671)**	(6,123,072)
Investment activities			
Profit / return received		**38,915,371**	33,096,177
Dividend received		**3,926,192**	3,001,859
Rentals received		**186,588**	98,586
Payment for investments / investment properties		**(228,378,221)**	(285,388,504)
Proceeds from investments / investment properties		**194,768,971**	253,703,623
Fixed capital expenditures		**(1,213,229)**	(1,395,491)
Proceeds from sale of property and equipment		**401,552**	344,094
Total cash flow generated from investing activities		**8,607,224**	3,460,344
Financing activities			
Payments against lease liabilities		**(274,069)**	(243,351)
Dividends paid		**(2,770,893)**	(2,772,179)
Total cash flow used in financing activities		**(3,044,962)**	(3,015,530)
Net cash flow used in all activities		**(8,120,409)**	(5,678,258)
Cash and cash equivalents acquired in the business combination		**1,056,030**	-
Cash and cash equivalents at beginning of the year		**15,144,625**	20,822,883
Cash and cash equivalents at end of the year	15.3	**8,080,246**	15,144,625
Reconciliation to profit and loss account			
Operating cash flows		**(13,682,671)**	(6,123,072)
Depreciation / amortisation expense		**(1,838,110)**	(1,503,311)
Finance cost		**(93,010)**	(82,665)
Profit on disposal of property and equipment		**311,755**	314,993
Gain on disposal of investments / investment properties		**1,560,734**	383,762
Rental income		**128,901**	125,289
Dividend income		**3,922,309**	3,000,516
Other investment income		**38,078,220**	32,767,327
Profit on lease termination		**33,910**	21,094
Profit on deposits		**498,433**	395,633
Other income		**28,936**	215,629
Change in fair value of investment properties		**269,721**	170,178
Appreciation in market value of investments		**21,969,608**	6,394,662
Impairment in the value of available-for-sale equity investments		**(20,645)**	(165,522)
Impairment of goodwill		**(1,689,850)**	(363,191)
(Decrease) / increase in assets other than cash		**(1,240,921)**	8,370,157
Increase in liabilities other than running finance		**(43,675,702)**	(40,455,361)
Profit after tax from conventional insurance operations		**4,561,618**	3,466,118
Profit from window takaful operations - Operator's Fund		**654,501**	696,368
Profit after tax		**5,216,119**	4,162,486

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

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Executive Officer	Chairman

Karachi 26 February 2025

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

(Rupees '000)

	Attributable to equity holders of the Company									
	Capital reserves					Revenue reserves				
	Share capital	Reserve for exceptional losses	Unrealised gain / (loss) on revaluation of available-for-sale investments-net	Exchange translation reserve	Unrealised (loss) / gain on fair value of investment property	General reserve	Unappropriated profit	Equity attributable to equity holders of the parent	Non-controlling interest	Total
Balance as at 01 January 2023	2,000,000	12,902	(89,073)	142,661	1,885,773	13,000,000	106,701	17,058,964	4,279,886	21,338,850
Total comprehensive income for the year ended 31 December 2023										
Profit after tax - **(Restated)**	-	-	-	-	(83,242)	-	3,355,994	3,272,752	889,734	4,162,486
Other comprehensive income	-		703,899	53,061	-	-	34,517	791,477	18,524	810,001
	-	-	703,899	53,061	(83,242)	-	3,390,511	4,064,229	908,258	4,972,487
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax	-	-	-	-	-	-	29,974	29,974	26,687	56,661
Acquisition of NCI without a change in control	-	-	-	-	-	-	(102,791)	(102,791)	(83,517)	(186,308)
Transactions with owners recorded directly in equity										
Final dividend for the year 2022 at the rate of Rs. 5.50 (55.00%) per share	-	-	-	-	-	-	(1,100,000)	(1,100,000)	-	(1,100,000)
Final dividend for the year 2022 at the rate of Rs. 10.50 (105.00%) per share	-	-	-	-	-	-	-	-	(563,304)	(563,304)
1st Interim dividend paid for the year 2023 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)	-	(300,000)
1st Interim dividend paid for the year 2023 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	-	-	(80,377)	(80,377)
2nd Interim dividend paid for the year 2023 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)	-	(300,000)
2nd Interim dividend paid for the year 2023 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	-	-	(80,165)	(80,165)
3rd Interim dividend paid for the year 2023 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)	-	(300,000)
3rd Interim dividend paid for the year 2023 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	-	-	(79,600)	(79,600)
Balance as at 31 December 2023	2,000,000	12,902	614,826	195,722	1,802,531	13,000,000	1,424,395	19,050,376	4,327,868	23,378,244
Balance as at 01 January 2024	**2,000,000**	**12,902**	**614,826**	**195,722**	**1,802,531**	**13,000,000**	**1,424,395**	**19,050,376**	**4,327,868**	**23,378,244**
Total comprehensive income for the year ended 31 December 2024										
Profit after tax	**-**	**-**	**-**	**-**	**164,530**	**-**	**3,618,132**	**3,782,662**	**1,433,457**	**5,216,119**
Other comprehensive income	**-**	**-**	**2,189,177**	**(3,958)**	**-**	**-**	**(84,933)**	**2,100,286**	**49,460**	**2,149,746**
	-	**-**	**2,189,177**	**(3,958)**	**164,530**	**-**	**3,533,199**	**5,882,948**	**1,482,917**	**7,365,865**
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**28,513**	**28,513**	**22,205**	**50,718**
Acquisition of / (by) NCI without a change in control	**-**	**-**	**-**	**-**	**-**	**-**	**(22,371)**	**(22,371)**	**658,105**	**635,734**
Transactions with owners recorded directly in equity										
Final dividend for the year 2023 at the rate of Rs. 5.50 (55.00%) per share	**-**	**-**	**-**	**-**	**-**	**-**	**(1,100,000)**	**(1,100,000)**	**-**	**(1,100,000)**
Final dividend for the year 2023 at the rate of Rs. 10.50 (105.00%) per share	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(551,764)**	**(551,764)**
1st Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	**-**	**-**	**-**	**-**	**-**	**-**	**(300,000)**	**(300,000)**	**-**	**(300,000)**
1st Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(87,924)**	**(87,924)**
2nd Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	**-**	**-**	**-**	**-**	**-**	**-**	**(300,000)**	**(300,000)**	**-**	**(300,000)**
2nd Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(86,480)**	**(86,480)**
3rd Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	**-**	**-**	**-**	**-**	**-**	**-**	**(300,000)**	**(300,000)**	**-**	**(300,000)**
3rd Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(86,133)**	**(86,133)**
Other transfer within equity:										
Transfer to general reserve	**-**	**-**	**-**	**-**	**-**	**1,000,000**	**(1,000,000)**	**-**	**-**	**-**
Balance as at 31 December 2024	**2,000,000**	**12,902**	**2,804,003**	**191,764**	**1,967,061**	**14,000,000**	**1,963,736**	**22,939,466**	**5,678,794**	**28,618,260**

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

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Executive Officer	Chairman

Karachi 26 February 2025

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 These consolidated financial statements comprises the Holding Company (EFU General Insurance Limited) and its Subsidiary (EFU Life Assurance Limited) together referred as the Group. The Group is primarily involved in insurance business (General and Life assurance).

EFU General Insurance Limited (The Holding Company) has assessed its control position in relation to its investments in EFU Life Assurance Limited (The Subsidiary Company) after its agreement with some shareholders of EFU Life Assurance Limited effective 31 March 2018, accordingly it has been concluded that the Holding Company has the ability to control the composition of the Board of Directors of EFU Life Assurance Limited, therefore EFU Life Assurance Limited has become the subsidiary of the Holding Company from 31 March 2018. The consolidated financial statements have been prepared and are presented as per the requirements of the Section 228 of the Companies Act, 2017.

1.1.1 EFU General Insurance Limited (Holding Company)

EFU General Insurance Limited was incorporated as a public limited company on 02 September 1932. The Holding Company is listed on the Pakistan Stock Exchange Limited and is engaged in non-life insurance business comprising of fire and property damage, marine, aviation and transport, motor, miscellaneous etc.

The Registered Office of the Holding Company is situated at Kamran Centre, 1st Floor 85 East, Jinnah Avenue Blue Area, Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Holding Company commenced Window Takaful Operations from 16 April 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012. The Holding Company operates through 30 branches (2023: 47 branches) in Pakistan including a branch in Export Processing Zone (EPZ).

1.1.2 EFU Life Assurance Limited (Subsidiary Company)

EFU Life Assurance Limited with 45.31 % effective holding was incorporated as public limited company on 09 August 1992 and started its operations from 18 November 1992. The Subsidiary Company is listed on Pakistan Stock Exchange Limited and is engaged in life insurance business including ordinary life business, pension fund business and accident and health business and has established following statutory funds, as required by the Insurance Ordinance, 2000:

– Investment linked business (includes individual life business)
– Conventional business (includes group life and individual life businesses)
– Pension business (unit-linked) *
– Accident and health business
– Family takaful investment linked business
– Family takaful protection business

*The Subsidiary Company has discontinued pension business and accordingly no new business has been written under this fund.

The Registered Office of the Subsidiary Company is located at Al-Malik Centre, 70W, F-7/G-7 Jinnah Avenue, Islamabad while principal place of business is located at Plot No.112, 8th East Street, Phase 1, DHA, Karachi. The Subsidiary Company commenced Window Takaful Operations on 06 February 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

1.2 Acquisition and merger of EFU Health Insurance Limited into EFU Life Assurance Limited (Subsidiary)

1.2.1 The Board of Directors of the Subsidiary Company in their Board meeting held on 28 September 2023 and subsequently in EOGM held on 23 October 2023, approved the acquisition of 100% shares of EFU Health Insurance Limited against issuance of 5 million ordinary shares of face value Rs. 10/- each without rights of the Company to EFU Services (Private) Limited and Sponsors of EFU Health Insurance Limited under Share Subscription and Purchase Agreement in satisfaction of the consideration equal to Rs. 500,000,000 at a SWAP ratio of 1 ordinary share of the EFU Life Assurance Limited against every 10 ordinary shares of EFU Health Insurance Limited.

- On 01 April 2024, pursuant to the approvals of the Subsidiary's Board and after obtaining all the requisite corporate and regulatory approvals and compliance with all the applicable laws and regulation, the Subsidiary Company has acquired 100 % i.e. 50 million ordinary voting shares and control of EFU Health Insurance Limited from sponsors and other shareholders of EFU Health Insurance Limited through Share Purchase Agreement. Accordingly on 01 April 2024 EFU Health Insurance Limited became a fully owned subsidiary of the Subsidiary Company.

- On 15 April 2024, the Board of directors of the Company approved merger of EFU Health Insurance limited (a fully owned subsidiary) with the Company through scheme of Amalgamation under section 284 of the Companies Act, 2017. The effective date of merger was set on 01 May 2024 in the said scheme of amalgamation.

1.2.2 EFU Health Insurance Limited (EFUH) was incorporated in Pakistan on 15 May 2000, as a Public Limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and had its registered office at 37-K, Block-6, PECH Society, Karachi. The principal activity of EFUH is to sell Health Insurance cover in Pakistan.

1.2.3 EFUH was authorised to undertake Window Takaful Operations (WTO) on 14 March 2017 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. EFUH commenced Window Takaful Operations on 01 April 2017.

1.2.4 Purchase consideration

Fair value per share of EFU Life Assurance Limited was calculated at Rs. 137.2646 per share.

Total number of shares issued of EFU Life Assurance Limited **(Number in '000)**	5,000
Value per share **(Rupees)**	137.2646
Total value of consideration transferred **(Rupees in '000)**	686,323

Following two methods are used for valuation of EFU Health Insurance Limited:

(a) Discounted cashflow method (DCF)

DCF method involves computation of present value of free cashflow stream after taking and then discounting these at a rate of return reflecting both time value of money as well as investment specific risks.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

(b) Cost approach

Under this approach the valuation is determined by adjusting the carrying values of all assets and liabilities on the financial statements date to reflect the fair values.

Average of above two methods is used for calculating fair value per share at acquisition date.

1.2.5 IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalise the accounting for business combination. Identified assets acquired, liabilities assumed or incurred have been carried at the fair value as at the acquisition date. The fair valuation exercise will be completed within the period of one year as allowed under IFRS 3. Any adjustment arising at the time of finalisation of this exercise will be incorporated with retrospective effect from the date of acquisition.

Details of the provisional fair values of the assets acquired, liabilities assumed, consideration transferred and the goodwill recognized as at merger date are as follows:

(Rupees in '000)

Net assets	Carrying Amounts	Fair Value adjustments	Fair Values
Assets			
Property and equipment	109,869	101,820	211,689
Intangible assets	1,627	-	1,627
Investments	1,204,818		1,204,818
Loans and other receivables	116,801	-	116,801
Insurance / reinsurance receivables	901,377	-	901,377
Reinsurance recoveries against outstanding claims	115,081	-	115,081
Taxation - payment less provision	22,086	-	22,086
Prepayments	761,339	-	761,339
Cash and bank	913,031	-	913,031
Total Assets	**4,146,029**	**101,820**	**4,247,849**
Liabilities			
Insurance Liabilities	2,972,421	-	2,972,421
Premium received in advance	84,743	-	84,743
Deferred taxation	(7,099)	39,710	32,611
Insurance / reinsurance payables	289,138	-	289,138
Other creditors and accruals	220,563	-	220,563
Total Liabilities	**3,559,766**	**39,710**	**3,599,476**
Net Assets	**586,263**	**62,110**	**648,373**

Goodwill on business combination:

Consideration transferred	686,323
Fair value of net identifiable assets acquired as of merger date	(648,373)
Goodwill on business combination	37,950

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1.2.6 Measurement of fair values:

Asset Acquired	Valuation Technique
Property and equipment	The valuation experts used a market based approach to arrive at the fair value of the Company's property and equipment. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar assets.

1.3 Acquisition of Business Segment of Hello Doctor (Pvt) Limited

In the year 2023, the Subsidiary Company acquired call centre operations and Telemedicine Setup (the Business Segment) of Hello Doctor (Pvt) Limited via "Business Purchase Agreement".

International Financial Reporting Standard 3, (IFRS 3) "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's consolidated statement of financial position and any intangible assets acquired in the business combination are required to be separately recognised and carried at fair values.

IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalise the accounting for business combination. Identified assets acquired, liabilities assumed or incurred have been carried at the fair value as at the acquisition date. The fair valuation exercise will be completed within the period of one year as allowed under IFRS 3. Any adjustment arising at the time of finalisation of this exercise will be incorporated with retrospective effect from the date of acquisition. In the financial statements for the year ended 31 December 2023, the Group had recorded the assets of the Business Segment on provisional values which have been finalised in the current year.

1.3.1 The fair values and carrying amounts of assets acquired are as follows:

(Rupees in '000)

	Carrying amounts	Fair Value adjustments	Fair Values
Property and equipment	14,437	-	14,437
Intangible assets	207,358	77,954	285,312
	221,795	**77,954**	**299,749**
Deferred tax liabilities	-	(30,402)	(30,402)
	221,795	**47,552**	**269,347**

1.3.2 Goodwill recognised on acquisition:

Consideration transferred

Total consideration - cash	300,000
Fair value of net identifiable assets acquired as of merger date	(269,347)
Goodwill on business combination	**30,653**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1.3.3 Effect of retrospective adjustments made due to finalisation of fair valuation exercise

(Rupees in '000)

	As at 31 December 2023		
Consolidated Statement of financial position	As previously reported	Adjustment	As adjusted
Assets			
Goodwill	4,903,526	(47,552)	4,855,974
Intangible assets	667,443	75,170	742,613
	5,570,969	**27,618**	**5,598,587**
Equity			
Unappropriated profit	(1,425,192)	797	(1,424,395)
Non-controlling interest	(4,328,769)	901	(4,327,868)
	(5,753,961)	1,698	(5,752,263)
Liability			
Deferred taxation	(3,954,208)	(29,316)	(3,983,524)
Total equity and liability	**(9,708,169)**	**(27,618)**	**(9,735,787)**

	For the year ended 31 December 2023		
Consolidated profit and loss account	As previously reported	Adjustment	As adjusted
Management expenses	7,353,243	2,784	7,356,027
Taxation	4,110,610	(1,086)	4,109,524
	11,463,853	**1,698**	**11,465,551**

	For the year ended 31 December 2023		
	As previously reported	Adjustment	As adj usted
Earnings per share - Rupees	**16.37**	**(0.01)**	**16.36**

Consolidated cash flow statement

The above adjustment has no impact on total operating, investing or financing cash flows for the year ended 31 December 2023.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Accounting Regulation, 2019; and

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017.

In case the requirement differs, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules 2017, General Accounting Regulation, 2019 shall prevail.

2.1.1 As per the requirements of the Takaful Rules, 2012 and SECP Circular No. 25 of 2015 dated 9 July 2015, the assets, liabilities and profit and loss account of the Operator's Fund of the Window Takaful Operations of the Parent Company have been presented as a single line item in the statement of financial position and profit and loss account of the Parent Company respectively. A separate set of financial statements of the Window Takaful Operations of Parent Company has been annexed to these consolidated financial statements as per the requirements of the Takaful Rules, 2012.

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for the available-for-sale investments, held for trading investments, land and buildings, and investment properties that have been measured at fair value. Further lease liabilities and their related right-of-use assets measured at their present values at initial recognition, and the Group's liability under defined benefit plan is determined based on present value of defined benefit obligation less fair value of plan assets.

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Holding Company and its Subsidiary Company. Subsidiary Company is fully consolidated from the date on which the power to control the Subsidiary Company is established.

The financial statements of the Subsidiary Company are prepared for the same reporting period as the Holding Company, using accounting policies that are consistent with those of the Holding Company.

The assets and liabilities of the Subsidiary Company have been consolidated with those of the Holding Company on a line-by-line basis and the carrying value of the Holding Company's investment in the Subsidiary Company is eliminated against the Subsidiary Company's share capital and pre-acquisition reserves in these consolidated financial statements. Non-controlling interest represents that part of the net results of operations and of the net assets of the Subsidiary Company that is not owned by the Group. All material intra-group balances and transactions have been eliminated. Acquisitions of non-controlling interest (NCI) are measured at the proportionate share of the NCI in the fair value of the net assets of the Subsidiary Company.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

2.4 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). These consolidated financial statements are presented in Pakistani Rupees which is also the Group's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupees in thousand, unless otherwise stated.

2.5 Standards, interpretations and amendments effective during the current year

There are certain new standards, amendments and interpretations that are applicable for accounting periods beginning on or after 1 January 2024, that are considered not to have a material impact on the Group's consilidated financial statements and hence summarised below:

Effective date	New amendments to standard
1 January 2024	Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020)
	Non-current liabilities with covenants (Amendment to IAS 1 in October 2022)
	Lease liability in a sale and leaseback (Amendment to IFRS 16 in September 2022)
	Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)

2.5.1 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2025:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

- Lack of Exchangeability (amendments to IAS 21) clarify:
  - when a currency is exchangeable into another currency; and
  - how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments Disclosures”:

Financial assets with ESG-linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial asset with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs - e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

Recognition / Derecognition requirements of financial assets / liabilities by electronic payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognise their trade payables on the settlement date (i.e. when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the Company to derecognise its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the ‘look through’ test).

Disclosures on investments in equity instruments:

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI)

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

Annual improvements to IFRS Accounting Standards – Amendments to:
- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and it’s accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

The amendments to IFRS 9 address:

A conflict between IFRS 9 and IFRS 15 “Revenue from Contracts with Customers” over the initial measurement of trade receivables. Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and

how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:

When lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in consolidated profit or loss account .

The amendment on trade receivables may require some companies to change their accounting policy.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

2.5.2 Temporary exemption from IFRS 17 and IFRS 9

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I) / 2023 dated 21 November 2023 IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance / takaful and re-insurance / re-takaful business from financial years commencing on or after 01 January 2026.

IFRS 17, replaces IFRS 4 "Insurance Contracts". The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition / derecognition of IFRS 17. Companies subject to the requirement of SRO 1715 will also be required to adopt requirements of IFRS 9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

SECP through its S.R.O.506(I)/2024 has directed that the applicability period of optional temporary exemption from applying IFRS 9 "Financial Instruments" as given in para 20A of IFRS 4 "Insurance Contracts" is extended for annual periods beginning before 01 January 2026, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

SECP vide letter no. ID/MDPRD/IFRS-17/2021/176 dated 15 June 2021 initiated a four-phase approach towards implementation of IFRS 17 - Insurance Contracts. The first three phases now stand completed and Phase 4 parallel run and implementation has commenced and is currently under progress.

In Phase 4, SECP requires parallel run of IFRS 17 for the year ended 31 December 2024 to be submitted to SECP by 30 June 2025 and dry run on the financial statement of the first quarter of 2025 to be submitted by 30 November 2025.

2.5.3 The tables below set out the fair values as at the end of reporting year and the amount of change in the fair value during that year for the following two groups of financial assets separately:

a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, excluding any financial asset that meets the definition of fair value through profit and loss in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis; and

b) all other financial assets.

Fair value of financial assets as at 31 December 2024 and the change in the fair values during the year ended 31 December 2024.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

(Rupees in '000)

	As at 31 December 2024			
	Failed the SPPI test		Passed the SPPI test	
Financial assets	Fair value	Change in unrealised gain during the year	Fair value	Change in unrealised gain during the year
Cash at bank*	-	-	7,387,415	-
Open-ended mutual funds	6,512,010	-	-	-
Investment in equity securities	52,546,031	4,054,482	-	-
Investment in debt securities	-	-	206,603,076	5,000
Term deposits*	-	-	1,013,163	-
Insurance / reinsurance receivables	-	-	9,025,969	-
Loans and other receivables	5,291,518	-	-	-
	64,349,559	4,054,482	224,029,623	5,000

Fair value of financial assets as at 31 December 2023 and the change in the fair values during the year ended 31 December 2023

(Rupees in '000)

	As at 31 December 2023			
	Failed the SPPI test		Passed the SPPI test	
Financial assets	Fair value	Change in unrealised gain during the year	Fair value	Change in unrealised loss during the year
Cash at bank*	-	-	7,341,653	-
Investment in equity securities	28,598,567	1,611,704	-	-
Investment in debt securities	-	-	175,305,523	(647,508)
Term deposits*	-	-	8,405,112	-
Insurance / reinsurance receivables	-	-	9,691,208	-
Loans and other receivables	4,953,865	-	-	-
	33,552,432	1,611,704	200,743,496	(647,508)

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies and method of computation adopted in preparation of consolidated financial statements are consistent to all years presented in these consolidated financial statements.

3.1 Business combination

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any; acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Subsidiary Company's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired, the difference is recognised directly in the consolidated profit and loss account.

3.2 Property and equipment

Land is measured at cost at the time of initial recognition and is subsequently carried at revalued amount. Buildings are initially measured at cost and upon revaluation, is carried at revalued amount less accumulated depreciation and accumulated impairment losses, if any; all other property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated on straight line basis at the rates specified in note 5.1 to these consolidated financial statements.

Depreciation on additions is charged from the month in which the asset is available for use, while no depreciation is charged for the month in which the asset is disposed off.

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

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated profit and loss account in the year the asset is derecognised. Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at each reporting date.

3.3 Lease liabilities and right-of-use assets

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases and leases of low value assets (if any). The Group recognises lease liability to make lease payments and right-of-use assets representing the right to use the underlying assets. At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises right-of-use asset (ROU asset) and its related lease liability at the commencement date of the lease.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

i) Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group presents right-of-use asset that do not meet the definition of investment property in property and equipment.

ii) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing source and makes certain adjustments, if needed to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.4 Goodwill

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at its cost less accumulated impairment losses, if any, for the purpose of impairment testing. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

3.5 Intangible asset - other than goodwill

Intangible assets consist of customer relationships which arises as a result of access to existing customers, the fair value of these is recognised as a separately identifiable intangible asset upon business combination. The carrying value of the intangible asset is amortised on a straight-line basis over 7 years. The expected economic life of this intangible is determined by the Group considering factors such as remaining terms of agreement, the normal lives of related product and the competitive position.

Further, it also includes material computer software licenses acquired are capitalised on the basis of cost incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years using the straight-line method.

Impairment losses, if any, are deducted from the carrying amount of the intangible assets.

Amortisation on additions to intangibles is charged from the month in which an asset is available for use, while no amortisation is charged for the month in which the asset is disposed off.

Cost associated with maintaining computer software programs are recognised as an expense when incurred.

3.6 Investment properties

Investment property is the property which is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property was initially measured at cost and subsequently at fair value with any change therein recognised in statement of profit or loss.

Notes to the Consolidated Financial Statements
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Cost includes expenditure that is directly attributable to the acquisition of the investment property.

The fair value of investment property is determined by external, independent property valuer having appropriate recognised professional qualifications.

3.7 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are reviewed regularly by the Group's key management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Rules, 2017 as the primary reporting format.

The Holding Company has four primary business segments for reporting purposes namely, fire and property damage, marine, aviation and transport, motor and miscellaneous. The nature and business activities of these segments are disclosed in note no. 3.11.

Based on its classification of Insurance contracts issued, the Subsidiary Company has six business segments namely investment linked business, conventional business, pension business, accident and health business, family takaful investment linked business and family takaful protection business.

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

3.8 Cash and cash equivalents

Cash and cash equivalents includes policy and revenue stamps, bond papers, cash at bank and term deposits with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the cash flow statement.

3.9 Investment income

Unrealised gain or loss on revaluation of investments classified as at fair value through profit or loss is included in the profit and loss account in the period to which it relates.

Gain or loss on sale of investments is accounted for in the consolidated profit and loss account in the period to which it relates.

Interest / mark-up on bank balances, term deposits and government securities is recognised on an accrual basis using the effective interest method.

3.10 Dividend income

Dividend income is recognised when right to receive such dividend is established.

3.11 Insurance contracts

3.11.1 Holding Company (General Insurance)

Insurance contracts are those contracts where the Holding Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

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

The Holding Company underwrites non-life insurance contracts that can be categorised into fire and property damage, marine, aviation and transport, motor and miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Insurance contracts entered into by the Holding Company under which the contract holder is another insurer (inwards reinsurance) of a facultative nature are included within the individual category of insurance contracts, other than those, which fall under Treaty. The insurance risk involved in these contracts is similar to the contracts undertaken by the Holding Company as insurer.

The Holding Company's insurance contracts are classified into the following main categories, depending on the nature and duration of risk and whether or not the terms and conditions are fixed and are:

Fire and property damage

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

Marine, aviation, and transport

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

Motor

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

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

Miscellaneous

All other insurances like cash in hand, cash in transit, personal accident, infidelity, public liabilities, crop, livestock, travel, bankers and other financial institutions packages, product liabilities, professional indemnity, mobilisation and performance bonds, workers compensation etc. are included under miscellaneous insurance cover.

3.11.2 Subsidiary Company (Life Insurance)

Classification

The Subsidiary Company currently issues contracts that are classified as insurance and takaful contracts as they transfer significant insurance risk (against death, disability and sickness) from the policyholder to the Subsidiary Company. All contracts which include an investment element are unit-linked contracts linked to unit linked funds.

The Subsidiary Company classifies its business into individual life and group life businesses, in both cases the form of contract consisting of main plans and supplementary riders (which are generally optional).

Individual life business mainly consists of unit-linked products and conventional protection products, in both cases with optional supplementary riders which generally provide protection only. Group life business consists primarily of protection products and a relatively small number of unit-linked policies.

Contract details and measurement

The insurance contracts offered by the Subsidiary Company are described below.

Individual life policies

These consist of the following types of policies:

(a) Investment Linked Business:

These are medium to long term unit-linked plans designed to address a variety of future policyholder needs, such as retirement planning, education planning for children, marriage planning for children, life protection and investments and savings for future. Premiums received from policyholders and after deduction of specified charges including risk charges, are invested in unit linked funds of the Subsidiary Company. The basic plan contains life cover over and above the unit value, with additional protection (for death, disability and sickness) being provided through the addition of optional riders.

(b) Conventional protection products:

Two types of products are offered under Individual life conventional business, these being medium to long term contracts with level premiums being paid over the policy period. The Subsidiary Company offers a standard term life assurance product that offers protection in event of death as well as a decreasing term life assurance policy that covers outstanding loan balances.

(c) Accident and health products:

These consist of long term and short term accident and health products providing cover against accidental death, disability, sickness and critical illness, offered both as long term as well as yearly renewable plans.

(d) Family takaful investment linked products:

These are medium to long term unit-linked plans operated through Window Takaful Operations of the Subsidiary Company.

The Subsidiary Company offers unit-linked takaful plans which provide shariah compliant financial protection and investment vehicle to individual participants. These plans carry cash value, and offer investment choices to the participants to direct their investment related contributions based on their risk / return objectives. The investment risk is borne by the participants.

(e) Family Takaful Protection Products

Group Life contracts are mainly issued to employers to insure their commitments to their employees as required under the The West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance, 1968. The group life business segment provides coverage to members / employees of business enterprises and corporate entities, against death and disability under group life assurance schemes issued by the Subsidiary Company.

(f) Other Supplementary Benefits:

The Subsidiary Company also offers a variety of supplementary benefits attached with main plans including additional term life assurance, income benefits, critical illness, sickness and accidental death and disability related benefits.

Group life and group family takaful protection policies

(a) Nature of contracts:

The Subsidiary Company's group life and group takaful business consists of one year term life contracts which provide coverage, in the event of death or disability, to:

- Employees of a common employer, benefits payable under these contracts being either fixed, in case of death, or linked to the extent of loss incurred by the policyholder, in case of disability;
- Customers of financial institutions, the contracts being issued to financial institutions to protect their customers' outstanding loan balances, such as on personal loan, mortgages and credit cards.

Unit-linked group life policies are similar in nature to individual life unit-linked products.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

3.12 Commission

3.12.1 Deferred commission expense

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

3.12.2 Commission income

Commission from reinsurers is deferred and recognised as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Profit / commission, if any, under the terms of reinsurance arrangements is recognised when the Holding Company right to receive the same are established.

3.12.3 Acquisition costs

These are costs incurred in acquiring insurance policies, maintaining such policies, and include without limitation all forms of remuneration paid to insurance agents.

Commissions and other expenses are recognised as an expense by the Subsidiary Company in the earlier of the financial year in which they are paid and financial year in which they become due and payable, except that commission and other expenses which are directly referable to the acquisition or renewal of specific contracts are recognised not later than the period in which the premium to which they refer is recognised as revenue.

3.13 Premium

For all the insurance contracts, premiums / cover notes issued including administrative surcharge received / receivable under a policy / cover note are recognised as written from the date of attachment of the risk to the policy / cover note and over the period of the insurance from inception to the expiry of policy. Where premiums for a policy are payable in instalments, full premium for the duration of the policy is recognised as written at the inception of the policy and related assets set up for premiums receivable at a later date. Premiums are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on premiums.

3.13.1 Unearned premium reserves

The unearned premium reserve is the unexpired portion of the premium including administrative surcharge, which relates to business in force at the consolidated financial statements date. Unearned premiums have been calculated by applying 1/24th method as specified in the Insurance Rules, 2017 by the Holding Company.

3.13.2 Insurance receivable and payables

Receivables (including premium due but unpaid) under insurance contracts are recognised when due, at the fair value of the consideration receivable. If there is objective evidence that the receivable is impaired, the Holding Company reduces the carrying amount of the receivable accordingly and recognises it as impairment loss. Premium received in advance is recognised as liability till the time of issuance of insurance contract there against.

An assessment is made at each reporting date to determine whether there is an objective evidence from external as well as internal sources of information that a financial asset or group of assets may be impaired i.e. recoverable amount at the reporting date is less than the earning amount of the asset. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised in the profit and loss account, for the difference between the recoverable amount and the carrying amount. Provision for impairment are reviewed at each reporting date and adjusted to reflect the current best estimates. Changes in the provisions are recognised as income or expense, in the consolidated profit and loss account.

3.13.3 Premium deficiency reserve (liability adequacy test)

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

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses, which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable.

The movement in the premium deficiency reserve is recognised as an expense or income in the consolidated profit and loss account for the year.

3.14 Reinsurance contracts

Contracts entered into by the Holding Company with re-insurers under which the Holding Company cedes insurance risks assumed during normal course of its business and according to which the Holding Company is compensated for losses on insurance contracts issued by the Holding Company are classified as reinsurance contracts held.

Reinsurance premium is recognised as an expense at the time the reinsurance is ceded. Commission on reinsurance cessions are recognised in accordance with the policy of recognising premium revenue.

Reinsurance assets represent balances due from reinsurance companies and reinsurance recoveries against outstanding claims. Reinsurance recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Reinsurance liabilities represent balances due to reinsurance companies and are primarily premiums payable for reinsurance contracts and are recognised at the same time when reinsurance premiums are recognised as an expense.

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

Notes to the Consolidated Financial Statements
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An impairment review of reinsurance assets is performed at each financial statement date. If there is objective evidence that the asset is impaired, the Holding Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the consolidated profit and loss account.

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The Subsidiary Company has entered into reinsurance / retakaful (hereinafter referred to as “reinsurance”) arrangements for both its individual and group businesses, in order to manage risks associated with the frequency and severity of claims. These arrangements include cover under treaties as well as on a facultative basis. The terms of reinsurance treaties vary by the type of business, the objective being to maintain a reasonable risk profile suiting the risk appetite and overall exposure to adverse movements in mortality or morbidity.

Primarily, reinsurance assets are amounts due from reinsurers with respect to recoveries under claims and profit commission. Reinsurance recoveries are measured according to the terms and conditions of the reinsurance contracts.

Reinsurance liabilities consist of amounts due to reinsurers on account of reinsurance premiums due which are measured according to the terms of the arrangements.

3.15 Investments

3.15.1 Recognition and classification

All investments are initially recognised at fair value of the consideration given and include transaction costs. All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are account. All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the Group commits to purchase or sell the investments.

The classification depends on the purpose for which the financial asset is acquired, the Group classified investments as follows:

– In equity securities
- (a) available-for-sale
- (b) held-for-trading
- (c) fair value through profit or loss

– In debt securities - available-for-sale

– In term deposits - held to maturity

– In mutual funds
- (a) available-for-sale
- (b) held-for-trading

3.15.2 Measurement

Available-for-sale

Investments which are not eligible to be classified as at held-for-trading, or held-to-maturity are classified as available-for-sale. Further, Investments which at the time of acquisition are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Subsequent to initial measurement, these are remeasured at fair value. Surplus / deficit on revaluation from one reporting date to other is taken to other comprehensive income in the consolidated statement of comprehensive income. On derecognition or impairment of available-for-sale investments, the cumulative gain or loss previously reported in consolidated other comprehensive income is transferred to consolidated profit and loss account for the year within statement of consolidated comprehensive income. Whereas, any reversal in impairment is taken in consolidated statement of comprehensive income.

Investment related to non-unit linked fund subsequently measured at fair value and the difference is charged to statement of comprehensive income under the heading available-for-sale.

Impairment against financial assets

When the decline in value of an equity security is significant or prolonged, the decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available-for-sale equity securities, the cumulative loss previously recognised in the consolidated statement of comprehensive income is removed there from and included in the consolidated profit and loss account. Impairment losses recognised in the consolidated profit and loss account on equity securities are only reversed when the equity securities are derecognised.

Held-to-maturity

At the time of acquisition, investments with fixed determinable payments and fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held to maturity.

Subsequently, these are measured at amortised cost using the effective yield, less provision for impairment losses, if any. Any premium paid or discount availed on acquisition of held to maturity investment is deferred and amortised over the term of investment using the effective yield method.

These are reviewed for impairment at year end and any losses arising from impairment losses are charged to the profit and loss account.

Held-for-trading

These financial assets are acquired principally for the purpose of generating profit from short-term fluctuation in prices or are part of a portfolio for which there is a recent actual pattern of short-term profit taking. The Group elects to measure certain financial assets and liabilities at their fair value, with any changes in fair value recognised directly in the profit or loss account during each reporting period, indicating that the Group intends to actively trade these instruments.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

Subsequent to initial recognition these are measured at fair value by reference to quoted market prices with the resulting gain or loss being included in the profit and loss account for the period to which it relates.

Investments in debt securities relating to units assigned to policies of investment linked business, pension business and Family takaful investment linked business are subsequently measured at their fair values and the difference taken in fair value through profit and loss account and the investment related to non-unit-linked fund subsequently measured at fair value through other comprehensive income.

Investments in mutual funds relating to units assigned to policies of investment linked business, pension business and family takaful investment linked business are subsequently measured at their fair values and the difference is taken to statement of profit and loss account.

3.15.3 Fair / market value measurements

For investments in Government securities, fair / market value is determined by reference to quotations obtained from The Reuters page (PKRV) where applicable. For investments in quoted marketable securities, other than Term Finance Certificates, fair / market value is determined by reference to Stock Exchange quoted market price at the close of business on balance sheet date. The fair market value of Term Finance Certificates is as per the rates issued by the Mutual Funds Association of Pakistan (MUFAP).

3.15.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amount and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.16 Claims

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

3.16.1 Provision for outstanding claims including Incurred But Not Reported (IBNR)

Holding Company

A provision (liability) for outstanding claims is recognised in respect of all claims incurred upto the financial statement date (claims intimated or assessed before the end of the reporting period), which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs. Where applicable, deductions are made for salvage and their recoveries.

Claims recoveries receivable from reinsurers and other recoveries receivable shall be recognised at the same time as the claims which give rise to the right to the recovery are recognised.

Incurred But Not Reported (IBNR) claims

SECP through its circular 9 of 2016 dated March 09, 2016 issued 'SECP guidelines for estimation of incurred but not reported (IBNR) claims reserve 2016' for non-life insurance Companies and required to comply with all provisions of these guidelines with effect from July 01, 2016.

The provision for IBNR claims is made at the financial statement date. The Holding Company takes actuarial advice for the determination of IBNR claims. IBNR claims have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF), which represents the extent of future development of claims to reach their ultimate level. The methods used, and the estimates made, are reviewed regularly. The actuarial valuation is carried out by an independent firm of actuaries for determination of IBNR for each class of business.

Subsidiary Company

A provision (liability) for outstanding claims is recognised in respect of all claims incurred up to the balance sheet date, except for accident and health claims which are recognised as soon as reliable estimates of the claim amount can be made. Claims where intimation of the event giving rise to the claim is received or in respect of investment linked business when the policy ceases to participate in the earnings of the statutory fund are reported as claims in the revenue account. The liability for claims incurred but not reported at the yearend is determined by the appointed actuary and are included in the policyholders' liabilities. Experience refund of premium calculated by appointed actuary is included in outstanding claims. Experience refund of premium receivable from reinsurers is included in the reinsurance recoveries of claim.

3.17 Taxation

Income tax expense for the year comprises current and deferred taxation. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to the items recognised directly in equity and other comprehensive income, in which case it is recognised in equity and other comprehensive income.

Current tax

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation on income earned or minimum turnover tax payable under the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax is calculated using tax rates enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, relating to prior years which arise from assessments framed / finalised during the year.

Deferred tax

Deferred taxation is recognised using liability method on all major temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that

Notes to the Consolidated Financial Statements
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the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3.18 Employees' retirement benefits

Defined benefit plans

The Group manages the following employee defined benefit plans:

- **Funded gratuity scheme**

  The Holding Company operates an approved gratuity fund for all employees who complete qualifying period of service.

- **Funded pension scheme**

  The Holding Company and the the Subsidiary Company operates an approved pension fund for its entitled employees.

These funds are administered by trustees. The pension plan is a career average salary plan and the gratuity plan is a final basic salary plan. The actuarial valuation of both the plans is carried out on a yearly basis using the Projected Unit Credit Method and contributions to the plans are made accordingly.

The liability / asset recognised in the statement of financial position is the present value of defined benefit obligation at the reporting date less fair value of plan assets. The defined benefit obligation is calculated annually using Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognised immediately in the statement of comprehensive income. The Group makes contributions to the plan on the basis of advice of its actuary.

Actuarial gains and losses are recognised in other comprehensive income in the year in which they arise.

Past-service costs are recognised immediately in profit and loss account, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss account.

Defined contribution plan

The Group contributes to a provident fund scheme, which covers all permanent employees.The Group and their employees make equal contributions to the fund at the rate of 8.33 % of basic salary.

3.19 Compensated absences

The liability towards compensated absences accumulated by the employees is provided in the period in which they are earned.

3.20 Dividend and bonus shares

Dividend to shareholders is recognised as liability in the period in which it is approved. Similarly, reserve for issue of bonus shares is recognised in the year in which such issue is approved.

3.21 Expenses of management

All expenses of management have been allocated between business of Holding Company and Window Takaful Operations – Operators' Fund to the various revenue accounts as deemed equitable by management based on the detailed exercise carried out by management on an annual basis.

3.22 Commission from reinsurers

The revenue recognition policy for commission from reinsurer is given under note 3.14.

3.23 Foreign currencies

Foreign currency translations

Transactions in foreign currencies are translated to rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the reporting date.

Foreign currency balances

Monetary assets and liabilities denominated in foreign currency are translated into functional currency at the exchange rate at the reporting date. Insurance and reinsurance contracts that generate cashflows in a foreign currency are treated as monetary items.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost is translated at the exchange rate at the date of the transaction.

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For the year ended 31 December 2024

Foreign currency differences arising on translation are generally recognised in profit and loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- Equity investment designated at available for sale

- Investment in foreign operations

3.24 Policyholder Liability

Policyholders' liabilities are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each balance sheet date. In determining the value, both acquired policy values (which forms the bulk of policyholders' liabilities) as well as estimated values which will be payable against risks which the Subsidiary Company underwrites are taken into account. The bases used are applied consistently from year to year.

The basic liability consists of the estimated actuarial liability against each contract which is in force. To this are added:

(a) The cash value of policies which have lapsed over the last two years and where the liability would be reinstated in case of the policy being revived; and

(b) A reserve for potential losses on a policy-by-policy basis.

3.25 Statutory funds

The Subsidiary Company maintains statutory funds for all classes of life insurance business. Assets, liabilities, revenues and expenses are recorded in respective funds, if referable, or, on the basis of actuarial advice if not referable. Other assets, liabilities, revenues and expenses are allocated to shareholders' fund. Policyholders' liabilities have been included in statutory funds on the basis of the actuarial valuation carried out by the appointed actuary of the Subsidiary Company on the balance sheet date as required by Section 50 of the Insurance Ordinance, 2000. A capital transfer provided to statutory funds by the shareholders' fund is recorded as a reduction in the shareholders' equity. Changes in the amount of capital contributed to statutory funds is recorded by the shareholders' funds directly in equity.

3.26 Material accounting policies (Subsidiary Company) - Window family takaful operations

3.26.1 Takaful contracts

The takaful contracts are based on the principles of Wakala Waqf Model. Takaful is a program based on shariah compliant, approved concept founded on the principles of mutual cooperation, solidarity and brotherhood.

The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In the event where there is insufficient funds in Waqf to meet their current payments less receipts, the deficit is funded by way of an interest free loan (Qard-e-Hasna) from the operator sub fund to participant takaful fund and group family takaful. The amount of Qard-e-Hasna is refundable to the operator sub fund.

Technical reserves are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each balance sheet date, in accordance with the section 50 of the Insurance Ordinance, 2000.

3.26.2 Group takaful

The group family takaful contracts are issued typically on yearly renewable term basis. The Subsidiary Company offers group term life and group credit plans to its participants.

3.26.3 Individual takaful contracts unit-linked

The Subsidiary Company offers unit-linked takaful plans which provide shariah compliant financial protection and investment vehicle to individual participants contribution received from policyholders, after deducting specific charges and takaful donations, are invested in unit linked funds of the Subsidiary Company.

The basic plan contains family takaful cover over and above the unit value with additional protection.

3.26.4 Retakaful

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

Retakaful contribution
Retakaful contribution is recorded at the time the retakaful is ceded.

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

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

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

Retakaful assets are not offset against related retakaful liabilities. Income or expenses from retakaful contract are not offset against expenses or income from related retakaful contracts as required by Insurance Ordinance, 2000.

Retakaful assets and liabilities are derecognised when the contractual rights are extinguished or expired.

3.26.5 Business segment - Window family takaful operation

The Subsidiary Company has two primary business segment for reporting purposes; family takaful investment linked business and family takaful protection business.

(a) The family takaful investment linked business segments provides family takaful coverage to individuals under unit - linked policies issued by the participants' takaful fund.

(b) The family takaful protection business segment provides family takaful coverage to member of business enterprises, corporate entities and common interest groups under group family takaful scheme operated by the Subsidiary Company.

3.26.6 Takaful operator's fee

The shareholders of the Subsidiary Company manage the family takaful operations for the participants and act as Wakeel of the Waqf fund. The Subsidiary Company is entitled for the wakala fee for the management of takaful operation under Waqf fund to meet its general and administrative expenses.

The window takaful operator is also entitled for Wakalt-ul-Istismar fee as it manages participant investment fund.

The window takaful operator is also entitled for mudarib fee as it manages participant takaful fund.

3.26.7 Revenue Recognition

Individual first year contribution are recognised once the related policies have been issued and the contribution received. Renewal contribution are recognised upon receipt of contribution provided the policy is still in force. Individual single contribution are recognised once the related policies are issued against the receipts of contribution.

Group contribution are recognised when due. A provision for unearned contribution is included in the policyholders' liabilities.

3.27 Impairment of non financial assets

The management assesses at each reporting date whether there is an objective evidence that the non financial assets or a group of non financial assets (cash generating unit) is impaired. The carrying value of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

A previously recognised impairment loss is reversed only if there has been change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit and loss account.

3.28 Earning per share

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

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3.29 Share Capital

Ordinary shares are classified as equity and recognised at their face value

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

	Note
- Business combination	3.1
- Property and equipment	3.2
- Intangible asset - other than goodwill	3.5
- Lease liabilities and right-of-use assets	3.3
- Investment properties	3.6
- Insurance receivable and payables	3.13.2
- Premium deficiency reserve (liability adequacy test)	3.13.3
- Provision for outstanding claims including Incurred But Not Reported (IBNR)	3.16.1
- Taxation	3.17
- Employees' retirement benefits	3.18
- Policyholder Liability	3.24
- Contingencies	23

Change in assumptions

Conventional business / Family takaful protection business

Expected Loss Ratio (ELR) assumptions being used for IBNR claim reserve pertaining to conventional group life business have been revised to provide for possible decrease in incidence of reporting of claims. Furthermore, the methodology for third quarter have been moved from Chain Ladder (CL) to ELR.

(Rupees in '000)

5 PROPERTY AND EQUIPMENT	Note	2024	2023
Operating assets	5.1	9,266,348	8,999,358
Right of use assets	5.1	616,624	666,831
		9,882,972	9,666,189

Notes to the Consolidated Financial Statements
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5.1 Operating assets and right-of- use asset

(Rupees in '000)

2024

	Cost / Revaluation					Accumulated Depreciation				Written down value	Rate
	As at 01 January	Additions	(Disposals) / adjustment	Revaluation	As at 31 December	As at 01 January	For the year	(Disposals) / adjustment	As at 31 December	As at 31 December	%
Land	3,281,930	-	-	230,462	3,512,392	-	-	-	-	3,512,392	0
Buildings	5,191,772	7,631	(2,587)	(36,991)	5,159,825	1,318,598	257,785	(1,104)	1,575,279	3,584,546	5
Right of use assets - building	1,459,236	314,287	(191,814)	-	1,581,709	792,405	262,188	(89,508)	965,085	616,624	Lease term
Leasehold improvements	412,560	20,711	(5,365)	-	427,906	335,454	54,763	(4,747)	385,470	42,436	Lease term
Furniture and fixtures	741,236	11,305	(22,909)	-	729,632	500,131	57,951	(22,765)	535,317	194,315	10
Office equipment	724,582	69,667	(13,261)	-	780,988	467,895	54,234	(13,050)	509,079	271,909	10
Computer equipment	1,122,768	792,801	(24,186)	-	1,891,383	627,079	430,689	(24,158)	1,033,610	857,773	30
Vehicles	1,830,011	407,130	(419,896)	-	1,817,245	1,056,344	290,507	(332,583)	1,014,268	802,977	20
	14,764,095	1,623,532	(680,018)	193,471	15,901,080	5,097,906	1,408,117	(487,915)	6,018,108	9,882,972	

2023

	Cost / Revaluation					Accumulated Depreciation				Written down value	Rate
	As at 01 January	Additions	(Disposals) / adjustment	Revaluation	As at 31 December	As at 01 January	For the year	(Disposals) / adjustment	As at 31 December	As at 31 December	%
Land	2,781,614	-	-	500,316	3,281,930	-	-	-	-	3,281,930	0
Buildings	5,253,787	116,797	-	(178,812)	5,191,772	1,054,576	264,022	-	1,318,598	3,873,174	5
Right of use assets - building	1,303,456	248,629	(92,849)	-	1,459,236	626,117	197,890	(31,602)	792,405	666,831	Lease term
Leasehold improvements *	396,128	16,432	-	-	412,560	282,783	52,671	-	335,454	77,106	Lease term
Furniture and fixtures	731,528	9,909	(201)	-	741,236	448,420	51,895	(184)	500,131	241,105	10
Office equipment	667,821	58,912	(2,151)	-	724,582	416,265	53,264	(1,634)	467,895	256,687	10
Computer equipment	642,301	481,686	(1,219)	-	1,122,768	453,486	174,715	(1,122)	627,079	495,689	30
Vehicles	1,832,478	394,325	(396,792)	-	1,830,011	1,121,089	303,577	(368,322)	1,056,344	773,667	20
	13,609,113	1,326,690	(493,212)	321,504	14,764,095	4,402,736	1,098,034	(402,864)	5,097,906	9,666,189	

5.2 Details of tangible assets disposed off during the year are as follows:

(Rupees in '000)

Category of Assets	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode	Particulars of buyers
Buildings	500	500	-	-	-	Write off	
	2,087	604	1,483	245	(1,238)	Negotiation	
	2,587	1,104	1,483	245	(1,238)		
Leasehold improvements	1,527	993	534	-	(534)	Negotiation	
	3,838	3,754	84	25	(59)	Negotiation	Mr. Shekh Muhammad Ismail
	5,365	4,747	618	25	(593)		
Furniture and fixtures							
Disposals having book value not exceeding Rs. 50,000 individually	22,909	22,765	144	704	560	Negotiation	Various
Office equipments							
Disposals having book value not	447	321	126	126	-	Negotiation	
exceeding Rs. 50,000 individually	12,814	12,729	85	317	232	Negotiation	Various
	13,261	13,050	211	443	232		
Computers							
Disposals having book value not exceeding Rs. 50,000 individually	24,186	24,158	28	433	405	Negotiation	Various

(Rupees in '000)

Category of Assets	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode	Particulars of buyers
Vehicles	9,002	2,701	6,301	2,500	(3,801)	Negotiation	Mr. Muhammad Sohail Nazir
Disposals having book value not	3,000	350	2,650	3,500	850	Negotiation	Mr. Faisal Riaz
exceeding Rs. 50,000 individually	3,269	1,035	2,234	2,500	266	Negotiation	Faisal Autos
	3,269	1,199	2,070	2,215	145	Negotiation	Mr. Syed Daniyal Abbas Rizvi
	3,505	1,636	1,869	3,000	1,131	Negotiation	Mr. Mahmood Ali Khan
	3,505	1,753	1,752	3,150	1,398	Negotiation	Mr. Asma Babar A Sheikh
	2,415	1,209	1,206	2,213	1,007	Negotiation	Mr. Waheed Yousuf
	2,535	1,945	590	2,475	1,885	Negotiation	Mr. Kamran Rashid
	1,339	760	579	560	(19)	Negotiation	EFU General Insurance Window Takaful Operations
	3,995	3,529	466	3,250	2,784	Negotiation	Mr. Muhammad Iqbal Dada
	202	101	101	170	69	Negotiation	Mr. Muhammad Hadi
	5,675	662	5,013	2,099	(2,914)	Negotiation	Mr. Mazhar Hassan
	6,893	2,839	4,054	5,950	1,896	Negotiation	Miss. Nilofer Sohail
	4,500	525	3,975	1,654	(2,321)	Negotiation	Mr. Sarfaraz Manjee
	3,272	818	2,454	3,200	746	Negotiation	Mr. Imad Ali
	3,272	818	2,454	3,300	846	Negotiation	Mr. Mubashir
	3,408	1,193	2,215	3,000	785	Negotiation	Mr. Sohail Rashid
	3,272	1,145	2,127	3,600	1,473	Negotiation	Mr. Ahmar Hassan
	3,272	1,145	2,127	3,300	1,173	Negotiation	Mr. Irfan Madhani
	2,100	245	1,855	963	(892)	Negotiation	Mr. Shahid Himayat
	2,744	960	1,784	3,100	1,316	Negotiation	Miss. Mariam Ahmed
	2,729	955	1,774	2,200	426	Negotiation	Mr. Khalid Mehmood
	2,250	563	1,687	1,600	(87)	Negotiation	Mr. Amir
	2,250	563	1,687	2,700	1,013	Negotiation	Mr. Shahid Mehmood
	1,800	150	1,650	1,780	130	Negotiation	M/S. Automotive Brokerage Services
	1,750	204	1,546	738	(808)	Negotiation	Mr. Idrees Murtaza
	2,250	788	1,462	2,600	1,138	Negotiation	Mr. Shafqat Rao
	2,250	788	1,462	2,600	1,138	Negotiation	Mr. Suneel Kumar
	2,250	910	1,340	2,500	1,160	Negotiation	Mr. Amtul Rehman
	4,933	3,700	1,233	3,897	2,664	Negotiation	Mr. Shaikh Waheed
	1,877	657	1,220	2,300	1,080	Negotiation	Mr. Zeeshan Aslam
	1,877	751	1,126	1,650	524	Negotiation	Dr. Haya Batool
	1,106	37	1,069	3,100	2,031	Negotiation	M/S. Automotive Brokerage Services
	1,546	541	1,005	1,800	795	Negotiation	Miss. Naila Nazir
	1,546	541	1,005	2,100	1,095	Negotiation	Mr. M. Shahzad
	2,079	1,143	936	2,200	1,264	Negotiation	Mr. Rizwan Sadiq
	2,079	1,143	936	2,350	1,414	Negotiation	Mr. Waseem Mirza
	955	32	923	3,100	2,177	Negotiation	M/S. Automotive Brokerage Services
	948	51	897	2,950	2,053	Negotiation	M/S. Automotive Brokerage Services
	802	27	775	3,150	2,375	Negotiation	M/S. Automotive Brokerage Services

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(Rupees in '000)

Category of Assets	Original cost	Accumulated depreciation	Book value	Sale proceeds	(Loss) / Gain	Mode	Particulars of buyers
	1,760	1,010	750	2,265	1,515	Negotiation	Mr. Sanaul Haq
	2,045	1,297	748	2,200	1,452	Negotiation	Mr. Osama
	1,780	1,068	712	2,160	1,448	Negotiation	Mr. Yasir Azam
	1,721	1,033	688	1,205	517	Negotiation	Mr. Rizwan Bajwa
	2,657	1,993	664	2,800	2,136	Negotiation	Miss. Naila Nazir
	1,760	1,106	654	2,050	1,396	Negotiation	Miss .Saba Saeed
	1,780	1,157	623	2,380	1,757	Negotiation	Mr. Muhammad Saleem
	1,780	1,157	623	2,200	1,577	Negotiation	Mr. Saif ur Rehman
	1,780	1,157	623	2,200	1,577	Negotiation	Mr. Usman
	1,924	1,347	577	2,300	1,723	Negotiation	Mr. Khurram
	1,633	1,143	490	2,100	1,610	Negotiation	Mr. Jamil
	1,760	1,304	456	2,175	1,719	Negotiation	Miss. Messum
	3,489	3,065	424	2,532	2,108	Negotiation	Miss.Aman Hussain
	2,022	1,618	404	2,000	1,596	Negotiation	Mr. Waseem jamal
	2,022	1,618	404	2,250	1,846	Negotiation	Mr. Wasim Mirza
	1,606	1,204	402	2,000	1,598	Negotiation	Miss Reema Shaikh
	1,921	1,537	384	1,545	1,161	Negotiation	Mr. Rafiqe Ahmed
	1,899	1,519	380	2,100	1,720	Negotiation	Mr. Ali Rizvan
	1,899	1,519	380	2,000	1,620	Negotiation	Mr. Mustafa Iqbal
	1,760	1,408	352	2,200	1,848	Negotiation	Mr. Fahim Afzal
	1,760	1,408	352	2,510	2,158	Negotiation	Rashid Latif
	1,760	1,408	352	2,305	1,953	Negotiation	Sanaulhaq Khan
	1,760	1,408	352	2,050	1,698	Negotiation	M. Anees Ahmed
	3,414	3,073	341	2,404	2,063	Negotiation	Mr.Jalal
	1,760	1,423	337	2,300	1,963	Negotiation	Majid Naveed
	1,760	1,470	290	2,200	1,910	Negotiation	Riaz Hussain
	2,717	2,430	287	2,038	1,751	Negotiation	Iftikhar Hasan
	1,406	1,126	280	1,142	862	Negotiation	Syed Munir
	1,406	1,177	229	1,142	913	Negotiation	Asad Abdullah
	1,760	1,564	196	1,950	1,754	Negotiation	M. Kamran
	1,760	1,564	196	2,150	1,954	Negotiation	Akbar Khan
	1,691	1,522	169	1,234	1,065	Negotiation	Khawar Ahmed
	1,555	1,400	155	1,114	959	Negotiation	Farhan Ali
	1,531	1,378	153	1,097	944	Negotiation	Ms. Marvi
	2,755	2,617	138	2,066	1,928	Negotiation	Attullah Shaikh
	2,557	2,429	128	2,173	2,045	Negotiation	Fasihuddin
	2,304	2,189	115	1,682	1,567	Negotiation	Naveed Faiz
	2,134	2,021	113	1,707	1,594	Negotiation	Mr.Mumtaz
	2,219	2,108	111	1,357	1,246	Negotiation	Ms.Anila
	2,219	2,108	111	1,775	1,664	Negotiation	Mr.Mahesh
	2,074	1,967	107	1,556	1,449	Negotiation	Mr. Jamaluddin
	2,009	1,908	101	1,607	1,506	Negotiation	Mr.Imran
	1,943	1,846	97	1,457	1,360	Negotiation	Shakeel Ahmed
	1,925	1,829	96	1,406	1,310	Negotiation	Abid Raza
	860	774	86	900	814	Negotiation	Mr. Kamran
	220,138	220,064	74	212,704	212,630	Negotiation	Various
	419,896	332,583	87,313	399,702	312,389		

5.3 Land and buildings are carried at revalued amount. The latest revaluation was carried out by independent valuer as on 31 December 2024, which resulted in surplus of Rs. 193 million (2023: Rs. 322 million). Had there been no revaluation, the carrying value of the assets would have been as follows:

	(Rupees in '000)	
	2024	2023
Land	**208,169**	208,169
Buildings	**1,524,536**	1,638,673
	1,732,705	1,846,842

5.4 Surplus on revaluation on land and building represents net cumulative increase in the carrying amount as a result of revaluation carried at revalued amount.

	(Rupees in '000)	
	2024	2023
Revaluation surplus as at January 1	**3,714,985**	3,663,314
Deferred tax on opening value	**(1,448,845)**	(1,319,929)
Reported in consolidated financial statements	**2,266,140**	2,343,385
Surplus / (deficit) arising on revaluation:		
Land	**230,462**	500,316
Buildings	**(36,991)**	(178,812)
	193,471	321,504
Deferred tax liability on revaluation surplus for current year	**-**	(125,656)
Increase in deferred tax liability due to change in tax rate	**(75,454)**	(216,432)
	118,017	(20,584)
	2,384,157	2,322,801
Net amount transferred to unappropriated profit on account of incremental depreciation	**(83,145)**	(92,887)
Deferred tax on incremental depreciation	**32,427**	36,226
	(50,718)	(56,661)
As at December 31	**2,333,439**	2,266,140

5.5 Restriction on distribution

The surplus on revaluation of property and equipment is not available for distribution to the shareholders in accordance with the section 241 of the Companies Act, 2017.

5.6 Measuring property at fair value

The fair value of owned properties is determined at the end of each year by independent suitably qualified valuer. The fair valuation of the owned properties as at December 31, 2024 were performed by Iqbal A. Nanjee & Co. (Pvt) Ltd and Pee Dee and Associates.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

5.7 Fair value hierarchy

The fair value hierarchy as at the end of the reporting period was Level 2

5.8 Forced sale value

Forced sale value of the property is assessed at Rs. 6,102 million (2023: Rs. 6,171 million).

5.9 The details of land and buildings are as follows:

i) This owned property comprises of land and building situated at Plot No. 16/6 Ghulam Hussain Kassim Quarter Main M.A Jinnah Road Karachi having a total covered area of 42,249.33 sq ft.

ii) This owned property comprises of building situated at Plot No.C-1, Sector B-III, Karachi Export Processing Zone Authority (Landhi Industrial Area Extension) Mehran Highway Landhi Karachi having a total covered area of 6,615 sq ft.

iii) This owned property of comprises of land and building of Subsidiary Company situated at Plot bearing 112 at Phase 1 DHA Karachi total covered area of 16,389 sq ft.

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6 INTANGIBLE ASSETS INCLUDING GOODWILL

6.1 Cost and accumulated amortisation in respect of fully amortised intangible assets of Holding Company still in use at the end of the year amounting to Rs. 59.57 million (2023: Rs. 59.57 million).

6.2

(Rupees in '000)

2024	Note	Cost / Revaluation: As at 01 January	Additions	(Disposals) / adjustment	Revaluation	As at 31 December	Amortisation / impairment: As at 01 January	For the year	Impairment	As at 31 December	Written down value As at 31 December	Rate %
Goodwill of subsidiary	6.2.1	7,157,434	37,950	-	-	7,195,384	2,332,113	-	1,689,850	4,021,963	3,173,421	0
Goodwill of Hello Doctor		30,653	-	-	-	30,653	-	-	251	251	30,402	0
Computer softwares		353,029	96,520	-	-	449,549	162,904	89,479	-	252,383	197,166	33.33
Customer Relationships		2,748,091	-	-	-	2,748,091	2,195,603	392,980	-	2,588,583	159,508	14.29
		10,289,207	134,470	-	-	10,423,677	4,690,620	482,459	1,690,101	6,863,180	3,560,497	

2023 (Restated)	Note	Cost / Revaluation: As at 01 January	Additions	(Disposals) / adjustment	Revaluation	As at 31 December	Amortisation / impairment: As at 01 January	For the year	Impairment	As at 31 December	Written down value As at 31 December	Rate %
Goodwill of subsidiary	6.2.1	7,157,434	-	-	-	7,157,434	1,968,922	-	363,191	2,332,113	4,825,321	0
Goodwill - Hello Doctor		-	30,653		-	30,653	-	-	-	-	30,653	0
Computer softwares		145,671	207,358	-	-	353,029	142,255	20,649	-	162,904	190,125	33.33
Customer Relationships		2,672,921	75,170	-	-	2,748,091	1,813,759	381,844	-	2,195,603	552,488	14.29
		9,976,026	313,181	-	-	10,289,207	3,924,936	402,493	363,191	4,690,620	5,598,587	

6.2.1 The management has carried out an annual impairment assessment for goodwill at reporting date. For this purpose, the management has used the fair value less cost to sale as recoverable amount of the underline CGU.

(Rupees in '000)

	2024	2023
Goodwill- Holding Company's share	7,157,434	7,157,434
Additions	37,950	-
Impairment closing balance	(4,021,963)	(2,332,113)
Goodwill closing	3,173,421	4,825,321
Grossing Up		
Goodwill- Holding Company's share	7,157,434	7,157,434
Impairment-opening	(2,332,113)	(1,968,922)
Goodwill opening	4,825,321	5,188,512
Total goodwill-grossed up	15,795,734	15,129,766
Intangible (unamortised)	95,474	477,318
Total net assets	10,878,327	8,610,286
Total value of EFU Life Assurance Limited	26,769,535	24,217,370
Fair value less cost to sell	(17,893,469)	(19,287,625)
Total impaiment	8,876,066	4,929,745
Parent's share	45.31%	47.31%
Parent share of impairment	4,021,963	2,332,113
Impairment for the year	1,689,850	363,191

7 INVESTMENT PROPERTY

	2024	2023
Opening net book value	3,191,970	3,050,470
Additions and capital improvements	421	2,822
Unrealised fair value gain	269,721	170,178
Disposal	-	(31,500)
Closing net book value	3,462,112	3,191,970

	Land	Building	Total
Balance at 1 January 2024	2,151,970	1,040,000	3,191,970
Additions and capital improvements	-	421	421
Unrealised gain on remeasurement of fair value	256,250	13,471	269,721
Balance at 31 December 2024	2,408,220	1,053,892	3,462,112

7.1 Measuring investment property at fair value

The fair value of investment property is determined at the end of each year by independent suitably qualified valuer. The fair valuation of these investment properties as at 31 December 2024 and 31 December 2023 was performed by Hamid Mukhtar & Co. (Pvt) Ltd and Iqbal A. Nanjee & Co (Pvt) Ltd .

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

7.2 Fair value hierarchy

The fair value hierarchy as at the end of the reporting period was Level 2.

7.3 Forced sale value

Forced sale value of the investment property is assessed at Rs. 2,770 million (2023: Rs. 2,554 million).

7.4 The details of investment properties are as follows:

i) The investment property comprises of land and building situated at Plot No. 6-D, Main Gulberg, Jail Road, Lahore having a total covered area of 188,194.98 sq ft. (valued by Hamid Mukhtar & Co. (Pvt) Ltd)

ii) The investment property comprises of leasehold land situated at Plot No.36-A, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi having a total covered area of 20,340 sq ft. (valued by Iqbal A. Nanjee & Co. (Pvt) Ltd)

iii) The investment property comprises of land situated in Deh Halkani, Tapo Manghopir, Manghopir Road, Taluka District, Karachi having a total covered area of 740,520 sq ft. The fair value of the land carried at cost amounting to Rs. 1.47 million cannot be reliably measured due to an ongoing legal dispute between the Holding Company and the Karachi Water and Sewerage Board for the possession of the said land.

7.5 Rental income and related expenses are disclosed in note 31 to these consolidated financial statements.

8 INVESTMENT IN EQUITY SECURITIES

(Rupees in '000)

	2024			2023		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
At available-for-sale						
Related Party*						
Listed shares	684,731	(408,799)	275,932	607,000	(319,416)	287,584
Others						
Listed shares	3,957,110	(446,193)	3,510,917	2,220,530	(431,531)	1,788,999
Unlisted shares	192,319	(191,811)	508	192,319	(191,811)	508
	4,149,429	(638,004)	3,511,425	2,412,849	(623,342)	1,789,507
Surplus on revaluation			4,053,241			1,611,704
	4,834,160	(1,046,803)	7,840,598	3,019,849	(942,758)	3,688,795
At held-for-trading						
Others						
Listed shares	998,385	-	998,385	-	-	-
Surplus on revaluation	-	-	1,241	-	-	-
	998,385	-	999,626	-	-	-
At fair value through profit or loss - designated upon initial recognition						
Related Party*						
Listed shares	36,609	-	111,504	36,609	-	89,984
Others						
Listed shares	23,260,953	-	43,594,303	18,815,772	-	22,101,372
	23,297,562	-	43,705,807	18,852,381	-	22,191,356
	29,130,107	(1,046,803)	52,546,031	21,872,230	(942,758)	25,880,151

* The Group has not accounted for investment in related parties as associates under IAS 28 "Investment in Associates and Joint Ventures", as the management has concluded that the Group does not have significant influence in these companies.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

9 INVESTMENT IN DEBT SECURITIES

(Rupees in '000)

	Note	2024 Cost	2024 Impairment / provision	2024 Carrying value	2023 Cost	2023 Impairment / provision	2023 Carrying value
Held-to-maturity	9.1						
Government securities		14,981,708	-	14,981,708	10,770,744	-	10,770,744
Available-for-sale	9.2						
Government securities		13,657,769	-	13,657,769	13,328,072	-	13,328,072
Term Finance Certificates		240,637	(40,637)	200,000	240,637	(40,637)	200,000
Corporate Sukuks		102,000	-	102,000	102,000	-	102,000
Surplus / (deficit) on revaluation		-	-	524,150	-	-	(647,508)
		14,000,406	(40,637)	14,483,919	13,670,709	(40,637)	12,982,564
Held-for-trading	9.3						
Government securities		166,576,622	-	169,528,521	143,144,957	-	143,144,957
Term Finance Certificates	9.6	5,021,667	(40,670)	4,980,997	5,592,836	-	5,592,836
Corporate Sukuks	9.7	1,752,544	(105,613)	1,646,931	1,870,922	(37,500)	1,833,422
Certificates of investment	9.8	981,000	-	981,000	981,000	-	981,000
		174,331,833	(146,283)	177,137,449	151,589,715	(37,500)	151,552,215
		203,313,947	(186,920)	206,603,076	176,031,168	(78,137)	175,305,523

9.1 Held-to-maturity

Name of investment	2024 Maturity year	Effective yield %	Amortised Cost	Principal Repayments	Carrying Amount
05 Years Pakistan Investment Bond	2027	10.5	368,020	400,000	368,020
05 Years Pakistan Investment Bond	2028	14.15	4,417,779	4,555,000	4,417,779
05 Years Pakistan Investment Bond	2029	13.34- 15.25	1,410,510	1,450,000	1,410,510
05 Years Pakistan Investment Bond	2029	15.99	97,527	100,000	97,527
10 Years Pakistan Investment Bond	2028	8.75	13,304	15,000	13,304
10 Years Pakistan Investment Bond	2029	10	239,406	273,400	239,406
10 Years Pakistan Investment Bond	2030	8	321,157	414,100	321,157
10 Years Pakistan Investment Bond	2033	14	189,428	200,000	189,428
10 Years Pakistan Investment Bond	2034	15.24	64,819	70,000	64,819
03 Months Treasury Bills	2025	11.32 - 13.07	214,811	220,000	214,811
06 Months Treasury Bills	2025	11.90 - 19.85	2,638,108	2,753,000	2,638,108
12 Months Treasury Bills	2025	12.10 - 20.84	3,321,082	3,557,690	3,321,082
03 Year Government Ijara Sukuk	2026	12.61 - 19.69	259,191	261,000	259,191
05 Year Government Ijara Sukuk	2025-2028	8.375 - 18.99	787,292	772,000	787,292
10 Years Pakistan Energy Sukuk I	2029	18.71	187,076	170,000	187,076
10 Years Pakistan Energy Sukuk II	2030	13.54	452,198	450,000	452,198
			14,981,708	15,661,190	14,981,708

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

(Rupees in '000)

Name of investment	2023 Maturity year	Effective yield %	Amortised Cost	Principal Repayments	Carrying Amount
02 Years Pakistan Investment Bond	2024	21.28	124,403	125,000	124,403
05 Years Pakistan Investment Bond	2026	10.50	359,217	400,000	359,217
05 Years Pakistan Investment Bond	2028	22.86	2,650,567	2,742,700	2,650,567
10 Years Pakistan Investment Bond	2026	8.76	12,945	15,000	12,945
10 Years Pakistan Investment Bond	2026	10.00	234,547	273,400	234,547
10 Years Pakistan Investment Bond	2026	8.00	311,504	414,100	311,504
10 Years Pakistan Investment Bond	2026	14.00	188,888	200,000	188,888
20 Years Pakistan Investment Bond	2026	10.00	15,012	15,000	15,012
03 Months Treasury Bills	2024	21.32	286,629	300,000	286,629
06 Months Treasury Bills	2024	21.36 - 21.55	1,295,015	1,409,700	1,295,015
12 Months Treasury Bills	2024	21.44 - 22.30	3,928,134	4,614,200	3,928,134
01 Year Government Ijara Sukuk	2024	23.60	204,454	204,000	204,454
03 Year Government Ijara Sukuk	2026	21.68	96,740	100,000	96,740
05 Year Government Ijara Sukuk	2025-2027	21.14 - 22.68	420,275	422,000	420,275
10 Years Pakistan Energy Sukuk I	2029	24.02	190,033	170,000	190,033
10 Years Pakistan Energy Sukuk II	2030	21.14	452,381	450,000	452,381
			10,770,744	11,855,100	10,770,744

9.2 Available-for-sale

Name of investment	Maturity year	Effective yield %	Profit payment	Face value	2024
03 Years Pakistan Investment Bonds	2026	16.41 to 16.50	Half yearly	944,800	942,278
03 Years Pakistan Investment Bonds	2027	14.70 to 14.90	Half yearly	,8,018,400	8,261,486
12 months Treasury Bills	2025	17.12	On maturity	2,010,000	1,877,943
05 Years GOP Ijara Sukuks	2027	13.41	Half yearly	2,832,500	2,920,364
10 Years Pakistan Investment Bonds	2028	13.35	Half yearly	200,000	179,804
					14,181,875

	No. of Certificate 2024	No. of Certificate 2023	Face Value	Value of Certificate 2024	Value of Certificate 2023
Agritech Ltd. - 3rd Issue (B) (Related party)	1,133	1,133	5,000	-	-
Agritech Ltd. - 3rd Issue (A) (Related party)	7,000	7,000	5,000	-	-
Soneri Bank Limited (Others)	20,000	20,000	5,000	100,000	100,000
Habib Bank Limited (Others)	1,000	1,000	100,000	100,000	100,000
Dubai Islamic Bank Limited - Tier I (Others)	16,000	16,000	5,000	80,000	80,000
Dubai Islamic Bank Limited - Tier II (Others)	4,400	4,400	5,000	22,000	22,000
	49,533	49,533		302,000	302,000

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

(Rupees in '000)

Name of investment	Maturity year	Effective yield %	Profit payment	Face value	2024
Term Finance Certificates (TFCs) - quoted					
Agritech Limited - 3rd Issue (B) * (Related party)	2017	11.00	Half yearly	5,665	-
Agritech Limited - 3rd Issue (A) * (Related party)	2019	13.35	Quarterly	34,972	-
Soneri Bank Limited (Others)	2026	14.57	Half yearly	100,000	100,000
Habib Bank Limited (Others)	Perpetual	13.81	Quarterly	100,000	100,000
					200,000
Corporate Sukuks - quoted					
Dubai Islamic Bank Limited - Tier I (Others)	Perpetual	18.56	Monthly	80,000	80,000
Dubai Islamic Bank Limited - Tier II (Others)	2032	13.52	Half yearly	22,000	22,044
					102,044
					14,483,919

* The term finance certificates are held under non-performing status and full provision has been made against these term finance certificates.

(Rupees in 000)

Name of investment	Maturity year	Effective yield %	Profit payment	Face value	2023
5 Years Pakistan Investment Bonds	2024	11.52 to 13.35	Half yearly	8,321,500	7,691,687
3 months Treasury Bills	2024	15.59	On maturity	997,725	976,243
12 months Treasury Bills	2024	5.59	On maturity	420,000	354,181
2 Years Pakistan Investment Bonds	2025	17.15	Quarterly	424,500	420,043
3 Years Pakistan Investment Bonds	2026	16.5	Half yearly	400,000	358,229
5 Years GOP Ijara Sukuks	2027	22.19	Half yearly	2,682,500	2,725,578
10 Years Pakistan Investment Bonds	2028	13.35	Half yearly	200,000	154,471
					12,680,432
Term Finance Certificates (TFCs) - quoted					
Agritech Limited - 3rd Issue (B) * (Related party)	2017	11.00	Half yearly	5,665	-
Agritech Limited - 3rd Issue (A) * (Related party)	2019	13.35	Quarterly	34,972	-
Soneri Bank Limited (Others)	2026	18.97	Half yearly	100,000	100,000
Habib Bank Limited (Others)	Perpetual	18.66	Quarterly	100,000	100,000
					200,000
Corporate Sukuks - quoted					
Dubai Islamic Bank Limited - Tier I (Others)	Perpetual	17.66	Monthly	80,000	80,000
Dubai Islamic Bank Limited - Tier II (Others)	2032	17.51	Half yearly	22,000	22,132
					102,132
					12,982,564

* The term finance certificates are held under non-performing status and full provision has been made against these term finance certificates.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

9.3 Held-for-trading

(Rupees in 000)

Name of invesment	2024 Maturity year	Effective yield %	Amortised Cost	Principal Repayments	Carrying Amount
02 Years Pakistan Investment Bond	2026	13.52	1,151,096	1,375,000	1,120,522
05 Years Pakistan Investment Bond	2025	7.50	121,931	125,000	120,748
03 Years Pakistan Investment Bond	2026	15.06	443,836	450,000	444,885
03 Years Pakistan Investment Bond	2026	12.00	13,702,805	14,600,000	14,556,010
05 Years Pakistan Investment Bond	2029	10.00	5,053,076	5,200,000	5,069,480
05 Years Pakistan Investment Bond	2029	14.23	48,353	50,000	48,540
05 Years Pakistan Investment Bond	2028	14.15	2,904,681	3,000,000	2,937,300
05 Years Pakistan Investment Bond	2026	13.34	496,233	500,000	498,400
05 Years Pakistan Investment Bond	2027	10.50	198,382	225,000	215,090
05 Years Pakistan Investment Bond	2028	14.15	4,197,051	4,330,000	4,222,616
10 Years Pakistan Investment Bond	2034	15.24	749,122	800,000	748,320
10 Years Pakistan Investment Bond	2029	10.00	119,186	125,000	114,569
03 Months Treasury Bills	2025	11.63 - 15.22	3,371,068	3,425,000	3,371,063
06 Months Treasury Bills	2025	13.19 - 19.85	8,974,259	9,277,000	9,023,119
12 Months Treasury Bills	2025	12.10 - 20.84	97,214,790	105,009,235	98,699,501
01 Year Government Ijara Sukuk	2025	11.00 - 20.24	3,242,892	3,530,000	3,325,957
03 Year Government Ijara Sukuk	2026 - 2027	11.59 - 19.69	4,238,919	4,236,500	4,304,523
05 Year Government Ijara Sukuk	2025 - 2029	11.40 - 18.99	19,257,838	19,140,000	19,616,453
10 Year Government Ijara Sukuk	2034	14.10	127,178	125,000	127,500
10 Years Pakistan Energy Sukuk I	2029-2034	16.53 - 19.89	913,682	830,000	913,682
10 Years Pakistan Energy Sukuk II	2030	13.54	50,244	50,000	50,244
			166,576,622	176,402,735	169,528,522

Name of invesment	2023 Maturity year	Effective yield %	Amortised Cost	Principal Repayments	Carrying Amount
03 Years Pakistan Investment Bond	2026	12.00	11,736,551	13,100,000	11,733,028
03 Years Pakistan Investment Bond	2024	7.00	48,663	50,000	46,144
03 Years Pakistan Investment Bond	2024	22.40	1,369,258	1,375,000	1,367,300
03 Years Pakistan Investment Bond	2026	22.16	1,709,848	1,750,000	1,720,075
03 Years Pakistan Investment Bond	2026	22.40	392,358	400,000	392,440
05 Years Pakistan Investment Bond	2026	21.84	494,425	500,000	490,600
05 Years Pakistan Investment Bond	2025	7.50	118,418	125,000	104,362
05 Years Pakistan Investment Bond	2027	10.50	191,289	225,000	189,618
05 Years Pakistan Investment Bond	2028	22.86	4,699,451	4,857,300	4,708,181
05 Years Pakistan Investment Bond	2028	22.88	1,659,448	1,750,000	1,697,325
10 Years Pakistan Investment Bond	2029	10.00	118,299	125,000	99,011
20 Years Pakistan Investment Bond	2024	10.00	100,048	100,000	95,357
03 Months Treasury Bills	2024	21.32 - 21.84	2,677,777	2,750,000	2,675,437
06 Months Treasury Bills	2024	21.55 - 21.84	1,385,609	1,490,300	1,383,788
12 Months Treasury Bills	2024	21.30 - 22.80	96,920,467	113,065,800	96,833,476
01 Year Government Ijara Sukuk	2024	23.60 - 23.72	2,199,091	2,196,000	2,216,286
03 Year Government Ijara Sukuk	2026	21.12 - 21.68	1,982,381	2,000,000	1,992,320
05 Year Government Ijara Sukuk	2025-2027	11.40 - 22.70	14,551,912	14,540,000	14,421,773
10 Years Pakistan Energy Sukuk I	2029	24.02	928,171	830,000	928,171
10 Years Pakistan Energy Sukuk II	2030	21.14	50,265	50,000	50,265
			143,333,729	161,279,400	143,144,957

9.4 Market value of government securities carried at amortised cost amounted to Rs. 13,593 million (2023: Rs. 10,714 million).

9.5 The amount of Pakistan Investment Bonds includes Rs. 235 million (2023: Rs. 235 million) deposited with the State Bank of Pakistan as required by Section 29 of the Insurance Ordinance 2000 and Rs. 115 million deposited with NCCPL (2023: Rs. 170 million) on account of trading in shares.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

	Name of invesment	Maturity	No. of Certificates 2024	No. of Certificates 2023	Face value	Carrying Amount 2024	Carrying Amount 2023
9.6	**Term finance certificates**		(Numbers)			(Rupees in 000)	
	Fair value through profit or loss						
	Others						
	Bank Alfalah	2024	-	100,000	5	-	497,163
	Kashf Foundation	2026	1,000	1,000	100	100,000	100,000
	Bank AL Habib Limited	2028	-	20,000	5	-	101,147
	Askari Bank Limited	2030	100	100	1,000	99,500	99,500
	Bank AL Habib Limited	2032	77,000	77,000	5	390,438	393,243
	Bank of Punjab	2032	5,000	5,000	100	500,000	500,000
	United Bank Limited	Perpetual	200,000	200,000	5	1,000,000	1,000,000
	Habib Bank Limited	Perpetual	2,000	2,000	100	200,000	200,000
	Soneri Bank Limited	Perpetual	10,000	10,000	5	50,000	50,000
	Bank AL Falah limited	Perpetual	100,000	100,000	5	500,000	500,000
	Bank AL Falah limited	Perpetual	20,000	20,000	5	100,000	100,000
	Bank AL Habib Limited	Perpetual	40,000	40,000	5	200,000	200,000
	Askari Bank Limited	Perpetual	450	450	1,000	450,000	450,000
	Bank of Punjab	Perpetual	3,950	80,000	100	395,000	400,000
	Bank of Punjab	Perpetual	5,000	5,000	100	490,955	501,668
						4,475,893	5,092,721
	Held to maturity						
	Askari Bank Limited	Perpetual	50	50	1,000	50,000	50,000
	Bank of Punjab		50	-	100	5,000	-
	United Bank Limited	Perpetual	50,000	50,000	5	250,104	250,115
						4,780,997	5,392,836
9.7	**Corporate sukuks**						
	Fair value through profit or loss						
	Others						
	Hascol Petroleum Limited	NPD	-	30,000	3	-	-
	TPL Trakker	2026	25	25	1,000	7,039	12,732
	Neelum Jehlum Hydro Power Company Limited	2026	12,500	12,500	100	198,884	331,264
	Pakistan Services Limited	2027	250	250	1,000	53,159	104,191
	TPL Corporation	2027	200	200	100	16,667	18,953
	TPL Corporation	2027	200	200	100	14,667	18,767
	Dubai Islamic Bank Limited	2028	20,000	20,000	5	100,000	100,000
	K-Electric Limited	2029	120,000	120,000	5	616,200	607,200
	Meezan Bank Limited	Perpetual	100,000	100,000	5	500,000	500,000
	Related Parties						
	Bank Islami Pakistan Limited	Perpetual	28,063	28,063	5	140,315	140,315
						1,646,931	1,833,422
9.8	**Certificates of investment**						
	First Habib Modarba Limited	2025	6	6	163,500	981,000	981,000
						981,000	981,000

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For the year ended 31 December 2024

(Rupees in '000)

		Note	2024	2023
10	**INVESTMENT IN TERM DEPOSITS**			
	Held-to-maturity			
	Deposits maturing within 12 months	10.1 & 10.3	347,429	7,786,428
	Term deposits certificates – local currency	10.2	665,734	618,684
	Term deposits certificates – foreign currency		1,013,163	8,405,112

10.1 The rate of return on term deposit certificates issued by various banks range from 13.50 % to 23.20 % per annum (31 December 2023: 13.50 % to 23.20 % per annum) depending on tenure. These term deposit certificates have maturities upto three months.

10.2 The rate of return on foreign currency term deposit certificates issued by various banks range from 3.25 % to 5.00 % per annum (31 December 2023: 2.75 % per annum) depending on tenure. These term deposit certificates have maturities upto October 2025.

10.3 This includes an amount of Rs. Nil million (31 December 2023: Rs. 13 million) placed under lien with commercial banks against bank guarantees and credit facility of corporate credit cards.

(Rupees in '000)

		2024 Cost	2024 Impairment / provision	2024 Carrying value	2023 Cost	2023 Impairment / provision	2023 Carrying value
11	**INVESTMENT IN OPEN-ENDED MUTUAL FUNDS**						
	Fair value through profit or loss (Designated - upon initial recognition)						
	Related parties	1,678,435	-	1,895,032	1,783,199	-	1,848,311
	Others	2,814,429	-	3,575,843	989	-	2,107
		4,492,864	-	5,470,875	1,784,188	-	1,850,418
	Available-for-sale						
	Related parties	974,296	-	974,296	841,552	-	841,552
	Others	-	-	-	4,894	-	4,894
		974,296	-	974,296	846,446	-	846,446
	Surplus on revaluation	-	-	66,839	-	-	21,552
		5,467,160	-	6,512,010	2,630,634	-	2,718,416

		Note	2024	2023
12	**LOANS AND OTHER RECEIVABLES - considered good**			
	Accrued investment income		3,587,756	3,411,308
	Loans to employees		52,020	65,061
	Security deposits	12.1	345,095	103,530
	Advances to suppliers		431,150	477,566
	Credit cards		56,944	82,667
	Receivables from 3rd party and others		70,931	12,279
	Cash value and bid offer recievable		116,668	9,863
	Advances to employees and agents		540,281	476,524
	Other receivables		35,673	315,067
	Qard-e-Hasna and cede money		55,000	-
			5,291,518	4,953,865

12.1 The Holding Company has deposited Rs 215.195 million in 2024 to the Nazir of Sindh High Court in compliance with the Court's order relating to collection of Workers' Welfare Fund (WWF) contributions as disclosed in note 23.

(Rupees in '000)

	Note	2024	2023
13 INSURANCE / REINSURANCE RECEIVABLES - UNSECURED AND CONSIDERED GOOD			
Due from insurance contract holders		8,508,083	9,008,280
Provision for impairment of receivables from insurance contract holders	13.2	(14,883)	(1,059)
		8,493,200	9,007,221
Due from other insurer / re-insurers		532,769	683,987
		9,025,969	9,691,208

13.1 This includes Rs 78.57 million due from insurance contract holders of Holding Company for more than one year. According to the Holding company's policy, premium receivables that remain outstanding for more than three years are fully provided.

(Rupees in '000)

	Note	2024	2023
13.2 Provision for impairment of receivables from insurance contract holders			
Balance as on 1 January		1,059	524
Reversal during the year		13,824	535
Balance as on 31 December		14,883	1,059
14 PREPAYMENTS			
Prepaid reinsurance premium ceded		10,661,140	12,479,228
Software support service		-	1,424
Prepaid tracker expense		30,253	33,637
Others		172,714	149,641
		10,864,107	12,663,930
15 CASH AND BANK			
Cash in hand		330	34
Policy and revenue stamps and bond papers		49,977	40,321
		50,307	40,355
Cash at bank			
- foreign currency			
Current accounts		25,284	25,006
- local currency			
Current accounts		732,827	1,691,978
Saving accounts	15.1 and 15.2	6,578,997	5,584,314
		7,311,824	7,276,292
		7,387,415	7,341,653

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15.1 The rate of return on saving accounts from various banks ranges from 6.50 % to 11.50 % per annum (2023: 14.50 % to 20.85 % per annum) depending on the size of average deposits.

15.2 This includes an amount of Rs. 39 million (2023: Rs. 26 million) under lien with commercial banks against bank guarantees.

15.3 Cash and cash equivalents include the following for the purposes of the consolidated cash flow statement:

(Rupees in '000)

	2024	2023
Term deposit less than three months	692,831	7,802,972
Cash and bank	7,387,415	7,341,653
	8,080,246	15,144,625

16 SHARE CAPITAL

16.1 Authorised share capital

(Number of shares in '000) 2024	2023		2024	2023
200,000	200,000		2,000,000	2,000,000

16.2 Issued, subscribed and paid-up share capital

(Number of shares '000) 2024	2023		2024	2023
250	250	Ordinary shares of Rs. 10 each, fully paid in cash	2,500	2,500
199,750	199,750	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares	1,997,500	1,997,500
200,000	200,000		2,000,000	2,000,000

	Note	2024	2023
16.3 RESERVES			
Capital reserve			
Reserve for exceptional losses	16.3.1	12,902	12,902
Revaluation reserve for unrealised gain / (loss) on available-for-sale investments - net		2,804,003	614,826
Reserve for change in fair value of investment property - net		1,967,061	1,802,531
Exchange translation reserves		191,764	195,722
		4,975,730	2,625,981
Revenue reserves			
General reserve		14,000,000	13,000,000
Total reserves		18,975,730	15,625,981
Unappropriated profit		1,963,736	1,424,395
		20,939,466	17,050,376

16.3.1 The reserve for exceptional losses was created prior to 1979 and was charged to income in accordance with the provisions of the repealed Income Tax Act, 1922 and has been so retained to date.

		(Rupees in '000)	
		2024	2023
17	**SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT**		
	Surplus arising on revaluation of property and equipment net of tax		
	Equity holders	**1,747,021**	1,711,851
	Non-controlling interest	**586,418**	554,289
		2,333,439	2,266,140

17.1 The above mentioned amounts are not included in the Non Controlling Interest or the equity due to this format being prescribed in Insurance Rules, 2017. Had this been recorded as per the requirements of IFRS, Non Controlling Interest and equity would have increased by Rs 0.586 billion and Rs 1.75 billion.

			(Rupees in '000)	
		Note	**2024**	2023
18	**Insurance liability - life insurance business**			
	Reported outstanding claims	18.1	**7,125,015**	6,138,861
	Incurred but not reported claims	18.2	**2,157,018**	1,421,457
	Investment component of unit-linked and account value policies	18.3	**228,314,108**	185,930,975
	Liabilities under individual conventional insurance contracts	18.4	**890,155**	856,133
	Liabilities under group insurance contracts (other than investment linked)	18.5	**2,944,183**	1,530,264
	Participant's Takaful Fund Balance		**826,381**	647,198
			242,256,860	196,524,888
18.1	**Reported outstanding claims**			
	Gross of reinsurance			
	Payable within one year		**6,588,587**	5,626,042
	Payable over a period of time exceeding one year		**942,926**	896,688
			7,531,513	6,522,730
	Recoverable from reinsurers			
	Receivable over a period of time exceeding one year		**(406,498)**	(383,869)
	Net reported outstanding claims		**7,125,015**	6,138,861
18.2	**Incurred but not reported claims**			
	Gross of reinsurance		**2,862,381**	1,800,124
	Reinsurance recoveries		**(705,363)**	(378,667)
	Net of reinsurance		**2,157,018**	1,421,457

		(Rupees in '000)	
		2024	2023
18.3	**Investment component of unit-linked and account value policies**		
	Investment component of unit linked policies	**228,314,108**	185,930,975
18.4	**Liabilities under individual conventional insurance contracts**		
	Gross of reinsurance	**1,082,704**	1,066,897
	Reinsurance credit	**(192,549)**	(210,764)
	Net of reinsurance	**890,155**	856,133
18.5	**Liabilities under group insurance contracts** (other than investment linked)		
	Gross of reinsurance	**3,734,669**	1,713,199
	Reinsurance credit	**(790,486)**	(182,935)
	Net of reinsurance	**2,944,183**	1,530,264

19 RETIREMENT BENEFIT OBLIGATIONS

19.1 The latest actuarial valuation as at 31 December 2024 uses a discount rate of 12.25 % (2023: 15.75 %) for defined benefit obligation and plan assets. Basic salary and pension increases to average 10.25 % and 3.00 % (2023: 12.75 % and 0.00 %) respectively per annum in the long term.

Actuarial valuations were conducted using the Projected Unit Credit Method. The Holding Company contributes to the pension and gratuity funds on the advice of the funds' actuary. The contributions are equal the current service cost with adjustment for any deficit. If there is a surplus, the Holding Company takes a contribution holiday.

		(Rupees in '000)			
		Pension	**Gratuity**	Pension	Gratuity
		2024		2023	
19.1.1	**Reconciliation of the present value of defined benefit obligations**				
	At the beginning of the year	**186,238**	**593,710**	185,225	591,491
	Current service cost	**144**	**28,074**	247	25,372
	Interest cost	**26,559**	**83,672**	24,787	77,584
	Remeasurement loss due to:				
	Change in demographic assumptions	**(98)**	**3,819**	2,310	-
	Change in financial assumptions	**78,788**	**28,111**		
	Experience	**30,588**	**23,987**	2,224	12,113
	Benefits paid	**(35,223)**	**(124,914)**	(28,555)	(112,850)
	At the end of the year	**286,996**	**636,459**	186,238	593,710

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

(Rupees in '000)

	Pension 2024	Gratuity 2024	Pension 2023	Gratuity 2023
19.1.2 Changes in fair value of plan assets				
At the beginning of the year	274,431	549,068	254,451	507,985
Interest income	40,490	79,323	34,882	68,092
Remeasurement gain / (loss) due to:				
Investment return	8,458	17,502	12,870	49,759
Contributions paid by Company	104	34,060	157	36,082
Contributions paid by employees	416	-	626	-
Benefits paid	(35,223)	(124,914)	(28,555)	(112,850)
At the end of the year	288,676	555,039	274,431	549,068
19.1.3 Charge to consolidated profit and loss account				
Service cost				
Current service cost	144	28,074	247	25,372
Employee contributions	(416)	-	(626)	-
Net interest (income) / cost	(13,931)	4,349	(10,095)	9,492
Chargeable in profit and loss account	(14,203)	32,423	(10,474)	34,864
19.1.4 Remeasurements recognised in other comprehensive income				
Change in demographic assumptions	(98)	3,819	-	-
Change in financial assumptions	78,788	28,111	2,310	-
Experience on obligation	30,588	23,987	2,224	12,113
Investment return	(8,458)	(17,502)	(12,870)	(49,759)
Chargeable in statement of comprehensive income	100,820	38,415	(8,336)	(37,646)
Total defined benefit cost	86,617	70,838	(18,810)	(2,782)
19.1.5 (Asset) / liability on statements of financial position				
At the beginning of the year	(88,193)	44,642	(69,226)	83,506
Defined benefit cost	86,617	70,838	(18,810)	(2,782)
Contributions paid by Company	(104)	(34,060)	(157)	(36,082)
Retirement benefit to takaful	-	(484)	-	(404)
At the end of the year	(1,680)	80,936	(88,193)	44,238
Reconciliation				
Defined benefit obligation	286,996	636,459	186,238	593,710
Plan assets	(288,676)	(555,039)	(274,431)	(549,068)
Retirement benefit allocated to takaful	-	(484)	-	(404)
Net (asset) / liability on balance sheet	(1,680)	80,936	(88,193)	44,238

Notes to the Consolidated Financial Statements
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19.1.5.1 Company's actuary for retirement benefits provides a consolidated report for all its employees including employees in Window Takaful Operations. The management allocates the retirement benefit obligation based on the number of employees in the Takaful Operations as a ratio of their total employees.

19.1.5.2 Previously the company has netted off assets and liabilities of defined benefit obligation. However they are payable and receivable from different funds and the same has been disclosed separately in the statement of financial position.

19.1.6 Historical data statements of financial position

(Rupees in '000)

	2023	2022	2021	2020	2019
Pension					
Present value of defined benefit obligation	186,238	185,225	197,805	222,860	218,468
Fair value of plan assets	(274,431)	(254,451)	(257,769)	(267,126)	(246,073)
(Surplus) / deficit	(88,193)	(69,226)	(59,964)	(44,266)	(27,605)
Experience adjustment					
- Actuarial loss / (gain) on obligation	2,224	3,763	(323)	(3,874)	(1,325)
- Actuarial (loss) / gain on assets	12,870	(8,566)	(11,931)	13,945	7,143
Gratuity					
Present value of defined benefit obligation	593,710	591,491	549,731	511,467	448,210
Fair value of plan assets	(549,068)	(507,985)	(480,563)	(501,662)	(450,294)
(Surplus) / deficit	44,642	83,506	69,168	9,805	(2,084)
Remeasurements due to:					
- Actuarial loss / (gain) on obligation	12,113	31,873	18,549	(13,557)	45,279
- Actuarial (loss) / gain on assets	49,759	(17,780)	26,721	13,926	(22,136)

19.1.7 Composition of fair value of plan assets

The following information of the Holding Company based on unaudited financial statements of the fund as at 31 December 2024.

Fund investments	Pension				Gratuity			
	2024		2023		2024		2023	
	%	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)
Debt	93	269,405	98	268,130	90	499,701	94	515,589
Equity	3	7,902	2	5,789	8	44,918	6	31,354
Cash	4	11,369	0	512	2	10,420	0	2,125
	100	288,676	100	274,431	100	555,039	100	549,068

The expected charge to pension and gratuity fund for the year 2024 amounts to Rs. 18 million.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

19.1.8 Sensitivity analysis on significant actuarial assumptions: Actuarial liability

Impact on obligation of 1 % change in assumptions (Rupees in '000)

Assumptions	2024	2023
Discount rate	1 % increase	1 % decrease
Salary	(44,858)	49,647
Pension	33,433	(30,811)
Weighted average duration of the plan is 5.9 years.	17,906	(16,233)
Projected payments		
Company contributions 2025	38	43,876
Benefit payments:		
2025	44,888	59,847
2026	43,110	116,957
2027	42,820	88,728
2028	41,664	106,297
2029	40,113	185,472
2030-2034	185,875	454,779

19.2 Provident fund

The following information of the Subsidiary Company based on unaudited financial statements of their fund as at 31 December 2024:

	(Rupees in '000)		Percentage	
	2024	2023	2024	2023
Size of the fund - total assets	929,607	697,704		
Cost of investments	839,868	624,253	90.35	89.47
Fair value of investments	893,938	650,620	96.16	93.25
The breakup of fair value of investment in provident fund is as follows:				
Government securities	689,547	490,314	77.14	75.36
Open end mutual fund	198,363	159,942	22.19	24.58
Shares	6,028	363	0.67	0.06

The above investments out of provident fund have been made in accordance with the requirement of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

19.3 Pension fund

	(Rupees in '000)		Percentage	
	2024	2023	2024	2023
Size of the fund - total assets	776,828	688,811		
Cost of investments	733,908	658,978	94.47	95.67
Fair value of investments	768,029	673,664	98.87	97.80
The breakup of fair value of investment in Pension Fund is as follows:				
Government securities	660,010	585,606	85.94	86.92
Open end mutual fund	107,715	87,813	14.02	13.04
Shares	304	245	0.04	0.04

Notes to the Consolidated Financial Statements

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	(Rupees in '000) 2024	2023 (Restated)
20 DEFERRED TAXATION		
Deferred debits arising in respect of:		
Premium due but unpaid	(5,804)	(413)
Impairment of TFCs	(15,848)	(15,848)
Defined benefit plan	(78,413)	(24,111)
Right to use asset	(50,476)	(53,150)
Impairment of available-for-sale equity securities	(1,423,877)	(1,415,405)
Impairment of goodwill	(1,568,566)	(909,523)
	(3,142,984)	(2,418,450)
Deferred credits arising in respect of:		
Fair value of investment property	1,257,628	1,152,437
Revaluation of property and equipment and intangibles	2,090,662	2,110,717
Accelerated tax depreciation / amortisation	125,071	177,770
Unrealized gain on available-for-sale investments	2,990,850	1,571,263
Retained earning ledger Account D	1,531,707	1,302,961
Effect of translation of foreign branch	84,296	86,826
Unrealised gain on investments at held-for-trading	484	-
	8,080,698	6,401,974
	4,937,714	3,983,524
21 INSURANCE / REINSURANCE PAYABLES		
Due to reinsurers / retakaful	8,022,899	9,674,489

The Group has co-insurance and re-insurance arrangements with various insurance and a domestic re-insurance company. Under the above arrangements, the receivable and payable balances originate mainly due to premiums collected or claims settled by the lead insurer on behalf of other co-insurers, and in case of re-insurance, the premium ceded to and claims recoverable from the re-insurer under the respective contracts. As per the prevailing industry practices, settlements of balances under co-insurance arrangements are done between the respective insurance companies in normal course of business.

The Group believes that the current balances of co-insurers and re-insurer reflected in the records of the Group are based on the underlying contracts and transactions supported by appropriate evidence.

In this regard, the Group exchanged balance information with various co-insurers based on significance of the balances and the reinsurers. This information corroborates the balance position of the Group in all material respects.

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			(Rupees in '000)	
22	**OTHER CREDITORS AND ACCRUALS**	**Note**	**2024**	2023
	Federal insurance fee payable		**18,533**	18,323
	Federal excise duty and sales tax payable		**647,064**	198,961
	Accrued expenses		**1,783,686**	1,269,694
	Agent commission payable		**1,586,333**	1,771,018
	Unearned rentals		**98,205**	48,558
	Payable to supplier and others		**101,509**	238,684
	Amount due to employees		**294,537**	226,147
	Security deposit against bond insurance	22.1	**1,311,076**	1,418,139
	Payable to authorities		**328,550**	105,206
	Unclaimed / unpaid dividends		**630,131**	581,607
	Lease liability	22.2	**732,848**	790,177
	Workers' welfare fund		**399,990**	274,995
	Others		**356,477**	73,257
			8,288,939	7,014,766

22.1 This represents margin deposit on account of performance and other bond policies issued by the Holding Company

		(Rupees in '000)	
		2024	2023
22.2	**Lease liability**		
	Current	**153,000**	138,985
	Non-current	**579,848**	651,192
		732,848	790,177

	2024			2023		
	Minimum lease Pay-ments	**Financial charges for future periods**	**Principal outstanding**	Minimum lease Payments	Financial charges for future periods	Principal outstanding
Not later than one year	**83,413**	**15,399**	**68,014**	85,845	3,569	82,276
Later than one year and not later than five years	**493,595**	**135,011**	**358,584**	498,614	115,868	382,746
Over five years	**503,486**	**197,236**	**306,250**	560,068	234,913	325,155
	1,080,494	**347,646**	**732,848**	1,144,527	354,350	790,177

22.2.1 This lease liabilities contains the finance cost amounting to Rs. 92.18 million (2023: Rs. 82.67 million)

23 CONTINGENCIES AND COMMITMENTS

The income tax assessment of the Holding Company and its Subsidiary Company has been finalised up to the tax year 2024.

Notes to the Consolidated Financial Statements
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23.1 Holding Company

23.1.1 The Income Tax Department made an assessment order for the assessment years 1999-2000 and 2000-2001 by adding back provisions for the bonus to staff, provision for gratuity and excess management expenses. The Company had filed appeals before the Commissioner, of Inland Revenue (Appeals). The appeals have been decided in the favour of the Income Tax Department. The Company has filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Company a tax liability of Rs. 13 million would arise.

23.1.2 The Income Tax Department (Audit) made an assessment order for the assessment year 2002-2003 by adding certain items. The Company had filed an appeal before the Commissioner of Income Tax (Appeals). The appeal was decided in favour of the Company. The Department had filed an appeal before the Income Tax Appellate Tribunal (ITAT) and the same has been decided in the favour of the Company. The Department has filed an appeal before the High Court of Sindh against the order of the Income Tax Appellate Tribunal (ITAT) in respect of the estimated liability of claims, excess perquisites and retrocession commission. If the appeal is decided against the Company a tax liability of Rs. 76 million would arise.

23.1.3 The Commissioner of Inland Revenue (Audit) amended the tax assessment of the Company for the tax year 2005 to 2007 by disallowing prorated expenses. The Company had filed appeals before the Commissioner of Income Tax (Appeals). The appeals were decided in favour of the Company. The Department then filed appeals before the Income Tax Appellate Tribunal (ITAT). The Income Tax Appellate Tribunal (ITAT) passed an order in favour of the Company. The Department then filed a reference before the High Court of Sindh. The High Court of Sindh maintained the decision of the Income Tax Appellate Tribunal (ITAT). The Department has filed appeals before the Supreme Court of Pakistan against the decision of the High Court of Sindh in respect of proration of expenses and if the appeals are decided against the Company, a tax liability of Rs. 37 million would arise.

23.1.4 The Commissioner Inland Revenue (Audit) amended the tax assessment of the Company for the tax year 2008 by adding capital gain on investment, depreciation on leased assets, admissible expenses, re-insurance premium ceded, provision for leave encashment, amortisation of premium relative to par and provision for outstanding claims (IBNR). The Company filed an appeal before the Commission of Income Tax (Appeals) against the order of the Income Tax Commissioner (Audit). The Appeal was decided in favour of the Company except addition made on account of the reinsurance premium ceded. The Company had filed an appeal before the Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner (Appeals) for maintaining the decision of the Income Tax Commissioner (Audit) with respect to confirming the addition made on account of reinsurance premium ceded. The Income Tax Appellate Tribunal (ITAT) decided the case in favour of the Company. The Department had filed an appeal in the Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner (Appeals) for the deletion of Capital Gain on Investment.

23.1.5 Provision for Leave Encashment, and Depreciation on Leased Asset. The Income Tax Appellate Tribunal (ITAT) decided the case in favour of the Company. The Department has filed appeals before the High Court of Sindh against the decision of the Income Tax Appellate Tribunal (ITAT) in respect of tax on reinsurance premium, deletion of Capital Gain on Investment, Provision for Leave Encashment, and Depreciation on Leased Asset. If the appeals are decided against the Company, a tax liability of Rs. 5,099 million would be payable. The High Court of Sindh has issued orders in favour of the assesses on identical cases.

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23.1.6 The Department has filed an appeal for tax years 2015 to 2016 before the Income Tax Appellate Tribunal (ITAT) against the order of the Commissioner (Appeal) in respect of Dividend Income taxed at the reduced rate. If the appeal is decided against the Company, a tax liability of Rs. 200 million would arise.

23.1.7 The Commissioner of Inland Revenue (Audit) has made an addition to the income of Tax years 2017 and 2019 on account of the fair market value of motor vehicles. The Company has filed appeals before the Commissioner of Income Tax (Appeals). The Commissioner of Income Tax (Appeals) has confirmed the action of the Commissioner, of Inland Revenue (Audit). The Company then filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Company, a tax liability of Rs. 2 million would arise. The Income-tax Appellate Tribunal (ITAT) has issued orders in favour of the Company on this issue in previous years.

23.1.8 The Company filed an appeal with the Commissioner of Inland Revenue (Appeals) challenging the adjustments made by the Commissioner of Inland Revenue (Audit) for the tax year 2022. These adjustments primarily pertained to disallowed expenses which resulted in increase of taxable income and application of super tax under Section 4C of the Income Tax Ordinance 2001, as amended by the Finance Act 2022. The Company deposited the additional tax demand of Rs. 163 million in protest. While the Commissioner of Inland Revenue (Appeals) ruled in favour of the Company by annulling the additions related to expenses, but they upheld the imposition of the super tax. Subsequently, the Company has appealed to the Honourable High Court of Sindh. Notably, the High Court of Sindh has recently issued favourable orders for other taxpayers facing similar cases.

23.1.9 Following the 18th Amendment to the Constitution, the Governments of Sindh, Punjab, and Balochistan introduced the Workers Welfare Fund (WWF) levy through the Sindh WWF Act, 2014, the Punjab Workers Welfare Fund Act, 2019, and the Balochistan Workers Welfare Fund Act, 2022. Notably, the Sindh WWF Act, 2014, was further amended in 2022 to encompass entities under the Shops Act. As a result of this amendment, insurance companies, which were previously exempt, are now required to contribute to the WWF under the provisions of the Sindh WWF Act.

23.1.10 The Sindh Revenue Board (SRB) issued a notice to the company, demanding WWF contributions for the years 2022 and 2023. The Company challenged this notice before the Honorable High Court of Sindh, contending that it operates as a trans-provincial entity across multiple provinces, and therefore, the Act cannot be applied to such companies. As a result, the Court issued an order restraining the SRB from collecting or recovering the WWF in Sindh, subject to the submission of the disputed amount, as stated in the notice, via Pay Order to the Nazir of the Court. The Court further directed that once this amount is deposited, the SRB must maintain the status quo. In compliance with the Court's order, the Company has submitted a Pay Order amounting to Rs. 215 million.

23.1.11 In 2014, 2015, 2016, 2017 and 2018, Searle Company Limited issued bonus shares (453,612, 312,993, 664,632, 472,284 and 443,697 shares, respectively) after withholding 5 percent of bonus shares (22,680, 15,650, 34,981, 24,857 and 21,360 shares respectively). In this regard, a constitutional petition had been filed by the Company in the High Court of Sindh challenging the applicability of withholding tax provision on bonus shares received by the Company. The High Court of Sindh decided the case against the Company. Subsequently, the Company filed an appeal with a larger bench of the High Court of Sindh and in response; the Sindh High Court has suspended the earlier judgement until the next date of hearing, which has not yet been decided. Consequently, the Company has not paid/provided an amount of Rs. 37 million being withholding tax on bonus shares.

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23.2 EFU Life Assurance Limited (subsidiary company) - contingencies

23.2.1 The Income tax return of the Subsidiary Company for tax year 2023 has been filed. In 2013, Income Tax Department imposed an additional tax demand under section 151(1)(d) on account of non-deduction of withholding tax on surrender and maturity amounting to Rs.13.833 million and Rs.15.014 million for Tax Years 2012 and 2013 respectively. The Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) and the same was dismissed. The Subsidiary Company filed second appeal before the Appellate Tribunal against the order of CIT. The Learned Appellate Tribunal Inland revenue had decided the case in Subsidiary Company's favour. Subsequent to it, the department has filed review application against the order in Honourable Court of Sindh. The decision is still pending. The Subsidiary Company expects a favourable decision.

23.2.2 In 2015 and 2016, The Searle Company Limited (Searle) issued bonus shares (76,031 shares and 342,480 shares respectively) after withholding 5 percent of bonus shares (3,802 shares and 17,124 shares respectively) and the IBL Healthcare Limited issued bonus shares (46,625 shares and 80,311 shares respectively) after withholding 5 percent of bonus shares (2,331 shares and 4,016 shares respectively). In this regard, a constitutional petition had been filed by Searle in Sindh High Court challenging the applicability of withholding tax provision on bonus shares received by the Subsidiary Company. The honorable high court decided the case against Searle. Subsequently, Searle filed an appeal with a larger bench of the Sindh High Court and in response the Sindh High Court has suspended the earlier judgment until the next date of hearing, which has not yet been decided. The Subsidiary Company is of the view that the case will be decided in its favour. The amount involved is Rs. 3.279 million.

23.2.3 SRB through notification no. SRB-3-4/17/2021 dated 30th June 2021 has revoked its previous exemption of life insurance, granted through SRB-3-4/5/2019 dated 8th May 2019, which is now taxable at a rate of 3%.

The Subsidiary Company, along with other life insurance industry players, based on the advice of its tax consultants filed petitions in the Honorable High Courts of Lahore and Sindh, challenging the levy of Punjab Sales Tax (PST) and Sindh Sales Tax (SST) on life insurance in Punjab and Sindh. The petitions were filed on the strength of legal advice that:

Substantiating the Subsidiary Company's view that insurance is not a service, but in fact, in sum and substance, a contingent contract under which payment is made on the occurrence of an event, specified in the terms of contract or policy;

A question of constitutionality arose on the levy of provincial sales tax on life insurance, which in their view, was a Federal subject, since the Federation has retained a legislative mandate over all laws relating to insurance under Entry 29 of the said List, therefore, only the Federation is entitled to levy any tax in relation to insurance business; and

Without prejudice to the main contentions as stated above, even otherwise, the legal advisors had expressed a further illegality that there is a critical flaw in the context of the manner in which the entire premium payment has been charged to the levy of provincial sales tax. Even the component of the premium which is to form part of a policyholder's investment account is subjected to the levy.

Later on, in January 2025, the case was decided by honourable Sindh high court, the appex court in the judgement dated 14/01/2025 dismissed the petition on grounds that petition should first seek recourse before the statutory hierarchy.

Notes to the Consolidated Financial Statements

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Furthermore, Khyber Pakhtunkhua Revenue Authority (KPRA) through Khyber Pakhtunkhua Finance Act 2021 has imposed sales tax on life insurance at the rate of 15%, from 1st July 2021, which was previously exempt, for the reason of economic documentation. The matter has been taken up by the IAP with KPRA explaining that 'Insurance' is a Federal subject, hence law in respect of insurance should not be made by the province.

Based on the legal opinion obtained the Subsidiary Company considers that it has a reasonably strong case on the merits in the Constitutional petition and the writ petition filed in the High Courts. In view of the above the Subsidiary Company has not started billing or withholding sales tax to its customers. The amount of sales tax involved is around Rs. 4,680 million (2023: Rs. 3,537 million) computed on the basis of risk based premium excluding the investment amount allocated to unit linked policies. The management contends that in case the administrative efforts fail, the amount will be charged to the policyholders.

23.3 EFU Health Insurance Limited - contingencies

23.3.1 The income tax assessments of the Subsidiary Company have been finalised up to tax year 2007. Subsequent returns up to tax year 2024 have been filed under self-assessment scheme.

23.3.2 The Subsidiary Company has filed an appeal with Income Tax Appellate Tribunal (ITAT) in respect of tax year 2008 against the order of CIR- Appeals for disallowed adjustment of a minimum tax of Rs. 3.78 million. Another order of ACIR received on same ground, the Subsidiary Company filed appeal against the ACIR order on ground that since the appeal against order of CIR- Appeals is still pending before the ITAT, the remand back proceedings may not be finalised.

23.3.3 The Tax department has filed Civil appeals for the tax years 2009 and 2010 before the Honourable Supreme Court of Pakistan, against the decision of the Honourable High Court of Sindh in respect of disallowed proration of expenses, if these appeals are decided against the Subsidiary Company, the additional tax liability is estimated to be Rs. 2.99 million.

23.3.4 The Tax department has filed appeal before the ITAT against the decision of the CIR - Appeals allowing the taxation of Dividend Income on reduce rate and charging of WWF for the tax year 2014 in favour of the Subsidiary Company. The tax impact of the said appeal is estimated to be Rs. 6.19 million.

23.3.5 The Tax department has filed appeals before the Income Appellate Tribunal against the decision of the CIR - Appeals, allowing the taxation of Dividend Income on reduce rate for tax year 2015 in favour of the Subsidiary Company. The tax impact of the said appeal is estimated to be Rs. 2.75 million.

23.3.6 The Subsidiary Company has filed an appeal before the ITAT against the decision of the CIR - Appeals, disallowing the levy of SWWF and the tax department has filed an appeal before the ITAT against the decision of CIR-Appeals allowing taxation of Dividend Income on normal tax rate for tax year 2016. The additional tax impact of the said appeals is estimated to be Rs. 4.37 million.

23.3.7 The Subsidiary Company has filed an appeal with ITAT related to Tax year 2017 in respect of fair market value confirmed by the CIR - Appeals for disposal of fixed assets by the Subsidiary Company. Furthermore the tax department has also filed appeal with ITAT against the decision of the CIR - Appeals related to commission expense and provision for compensated absence allowed in favour of the Subsidiary Company. The additional tax impact of the said appeals is estimated to Rs. 0.52 million.

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23.3.8 Under the Sindh Sales Tax Act, 2011, Sindh sales tax (SST) is payable on premium on corporate health insurance policies written in the province of Sindh. However, the Sindh Revenue Board (SRB) vide its first notification SRB-3-4/5/2019 dated 8 May 2019 has exempted SST for the period from 1 July 2016 to 30 June 2019. SRB maintained this exemption via various notifications till June 2023.

23.3.9 With effect from July 1, 2023, the Sindh Revenue Board (SRB), not extended the exemption on health insurance.

This being a collective issue of the industry, the Insurance Association of Pakistan (IAP) had taken up the matter with the Sindh Revenue Board (SRB) for restoration of the exemptions that were not extended. The management of the Subsidiary Company sought a legal opinion from their legal advisors, who confirmed the Subsidiary Company's contention that health insurance is not a service, but infact, an underwriter's promise to pay to its policyholders in the future, as is also clearly defined in the definition of the term "insurance" under the Insurance Ordinance, 2000. Such contention of the Subsidiary Company and the insurance industry has also been upheld in the superior courts of foreign jurisdiction, where, in a majority of jurisdictions it has been widely held that insurance is not a service. The insurance industry at the IAP forum has decided to challenge the matter and a constitutional petition has been filed at the Honourable Sindh High Court.

In view of the above, the Subsidiary Company is not charging sales tax on the policies written in the province of Sindh, nor has recognized the liability for SST in the financial statement. The amount involved as of 31 December 2024, Rs. 541.41 million.

23.3.10 With effect from November 1, 2018, the Punjab Revenue Authority (PRA), withdrew the exemption on health insurance.

This being a collective issue of the industry, the Insurance Association of Pakistan (IAP) had taken up the matter with the Punjab Revenue Authority (PRA) for restoration of the exemptions that were withdrawn. The management of the Subsidiary Company sought a legal opinion from their legal advisors, who confirmed the Subsidiary Company's contention that health insurance is not a service, but infact, an underwriter's promise to pay to its policyholders in the future, as is also clearly defined in the definition of the term "insurance" under the Insurance Ordinance, 2000. Such contention of the Subsidiary Company and the insurance industry has also been upheld in the superior courts of foreign jurisdiction, where, in a majority of jurisdictions it has been widely held that insurance is not a service.

Based on the above contentions, the Subsidiary Company and other insurance companies have challenged the levy of Punjab Sales Tax (PST) on health insurance in the Honourable Lahore High Court (LHC) in the month of September 2019. The Honourable Lahore High Court, in their order dated 3 October 2019, has granted a stay to the Subsidiary Company and all petitioners against any coercive measures for recovery by the PRA. The hearing of the petition is currently in progress. In view of the pending adjudication, the Subsidiary Company, has not charged PST to its clients, nor recognised the contingent amount of PST liability in these financial statements as the management is confident that the final outcome will be in favor of the Subsidiary Company.

Furthermore, PRA vide its notification SO(Tax) 1-110/2020 (Covid-19) dated 2 April 2020 exempted PST on health insurance for the period from April 2 2020 till 30 June 2020.

In view of the above, the Subsidiary Company is not charging sales tax on the policies written in the province of Punjab, nor recognised the liability for PST in the financial statement. The amount involved as of 31 December 2024, except for the exempt period, amounts to Rs. 1,017.8 million.

Notes to the Consolidated Financial Statements
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23.4 Bank guarantees amounting to Rs. 47.82 million have been given in respect of Group Life coverage. These bank guarantees will expire on 30 September 2025.

	2024	2023
	(Rupees in '000)	
24 NET INSURANCE PREMIUM		
Written gross premium	**79,525,693**	75,873,270
Unearned premium reserve - opening	**19,546,386**	14,167,219
Unearned premium reserve - closing	**(18,315,194)**	(19,546,386)
Premium earned	**80,756,885**	70,494,103
Less:		
Reinsurance premium ceded	**25,034,980**	25,734,104
Prepaid reinsurance premium - opening	**12,479,228**	8,489,684
Prepaid reinsurance premium - closing	**(10,661,140)**	(12,479,228)
Reinsurance expense	**26,853,068**	21,744,560
	53,903,817	48,749,543
25 NET INSURANCE CLAIM EXPENSE		
Claims Paid	**51,502,495**	40,659,686
Outstanding claims including IBNR - closing	**13,029,997**	10,774,706
Outstanding claims including IBNR - opening	**(10,774,706)**	(10,368,176)
Claim expense	**53,757,786**	41,066,216
Less:		
Reinsurance and other recoveries received	**5,229,629**	3,315,483
Reinsurance and other recoveries in respect of outstanding claims - opening	**(7,009,843)**	(6,503,793)
Reinsurance and other recoveries in respect of outstanding claims - closing	**8,596,247**	7,009,843
Reinsurance and other recoveries revenue	**6,816,033**	3,821,533
	46,941,753	37,244,683

25.1 Claim development

The Holding Company maintains adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year.

Claims which involve litigation and, in the case of marine, general average adjustments take longer for the final amounts to be determined which exceed one year. All amounts are presented in gross numbers before reinsurance. Claims of last five years are given below:

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(Rupees in '000)

Accident year	2020 and prior	2021	2022	2023	2024 (Including IBNR)	Total
Estimate of ultimate claims costs:						
– At end of accident year	15,258,967	8,542,972	11,712,189	9,160,636	9,949,830	-
– One year later	12,095,356	7,306,943	10,943,965	9,695,478	-	-
– Two years later	10,591,936	7,271,492	11,038,319	-	-	-
– Three years later	10,041,524	7,160,504	-	-	-	-
– Four years later	10,110,981	-	-	-	-	-
Current estimate of cumulative claims	**10,110,981**	**7,160,504**	**11,038,319**	**9,695,478**	**9,949,830**	**47,955,112**
Cumulative payments to date	**8,547,742**	**6,323,614**	**9,331,339**	**7,130,561**	**3,591,859**	**34,925,115**
Liability recognised in statement of financial position	**1,563,239**	**836,890**	**1,706,980**	**2,564,917**	**6,357,971**	**13,029,997**

25.2 For Subsidiary Company's investment linked, conventional and accidental and health business, claim experience over the past 5 years indicates that claims reported after the end of the year in which the claim event occurred were less than 10% threshold therefore, the claim development table for all statutory funds is not disclosed.

25.3 For Subsidiary Company's individual family takaful, claim experience over the past 5 years indicates that claims reported after the end of the year in which the claim event occurred were less than 10% threshold therefore the claim development table is not disclosed.

25.4 Statement of Age wise Break up of Unclaimed Insurance Benefits as on 31 December 2024:

This represents outstanding claims in respect of which cheques have been issued by the Subsidiary Company for claim settlement. However, the same have not been encashed by the claimant. Following is the aging as required by the SECP Circular no.11 of 2014 dated 19 May 2014:

(Rupees in '000)

Particulars	Tot al Amount	1 to 6 months	7 to 12 months	13 to 24 months	25 to 35 months	Beyond 36 months
Unclaimed maturity benefits	**1,834,838**	867,931	397,759	293,565	116,320	159,263
Unclaimed death benefits	**-**	-	-	-	-	-
Unclaimed disability benefits	**-**	-	-	-	-	-
Claims not enchashed	**46,457**	-	-	4,819	7,193	34,445
Other unclaimed benefits	**-**	-	-	-	-	-
Total	**1,881,295**	867,931	397,759	298,384	123,513	193,708

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26 NET COMMISSION EXPENSE / ACQUISITION COST

	Note	2024	2023
		(Rupees in '000)	
Commission paid or payable		9,134,959	8,892,745
Deferred commission expense - opening		1,491,266	1,111,775
Deferred commission expense - closing		(1,510,828)	(1,491,266)
Net commission		9,115,397	8,513,254
Less:			
Commission received or recoverable		662,223	581,101
Unearned reinsurance commission - opening		302,821	201,585
Unearned reinsurance commission - closing		(329,486)	(302,821)
Commission from reinsurers		635,558	479,865
Other acquisition cost		1,882,167	1,301,394
		10,362,006	9,334,783

27 MANAGEMENT EXPENSES

	Note	2024	2023
Salaries, wages and benefits	27.1	4,153,375	3,608,242
Bonus		180,948	155,348
Gratuity		27,685	30,195
Rent, rates and taxes		25,080	19,093
Telephone		26,661	23,981
Postage and telegram		130,381	127,036
Gas, electricity and fuel		218,617	185,050
Printing and stationery		140,176	176,341
Travelling, club and entertainment		373,299	300,936
Depreciation / amortisation		1,555,195	1,201,775
Repair and maintenance		519,605	732,495
Publicity		133,911	116,555
Bank charges and commission		45,527	30,747
Tracker monitoring		68,407	95,801
Bad debts		13,824	15,807
Annual supervision fee of SECP		240,139	108,863
Insurance		5,940	5,498
Levy to IAP		2,000	2,000
Conveyance		18,215	18,140
Legal and professional charges - business related		73,855	60,365
Appointed actuary fees		23,633	21,017
Fees and subscription		199,721	179,102
Miscellaneous		227,945	141,640
		8,404,139	7,356,027

27.1 This include Rs. 39.12 million (2023: Rs. 35.47 million) being contribution for employees' provident fund by the Holding Company

Notes to the Consolidated Financial Statements
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28 INVESTMENT INCOME

	2024	2023
	(Rupees in '000)	
Income from equity securities		
Available-for-sale - dividend income	549,758	427,516
Held-for-trading - dividend income	3,376,435	2,578,630
Income from debt securities		
Available-for-sale - return on debt securities	2,071,234	1,672,027
Held-to-maturity		
On government securities	2,173,327	1,127,121
Return on debt securities	339,700	228,802
Held-for-trading		
Return on debt securities	2,330,948	2,873,840
On government securities	29,488,574	23,984,809
Income from term deposits		
Held-to-maturity - Return on term deposits	1,081,302	2,019,233
	41,411,278	34,911,978
Net realised gains / (losses) on investments		
Available-for-sale		
Realised gains on - equity securities	-	87,737
Realised losses on:		
Equity securities	(15,040)	
Debt securities	(50,498)	-
Net unrealised (losses) / gains on investments	(65,538)	87,737
(Impairment) / reversal in value of available-for-sale equity securities	(21,721)	41,719
Investment related expenses	-	(818)
	41,324,019	35,040,616

29 NET REALISED FAIR VALUE GAINS ON FINANCIAL ASSETS

	2024	2023
Realised gain on:		
Equity securities	1,867,644	271,209
Government securities	16,847	46,704
Realised losses on:		
Equity securities	(143)	(15,466)
Government securities	(273,116)	(13,367)
	1,611,232	289,080

Notes to the Consolidated Financial Statements
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30 NET FAIR VALUE GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(Rupees in '000)

	Note	2024	2023
Net unrealised gains on investments in financial assets - government securities and debt securities (designated upon initial recognition)		3,140,189	967,735
Net unrealised gains on investments at fair value through profit or loss - equity securities (designated upon initial recognition)		17,981,050	5,076,407
Net unrealised gains on investment - held-for-trading		1,241	-
Total investment income		21,122,480	6,044,142
Exchange gain		5,535	70,990
Impairment in value of available-for-sale securities		(20,645)	(165,522)
Investment related expenses		(2,456)	(157)
		21,104,914	5,949,453

31 RENTAL INCOME

	Note	2024	2023
Rental income		218,951	204,823
Less: Expenses of investment property		(90,050)	(79,534)
		128,901	125,289

32 OTHER INCOME

	Note	2024	2023
Gain on sale of investment property		-	6,945
Gain on sale of property and equipment		311,755	314,993
Return on loans to employees		30,663	29,678
Exchange difference		(1,604)	7,196
Return on bank balances		498,433	395,633
Gain on early termination of lease agreements		34,225	21,377
Fees charged to Policyholders		21,745	20,604
Security deposit written off		(439)	171,528
Others		2,559	35
		897,337	967,989

33 OTHER EXPENSES

	Note	2024	2023
Legal and professional fee		27,421	19,747
Auditors' remuneration	33.1	32,502	23,603
Subscription to association		34,083	39,244
Charity and donations	33.2	44,992	29,218
Printing and Stationery		-	321
Advertisements and publicity		509	2,836
Director's fees		14,650	12,300
Workers' welfare fund		212,521	274,992
Others		1,423	819
		368,101	403,080

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(Rupees in '000)

33.1 Auditors' remuneration

	Note	2024	2023
Audit fee	33.1.1	11,875	8,588
Special certifications and sundry advisory services		17,707	12,037
Out-of-pocket expenses		2,920	2,978
		32,502	23,603

33.1.1 The Group's auditor for the current year is KPMG Taseer Hadi & Co., whereas, in the previous year, the Group was audited by EY Ford Rhodes. The base audit fee, excluding other services, amounts to Rs. 11.87 million for the year (2023: Rs. 8.59 million).

33.2 Charity and donations

33.2.1 Charity and donations include the following in whom the directors are interested:

(Rupees in '000)

Name of director	Interest in donee	Name and address of donee	2024	2023
Saifuddin N. Zoomkawala	Board member	SIUT Civil Hospital New Labour Colony Nanakwara, Karachi	2,945	5,700
Saifuddin N. Zoomkawala	Board member	Fakhr-e-Imdad Foundation Mirpurkhas Digri Road, Mirwah Gorchani, Mirpurkhas	500	500
Hasanali Abdullah	Board member	The Aga Khan Hospital and Medical College Foundation Stadium Road, Karachi	2,250	1,250
Hasanali Abdullah	Board member	Aga Khan University	2500	-
Syed Salman Rashid	Spouse (Trustee)	Anjuman Kashana -E- Atfal-O-Naunihal	100	-
Ruhail Muhammad	Board member	Network of Organizations Working for People With Disabilities Pakistan (NOWPDP)	1,025	1,000

33.2.2 Donations to a single party exceeding Rs. 500,000

(Rupees in '000)

Name of donee	2024	2023
Citizens Foundation	6,955	500
Layton Rehmatullah Benevolant Trust	5,906	2,518
Family Educational Services Foundation	2,590	1,418
Edhi Foundation	2,157	-
Afzaal Memorial Thalassemia Foundation	1,500	1,500

(Rupees in '000)

	2024	2023
Name of donee		
Bait ul Sukoon Cancer Hospital	500	500
Friends of Pink Ribbon (Women's Empowerment Group)	500	500
Hunar Foundation	500	100
Memon Medical Institute	500	1,000
SAARC Chamber of Commerce and Industry	500	950
The Patients Behbud Society for AKUH	500	500
The Patient's Aid Foundation	500	500
Asghari Memorial High School	-	600
Akhuwat	-	2,150
	22,608	12,736

34 PROFIT FROM WINDOW TAKAFUL OPERATIONS - GENERAL OPERATOR'S FUND

	2024	2023
Wakala fee	1,141,949	1,164,096
Commission expense	(355,222)	(348,196)
General, administrative and management expenses	(474,058)	(420,006)
Modarib's share of PTF on investment income	134,361	108,203
Investment income	208,719	202,284
Direct expenses	(14,693)	(23,185)
Other income	13,445	13,172
	654,501	696,368

35 TAXATION

	2024	2023 (Restated)
For current year		
Current	3,242,432	3,210,256
Deferred	(515,259)	219,855
Super tax	1,119,537	338,057
	3,846,710	3,768,168
For prior year(s)		
Prior year tax	-	357
Super tax	-	340,999
	-	341,356
	3,846,710	4,109,524

(Rupees in '000)

35.1 Relationship between tax expense and accounting profit

	Effective tax rate (%) 2024	Effective tax rate (%) 2023	2024	2023
Profit before taxation			9,062,829	8,272,010
Tax at the applicable rate	29	29	2,628,220	2,398,883
Tax effects of permanent differences	1	6	98,953	471,331
Tax effects of change in tax rate	-	-	-	32,204
Prior years tax	-	4	-	341,356
Effect of super tax of current year	12	10	1,119,537	865,750
Total tax charged	42	49	3,846,710	4,109,524

35.1.1 The Federal Board of Revenue (FBR) introduced a super tax on high-earning persons under section 4C , effective from Tax Year 2022. As the company's taxable income has exceeded Rs. 500 million in the current year as well as prior year, a super tax of 10% on taxable income has been applied in both years.

36 EARNINGS PER SHARE - BASIC AND DILUTED

	2024	2023 (Restated)
Profit for the year (Rupees in '000)	3,782,662	3,272,752
Weighted average number of ordinary shares (Numbers)	200,000	200,000
Earnings per share (Rupees)	18.91	16.36

37 COMPENSATION OF DIRECTORS AND EXECUTIVE

	2024				2023			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
Fees	-	23,725	-	23,725	-	22,725	-	22,725
Managerial remuneration	140,136	-	1,461,963	1,602,099	72,841	-	1,312,649	1,385,490
Leave encashment	5,700	-	37,741	43,441	3,685	-	32,860	36,545
Bonus	24,971	-	154,822	179,793	15,424	-	136,807	152,231
Retirement benefits	15,651	-	86,994	102,645	6,202	-	76,265	82,467
Utilities	3,778	-	68,519	72,297	2,824	-	52,609	55,433
Medical expenses	1,174	-	43,988	45,162	1,155	-	38,798	39,953
Leave passage	8,088	-	5,737	13,825	5,033	-	8,755	13,788
Total	199,498	23,725	1,859,764	2,082,987	107,164	22,725	1,658,743	1,788,632
Number of persons	2	17	470	9	2	18	405	425

37.1 The Chief Executive Officer of the Holding Company is provided with Company maintained cars, house rent and utilities, residence-furnishing allowance, reimbursement of servants and driver salaries, leave fare assistance, club bills, medical facility, group life cover and health insurance. The Executives are provided with free use of Company cars, medical insurance cover and certain items of household furniture and fixtures in accordance with their entitlements. The Chairman and Vice Chairman are provided with free use of Company maintained cars, furnished accommodations, medical insurance covers, residential utilities and leave fair assistance.

37.2 The Chief Executive Officer of the Subsidiary Company is provided with Company maintained cars, furnished accommodation and medical insurance cover. The Executives are provided with Company maintained cars, medical insurance cover and in certain cases, household items and furniture in accordance with their terms of employment. The Chairman is provided with free use of company car and residential utilities.

The Non-Executive Directors were paid Directors meeting fee of Rs. 23.725 million (2023: Rs. 22.725 million). No other remuneration was paid to Non-Executive Directors.

38 NON-CONTROLLING INTEREST

38.1 Acquisition of Non-controlling interest

During the year, the Group acquired an additional 271,099 shares of EFU Life Assurance Limited and NCI acquired 5,000,000 additional shares of Subsidiary Company as results for fresh issue by Subsidiary Company for acquisition of EFU Health Insurance Company Ltd. Group Holding is diluted from 47.31% to 45.31%.

38.2 Summary of Non-Controlling Interest

(Rupees in '000)

	2024	2023
Opening Balance	4,327,868	4,279,886
Profit for the year	1,482,917	908,258
Acquisition by NCI / Holding Company without change in control	658,105	(83,517)
Dividend distribution	(812,301)	(803,446)
Transfer from surplus on revaluation of property and equipment	22,205	26,687
	5,678,794	4,327,868

39 RELATED PARTY TRANSACTIONS

Related parties comprise of directors, major shareholders, key management personnel, associated companies, subsidiary company, and entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. The transactions and balances with related parties during the period other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

(Rupees in '000)

	2024	2023
Transactions		
Associated companies		
Premium written	334,518	288,953
Premium paid	42,619	68,543
Claims paid	323,403	75,569
Commission paid	181,620	133,404

(Rupees in '000)

	2024	2023
Travelling expenses	18,864	18,432
Donation paid	3,570	6,200
Dividend received	7,090	16,966
Dividend paid	1,374,039	1,341,469
Interest on bank deposits	575,269	1,247,088
Purchase of vehicle	13,378	48,095
Investment sold	13,520,971	2,528,172
Investment brought	549,558	35,507,429
Bank deposit / (withdrawn)	9,969,157	191,589
Key management personnel		
Premium written	1,814	465
Claims paid	-	642
Dividends paid	2,919	13,818
Loan to key employees	18,318	1,507
Loan recovered	34,078	8,200
Compensation	151,457	248,795
Sale of vehicle to director	1,900	7,500
Others		
Premium written	87,659	86,469
Claims paid	21,776	193,867
Dividend paid	685,548	663,257
Dividend received	-	7,556
Brokerage paid	7,661	574
Employees' funds		
Contribution to provident fund	109,697	89,135
Contribution to gratuity fund	31,937	34,459
Contribution to pension fund	60,984	31,628
Dividends paid	4,494	4,494
Balances		
Others		
Balances receivable	90,418	82,235
Balances payable	138,279	3,057,429
Bank deposits	147,429	1,460,733
Bank balances	2,329,020	3,764,629
Employees' funds receivable / (payable)		
EFU gratuity fund	80,936	(44,237)
EFU pension fund	1,680	88,192

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

40 SEGMENT INFORMATION

(Rupees in '000)

Current year	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Aggregate General Insurance	Shareholders' Fund	Statutory Fund	Aggregate Life Assurance	Total
	For the year ended 31 December 2024									
	General Insurance						Life Assurance			
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	31,426,547	5,875,977	4,448,984	2,482,897	-	44,234,405	-	41,656,776	41,656,776	85,891,181
Less: Sales tax	4,047,898	644,107	584,223	326,061	-	5,602,289	-	-	-	5,602,289
Stamp duty	2,541	372,770	4,976	5,788	-	386,075	-	-	-	386,075
Federal insurance fee	269,606	48,101	38,341	21,076	-	377,124	-	-	-	377,124
Gross written premium (inclusive of administrative surcharge)	27,106,502	4,810,999	3,821,444	2,129,972	-	37,868,917	-	41,656,776	41,656,776	79,525,693
Gross direct premium	26,905,759	4,753,380	3,684,617	2,071,418	-	37,415,174	-	41,656,776	41,656,776	79,071,950
Facultative inward premium	169,803	781	-	33,400	-	203,984	-	-	-	203,984
Administrative surcharge	30,940	56,838	136,827	25,154	-	249,759	-	-	-	249,759
Insurance premium earned	28,215,701	4,752,917	4,049,672	2,081,819	-	39,100,109	-	41,656,776	41,656,776	80,756,885
Insurance premium ceded to reinsurers	(21,149,108)	(2,630,148)	(36,853)	(773,651)	-	(24,589,760)	-	(2,263,308)	(2,263,308)	(26,853,068)
Net insurance premium	7,066,593	2,122,769	4,012,819	1,308,168	-	14,510,349	-	39,393,468	39,393,468	53,903,817
Commission income	571,928	21,858	1	41,771	-	635,558	-	-	-	635,558
Net underwriting income	7,638,521	2,144,627	4,012,820	1,349,939	-	15,145,907	-	39,393,468	39,393,468	54,539,375
Insurance claims	(4,884,702)	(3,310,960)	(1,770,658)	(491,613)	-	(10,457,933)	-	(43,299,853)	(43,299,853)	(53,757,786)
Insurance claims recovered from reinsurers	2,172,473	2,460,225	(67)	7,868	-	4,640,499	-	2,175,534	2,175,534	6,816,033
Net claims	(2,712,229)	(850,735)	(1,770,725)	(483,745)	-	(5,817,434)	-	(41,124,319)	(41,124,319)	(46,941,753)
Commission expense	(2,255,116)	(374,836)	(383,257)	(191,681)	-	(3,204,890)	-	(7,792,674)	(7,792,674)	(10,997,564)
Management expenses	(1,785,179)	(542,088)	(1,051,031)	(354,131)	-	(3,732,429)	-	(4,671,710)	(4,671,710)	(8,404,139)
Net insurance claims and expenses	(6,752,524)	(1,767,659)	(3,205,013)	(1,029,557)	-	(12,754,753)	-	(53,588,703)	(53,588,703)	(66,343,456)
Underwriting result	885,997	376,968	807,807	320,382	-	2,391,154		(14,195,235)	(14,195,235)	(11,804,081)
Net investment income						2,417,658		38,906,361	38,906,361	41,324,019
Net realised fair value gains on financial assets						159,048	-	1,452,184	1,452,184	1,611,232
Net fair value gain on financial assets at fair value through profit or loss						1,241	-	21,103,673	21,103,673	21,104,914
Rental income						128,901	-	-	-	128,901
Other income						584,456	-	312,881	312,881	897,337
Change in fair value of investment property						269,721	-	-	-	269,721
Impairment of goodwill						(1,689,850)	-	-	-	(1,689,850)
Other expense						(210,148)	-	(157,953)	(157,953)	(368,101)
Net change in Insurance Liabilities (Other than outstanding Claims)						-	-	(42,973,584)	(42,973,584)	(42,973,584)
Finance cost						(17,985)	-	(74,195)	(74,195)	(92,180)
Profit before tax from general takaful operations - OPF						654,501	-	-	-	654,501
Profit before tax						4,688,697	-	4,374,132	4,374,132	9,062,829

Current year	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Aggregate General Insurance	Shareholders' Fund	Statutory Fund	Aggregate Life Assurance	Total
	For the year ended 31 December 2024									
	General Insurance						Life Assurance			
Corporate segment assets - conventional	21,262,287	5,491,473	643,712	1,128,100	-	28,525,572	-	254,924,055	254,924,055	283,449,627
Corporate segment assets - Takaful OPF	256,800	32,739	374,628	24,302	-	688,469	-	-	-	688,469
Corporate unallocated assets - conventional	-	-	-	-	-	36,307,892	7,387,533	-	7,387,533	43,695,425
Corporate unallocated assets - Takaful OPF	-	-	-	-	-	1,515,085	-	-	-	1,515,085
Consolidated total assets	21,519,087	5,524,212	1,018,340	1,152,402	-	67,037,018	7,387,533	254,924,055	262,311,588	329,348,606
Corporate segment liabilities	28,614,238	6,819,040	2,700,352	3,650,037	-	41,783,667	-	248,300,976	248,300,976	290,084,643
Corporate segment liabilities - Takaful OPF	250,313	24,731	358,447	90,875	-	724,366	-	-	-	724,366
Corporate unallocated liabilities	-	-	-	-	-	4,635,974	2,897,002	-	2,897,002	7,532,976
Corporate unallocated liabilities - Takaful OPF	-	-	-	-	-	54,922	-	-	-	54,922
Consolidated total liabilities	28,864,551	6,843,771	3,058,799	3,740,912	-	47,198,929	2,897,002	248,300,976	251,197,978	298,396,907

Location	External premium less reinsurance by geographical segments 2024
Pakistan	53,883,116
* EPZ	20,701
Total	53,903,817

*This represents US Dollar equivalent in Pak Rupees.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

(Rupees in '000)

Prior year	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Aggregate General Insurance	Shareholders' Fund	Statutory Fund	Aggregate Life Assurance	Total
	For the year ended 31 December 2023									
	General Insurance						Life Assurance			
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	31,492,106	5,755,400	4,704,045	2,332,829	-	44,284,380	-	37,453,602	37,453,602	81,737,982
Less: Sales tax	3,791,799	616,588	584,202	286,583	-	5,279,172	-	-	-	5,279,172
Stamp duty	449	198,529	1,161	1,022	-	201,161	-	-	-	201,161
Federal insurance fee	274,445	48,905	40,864	20,165	-	384,379	-	-	-	384,379
Gross written premium (inclusive of administrative surcharge)	27,425,413	4,891,378	4,077,818	2,025,059	-	38,419,668	-	37,453,602	37,453,602	75,873,270
Gross direct premium	27,390,213	4,834,941	3,911,466	1,995,482	-	38,132,102	-	37,453,602	37,453,602	75,585,704
Facultative inward premium	1,012	827	-	13,123	-	14,962	-	-	-	14,962
Administrative surcharge	34,188	55,610	166,352	16,454	-	272,604	-	-	-	272,604
Insurance premium earned	22,877,595	4,376,503	3,913,444	1,872,959	-	33,040,501	-	37,453,602	37,453,602	70,494,103
Insurance premium ceded to reinsurers	(17,576,004)	(2,391,706)	(38,217)	(675,342)	-	(20,681,269)	-	(1,063,291)	(1,063,291)	(21,744,560)
Net insurance premium	5,301,591	1,984,797	3,875,227	1,197,617	-	12,359,232	-	36,390,311	36,390,311	48,749,543
Commission income	407,546	24,539	29	47,751	-	479,865	-	-	-	479,865
Net underwriting income	5,709,137	2,009,336	3,875,256	1,245,368	-	12,839,097	-	36,390,311	36,390,311	49,229,408
Insurance claims	(4,880,234)	(887,220)	(1,804,919)	(643,760)	-	(8,216,133)	-	(32,850,083)	(32,850,083)	(41,066,216)
Insurance claims recovered from reinsurers	2,880,623	173,465	(1,231)	40,388	-	3,093,245	-	728,288	728,288	3,821,533
Net claims	(1,999,611)	(713,755)	(1,806,150)	(603,372)	-	(5,122,888)	-	(32,121,795)	(32,121,795)	(37,244,683)
Commission expense	(1,728,145)	(345,421)	(376,474)	(156,155)	-	(2,606,195)	-	(7,208,453)	(7,208,453)	(9,814,648)
Management expenses	(1,493,833)	(537,404)	(1,103,094)	(343,255)	-	(3,477,586)	-	(3,878,441)	(3,878,441)	(7,356,027)
Net insurance claims and expenses	(5,221,589)	(1,596,580)	(3,285,718)	(1,102,782)	-	(11,206,669)	-	(43,208,689)	(43,208,689)	(54,415,358)
Underwriting result	487,548	412,756	589,538	142,586	-	1,632,428	-	(6,818,378)	(6,818,378)	(5,185,950)
Net investment income						2,143,588	-	32,897,028	32,897,028	35,040,616
Net realised fair value gains on financial assets						-	-	289,080	289,080	289,080
Net fair value gain on financial assets at fair value through profit or loss						-	-	5,949,453	5,949,453	5,949,453
Rental income						125,289	-	-	-	125,289
Other income						677,978	-	290,011	290,011	967,989
Change in fair value of investment property						170,178	-	-	-	170,178
Impairment of goodwill						(363,191)	-	-	-	(363,191)
Other expense						(236,050)	-	(167,030)	(167,030)	(403,080)
Finance cost						(12,045)		(70,620)	(70,620)	(82,665)
Net change in Insurance Liabilities (Other than outstanding Claims)						-	-	(28,932,077)	(28,932,077)	(28,932,077)
Profit before tax from general takaful operations - OPF						696,368	-	-	-	696,368
Profit before tax						4,834,543	-	3,437,467	3,437,467	8,272,010

Prior year	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Aggregate General Insurance	Shareholders' Fund	Statutory Fund	Aggregate Life Assurance	Total
	For the year ended 31 December 2023									
	General Insurance						Life Assurance			
Corporate segment assets - conventional	25,108,230	2,885,056	673,900	1,075,972	-	29,743,158	-	208,412,507	208,412,507	238,155,665
Corporate segment assets - Takaful OPF	223,056	24,064	335,880	18,336	-	601,336	-	-	-	601,336
Corporate unallocated assets - conventional	-	-	-	-	-	30,988,327	5,296,278	-	5,296,278	36,284,605
Corporate unallocated assets - Takaful OPF	-	-	-	-	-	1,120,091		-	-	1,120,091
Consolidated total assets	25,331,286	2,909,102	1,009,780	1,094,308	-	62,452,912	5,296,278	208,412,507	213,708,785	276,161,697
Corporate segment liabilities	31,538,645	4,289,178	2,900,614	3,817,284	-	42,545,721		201,781,377	201,781,377	244,327,098
Corporate segment liabilities - Takaful OPF	216,735	20,561	381,824	34,395	-	653,515	-	-	-	653,515
Corporate unallocated liabilities	-	-	-	-	-	2,816,976	2,661,834	-	2,661,834	5,478,810
Corporate unallocated liabilities - Takaful OPF	-	-	-	-	-	57,890			-	57,890
Consolidated total liabilities	31,755,380	4,309,739	3,282,438	3,851,679	-	46,074,102	2,661,834	201,781,377	204,443,211	250,517,313

Location	External premium less reinsurance by geographical segments 2023
Pakistan	48,720,998
* EPZ	28,545
Total	48,749,543

* This represents US Dollar Equivalent in Pak Rupees

41 SEGMENTAL INFORMATION - Subsidiary Company as per their separate books of accounts

(Rupees in '000)

	31 December 2024								
	Statutory Funds								Aggregate
Income	Investment Linked Business	Conventional Business	Participating business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Family Takaful Accidental and Health	31 December 2024
Premium / contribution less reinsurance / retakaful	23,707,785	5,057,102	28,366	330	1,667,130	7,928,856	800,964	194,581	39,385,114
Policy transfer from other statutory funds	-	-	-	-	-	23,291	-	-	23,291
Special reinstatement fee	-	-	-	-	2,465	56	-	38	2,559
Bonus units transferred to statutory fund	-	-	-	-	-	221,539	-	-	221,539
Net investment income / wakala income	52,141,024	1,033,061	251	7,524	233,268	8,736,285	432,492	16,587	62,600,492
Total net income	75,848,809	6,090,163	28,617	7,854	1,902,863	16,910,027	1,233,456	211,206	102,232,995
Insurance benefits and expenditures									
Claims net of reinsurance recoveries	32,385,545	2,190,850	-	4,005	1,977,739	4,065,672	285,831	183,247	41,092,889
Policy transfer from other statutory funds	23,291	-	-	-	-	-	-	-	23,291
Bonus units transfer to statutory fund	-	-	-	-	-	221,539	-	-	221,539
Other Expenses								202	202
Provision for Doubtful debts	-	16,581	-	-	-	-	1,142	-	17,723
Management expenses less recoveries	6,490,736	1,845,786	25,849	3	437,047	3,711,245	789,871	41,928	13,342,465
Total insurance benefits and expenditures	38,899,572	4,053,217	25,849	4,008	2,414,786	7,998,456	1,076,844	225,377	54,698,109
Excess of income over insurance benefits and expenditures	36,949,237	2,036,946	2,768	3,846	(511,923)	8,911,571	156,612	(14,171)	47,534,886
Net change in insurance liabilities (other than outstanding claims)	(33,384,268)	(834,574)	(2,515)	(3,165)	371,041	(8,848,729)	(86,414)	(18,658)	(42,807,282)
Surplus before tax	3,564,969	1,202,372	253	681	(140,882)	62,842	70,198	(32,829)	4,727,604
Movement in policyholders' liabilities	33,384,268	834,574	2,515	3,165	(371,041)	8,848,729	86,414	18,658	42,807,282
Transfer to and from shareholder's fund									
Transfer of surplus to shareholders' fund	(3,223,853)	(722,948)	-	(673)	-	-	-	(26,995)	(3,974,469)
Capital contribution from share holders' fund	-	-		-	430,742	97,253	45,486	48,000	621,481
Net transfer to / from shareholders' fund	(3,223,853)	(722,948)	-	(673)	430,742	97,253	45,486	21,005	(3,352,988)
Balance of statutory funds at beginning of the year	166,571,007	4,003,729	-	22,350	1,667,663	23,787,877	377,136	128,061	196,557,823
Balance of statutory funds at end of the year	200,296,391	5,317,727	2,768	25,523	1,586,482	32,796,701	579,234	134,895	240,739,721

	31 December 2023								
	Statutory Funds								Aggregate
Income	Investment Linked Business	Conventional Business	Participating business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Family Takaful Accidental and Health	31 December 2023
Premium / contribution less reinsurances / retakaful	24,772,772	3,477,509	-	355	271	7,627,261	515,080	-	36,393,248
Policy transfer from other statutory funds	-	-	-	-	-	10,597	-	-	10,597
Special reinstatement fee	-	-		-	-	35	-	-	35
Bonus units transferred to statutory funds	-	-	-	-	-	178,315	-	-	178,315
Net investment income	33,864,724	734,389	-	5,506	587	5,111,576	220,124	-	39,936,906
Total net income	58,637,496	4,211,898	-	5,861	858	12,927,784	735,204	-	76,519,101
Insurance benefits and expenditures									
Claims net of reinsurance recoveries	27,511,763	1,816,439	-	524	240	2,536,390	237,233	-	32,102,589
Policy transfer from other statutory funds	10,219	-	-	-	-	-	-	-	10,219
Bonus units transferred to statutory funds	-	-	-	-	-	178,315	-	-	178,315
Provision for Doubtful debts	-	13,454	-	-	-	-	1,819	-	15,273
Management expenses less recoveries	6,616,020	1,105,585	-	16	518	3,586,216	298,523	-	11,606,878
Total insurance benefits and expenditures	34,138,002	2,935,478		540	758	6,300,921	537,575	-	43,913,274
Excess of income over insurance benefits and expenditures	24,499,494	1,276,420	-	5,321	100	6,626,863	197,629	-	32,605,827
Net change in insurance liabilities (other than outstanding claims)	(21,645,919)	(313,741)	-	(4,742)	203	(6,706,583)	(81,091)	-	(28,751,873)
Surplus / (deficit) before tax	2,853,575	962,679	-	579	303	(79,720)	116,538	-	3,853,954
Movement in policyholders' liabilities	21,645,919	313,741	-	4,742	(203)	6,706,583	81,091	-	28,751,873
Transfer to and from shareholder's fund									
Transfer of surplus to shareholders' fund	(2,669,073)	(422,234)	-	(463)	(353)	-	(49,975)	-	(3,142,098)
Capital contribution from shareholders' fund	-	-		-	-	245,354	-	-	245,354
Net transfer to / from shareholders' fund	(2,669,073)	(422,234)	-	(463)	(353)	245,354	(49,975)	-	(2,896,744)
Balance of statutory funds at beginning of the year	144,740,586	3,149,543	-	17,492	631	16,915,660	229,482	-	165,053,394
Balance of statutory funds at end of the year	166,571,007	4,003,729	-	22,350	378	23,787,877	377,136	-	194,762,477

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42 MOVEMENT IN INVESTMENT

(Rupees in '000)

Name of investment	Held-to-maturity	Available-for-sale	Held-for-trading	Total
At beginning of previous year	18,464,015	18,550,343	142,812,518	179,826,876
Additions	86,485,759	15,513,829	249,896,075	351,895,663
Disposals (sale and redemptions)	(90,529,807)	(12,900,455)	(226,401,904)	(329,832,166)
Fair value net gains / (losses) (excluding net realised gains / (losses))	-	1,126,631	9,374,092	10,500,723
Impairment losses	-	68,106	(150,000)	(81,894)
At beginning of current year	14,419,967	22,358,454	175,530,781	212,309,202
Additions	10,660,076	23,924,705	196,494,063	231,078,844
Disposals (sale and redemptions)	(14,463,897)	(20,280,950)	(167,541,059)	(202,285,906)
Fair value net gains (excluding net realised gains / (losses))	4,628	3,641,511	21,968,367	25,614,506
Impairment (losses) / gains	-	(42,366)	-	(42,366)
At end of current year	10,620,774	29,601,354	226,452,152	266,674,280

43 Management of insurance and financial risk

43.1 Insurance risk

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

The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy aims to minimise insurance risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits.

The Holding Company underwrites mainly property, motor, marine cargo and transportation and other miscellaneous business. These classes of insurance are generally regarded as short-term insurance contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate insurance risk.

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

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

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

The subsidiary company currently issues contracts that are classified as insurance and takaful contracts as they transfer significant insurance risk (against death, disability and sickness) from the policyholder to the company. In the past the company has issued contracts where the insurance risk transferred is insignificant, these therefore being classified as investment contracts. All contracts which include an investment element being unit-linked contracts linked to internal mutual funds.

The Subsidiary Company classifies its business into Individual Life and Group Life businesses, in both cases the form of contract consisting of main plans and supplementary riders (which are generally optional).

Individual life business mainly consists of unit linked products and conventional protection products, in both cases with optional supplementary riders which generally provide protection only. Group Life business consists primarily of protection products and a relatively small number of unit-linked policies.

The Subsidiary Company also manages its geographical concentration of risk. Currently the Subsidiary Company's geographical concentration of risk for its Individual Life sales force business is as follows:

Individual Conventional Business:

	Diversification of Risk Portfolio	
	Before reinsurance	After reinsurance
Azad Kashmir	3%	3%
Balochistan	5%	6%
Gilgit Baltistan	2%	2%
Khyber Pakhtunkhwa	1%	1%
Punjab	39%	38%
Sindh	51%	48%

Individual family takaful business:

	Diversification of Risk Portfolio	
	Before reinsurance	After reinsurance
Azad Kashmir	2%	3%
Balochistan	1%	1%
Gilgit Baltistan	0%	0%
Khyber Pakhtunkhwa	1%	2%
Punjab	42%	46%
Sindh	54%	48%

For Group Life business, the Subsidiary Company's geographical concentration of risk is as follows:

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	Diversification of Risk Portfolio	
	Before reinsurance	After reinsurance
Conventional Business		
Sindh	72%	77%
Punjab	28%	23%
Group family Takaful Business		
Punjab	75%	66%
Sindh	25%	34%

The Subsidiary Company also has reinsurance arrangements with its reinsurance partners, to whom the Subsidiary Company passes any excess insurance risk beyond its retention levels. Limits are continually monitored and kept in line with the overall risk tolerance. This allows the Subsidiary Company to retain the risk according to its risk capacity and minimizes excessive claim payouts. Currently, the total risk retained on individual life products is Rs. 2,000,000 per life for the death risk, Rs.1,000,000 for individual takaful policies and Rs. 1,000,000 for risks associated with critical illness plans. For Group Life, the Subsidiary Company currently retains Rs. 2,000,000 of total life risk on each life and Rs. 1,000,000 for Group Family Takaful business. For critical life cover, 50% of the sum covered is retained for both, Group Life and Group Family Takaful business.

43.1.1 Frequency and severity of claims

Holding Company

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

The Holding Company monitors concentration of insurance risks primarily by class of business. The table below sets out the concentration of the claims and premium liabilities by class of business at consolidated financial statements date.

The Holding Company also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighbouring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk.

The Holding Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Holding Company.

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

	(Rupees in '000)	
	2024	2023
Fire and property damage	**509,435,681**	638,996,000
Marine, aviation and transport	**243,111**	253,605,000
Motor	**106,015**	106,015
Miscellaneous	**90,649,520**	9,339,672

Since the Holding Company operates in Pakistan only, hence, all the insurance risks relate to policies written in Pakistan

Subsidiary Company

Frequency and severity can have a significant impact on total claims paid out by the Subsidiary Company. High frequency of claims could occur due to adverse experience of mortality or disability. Adverse mortality experience, in short-term, could be due to a wide-range spread of fatal contagious disease, an epidemic. Over a longer term, overall health practices, eating and living habits could potentially have an adverse effect on mortality.

About 90% of Subsidiary Company's business is concentrated in the provinces of Sindh and Punjab. This concentration is largely in line with the population of these provinces relative to country's total population. The Subsidiary Company's diversified portfolio of contracts helps limit the frequency and severity of claims. However, in event of large number of deaths or disabilities, Subsidiary Company does face the risk of paying out excessive claims. To manage and mitigate this exposure, arrangements in form of reinsurance and catastrophe cover are in place.

In Group life business, frequency and severity of claims can be affected by concentration of business in a specifically risky class of industry. Claim frequency can rise substantially from businesses in industries that are more prone to accidents due to the nature of work they perform. Likewise, severity of claims can also be associated with business concentration in a specific class of industry. The company continually monitors its concentration risk and takes measures to keep its business portfolio well diversified.

Contracts in group life, are mainly one year term life contracts, where premium rates are generally guaranteed for one year only. The Subsidiary Company retains the right of changing premium rates by incorporating the claim experience of a group insured, thereby allowing the Subsidiary Company to charge a specific group in line with its claim experience.

The Subsidiary Company regularly carries out an exercise to monitor time lags between intimation and settlement claim dates. The study reveals that a significant portion of claims are settled within twelve months of claim intimation.

43.1.2 Sources of uncertainty in estimation of future claim payments

The uncertainty with respect to future premiums and benefits may arise due to unexpected changes in mortality or disability experience. Adverse mortality experience will result in excess benefit payments, and reduced future premium income.

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Likewise, unexpected changes in surrenders and lapses could also have a significant impact on future realised premiums. Estimates of lapses and surrenders are based on internal experience studies carried out annually. Factors that could affect policyholder behavior include market factors such as interest rates, policyholder preferences in terms of the monetary value that a policyholder relates with the insurance policy, the frequency of premium payments and the age of the individual.

43.1.3 Mortality, Disability and Critical Illness

Mortality and disability rates are basic assumptions used in valuation of policyholder liabilities. For mortality, life table EFU (61-66) is being currently used. The life table was published more than 40 years ago and may not reflect mortality improvements. For reserving purposes, a 10% mortality loading is used over EFU (61-66) rates to build in conservatism. An analysis of past mortality experience, reveals that 10% mortality loading for reserving purposes is appropriate to ensure prudence.

Sudden adverse experience in mortality might occur due to epidemics, causing deaths on a mass scale due to incurable contagious illnesses. Mortality may also deteriorate over a period of time, due to wide-scale changes in living life styles, eating and health habits.

Sensitivity test with respect to mortality is carried out and impact on policyholder liabilities is observed. When mortality rates increase by 10%, policyholder liabilities increase by 0.042%. Likewise, when mortality rates decrease by 10%, policyholder liabilities decrease by 0.042%.

In absence of credible disability and critical illness incidence rates, the Subsidiary Company uses reinsurance rates for actuarial liability valuation of disability and critical illness benefits.

43.1.4 Investment income – Statutory fund

Investment income is an important assumption for valuation of long-term conventional plans. This is the rate at which future expected benefits and expected premiums are discounted. Currently, the valuation assumption used for investment income is 3.75% p.a.

Sensitivity test with respect to investment income is carried out and its impact on policyholder liabilities observed. When investment rate is increased by 10%, policyholder liabilities decrease by 0.001%. Likewise, when investment income rate is decreased by 10%, policyholder liabilities increase by 0.001%.

43.1.5 Sources of uncertainty in estimation of future benefit payments and life insurance premium receipts

The uncertainty with respect to future premiums and benefits may arise due to unexpected changes in mortality or disability experience. Adverse mortality experience will result in excess benefit payments, and reduced future premium income.

Likewise, unexpected changes in surrender and lapse could also have a significant impact on future realized premiums. Estimates of lapses and surrenders are based on internal experience studies carried out annually. Factors that could affect policyholder behaviour include market factors such as interest rates, policyholder preferences in terms of the monetary value that a policyholder relates with the insurance policy, the frequency of premium payments and the age of the individual.

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43.1.6 Process used to decide on assumptions

Assumptions used to determine policyholder liabilities include, mortality / disability / critical illness rates, investment returns for conventional business, investment returns for investment linked business, expenses and mortality loading.

Mortality assumptions should in principle reflect adequate conservatism in liabilities. The Subsidiary Company considers EFU (61-66) life table to be appropriate for actuarial valuation of policyholder liabilities.

Disability and Critical illness rates used for liability valuation are the reinsurance rates provided by the reinsurer. Due to lack of sufficient claim experience for these disabilities and critical illnesses, the Subsidiary Company considers this as the best estimate available

The Subsidiary Company uses an investment return assumption of 3.75% per annum to evaluate actuarial liabilities of its conventional plans. Liabilities of conventional products should in principle reflect a long-term conservative interest rate, to reflect adequate conservatism. An investment return of 3.75% per annum is hence considered appropriate.

For Unit-linked products where the death benefit is paid in form of annuity, the Company uses a discount rate of 6% to evaluate present value of future stream of cash flows. In principle, the interest rate assumption set to discount cash flows should reflect the expected returns on assets backing these liabilities. The Subsidiary Company expects to earn at least a 6% return on assets backing these unit-linked liabilities.

In valuation of unearned premium reserve for unit-linked plans a loading of 10% is applied on rates from EFU (61-66). In opinion of the Subsidiary Company's management and appointed actuary this assumption is prudent.

Since from Annual 2014 onwards the Subsidiary Company shall maintain 100% retention on its books on account of Solvency Margin, the Subsidiary Company will no longer keep an extra reserve on account of mortality fluctuation. It is the opinion of Subsidiary Company's management and appointed actuary that this assumption is prudent

The Subsidiary Company reserves for any increase in actuarial liability resulting from the possible reinstatement of lapsed policies. The current liability valuation also takes into account cash value of units pertaining to policies lapsed in last 2 years. A unit-linked policy lapses when the second annual premium of policy is not received. In principle, cash value of a lapsed policy is not surrenderable, as per provisions and conditions, unless the second premium is paid and policy is reinstated. However, the Subsidiary Company recognises the possibility of these lapsed policies to be reinstated and hence carries out periodic studies to determine expected renewals. In opinion of the Subsidiary Company's management and appointed actuary assumptions used to set aside a liability against these lapsed policies is prudent.

For the purpose of liability adequacy tests the Subsidiary Company makes assumptions relating to expenses. For this purpose, regular expense analyzes are carried out based on actual expenses and transaction volumes.

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43.1.7 Sensitivity analysis

The Holding Company believes that the claim liabilities under insurance contracts outstanding at the yearend are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the consolidated financial statements. The impact on the profit before tax and shareholders' equity of the changes in the claim liabilities net of reinsurance is analyzed below. The sensitivity to changes in claim liabilities net of reinsurance is determined separately for each class of business while keeping all other assumptions constant.

(Rupees in '000)

	Profit before tax		Shareholders' equity	
	2024	2023	2024	2023
Impact of change in claim liabilities by +10				
Fire and property damage	(217,471)	(175,133)	(132,657)	(106,831)
Marine, aviation and transaport	(76,686)	(48,922)	(46,778)	(29,842)
Motor	(81,328)	(77,765)	(49,610)	(47,437)
Miscellaneous	(67,889)	(74,667)	(41,412)	(45,547)
	(443,374)	(376,487)	(270,457)	(229,657)
Impact of change in claim liabilities by -10				
Fire and property damage	217,471	175,133	132,657	106,831
Marine, aviation and transaport	76,686	48,922	46,778	29,842
Motor	81,328	77,765	49,610	47,437
Miscellaneous	67,889	74,667	41,412	45,547
	443,374	376,487	270,457	229,657

The basic assumptions used in valuation of liabilities are mortality, disability, critical illness rates and investment returns assumed in discounting future cash flows. The table below presents sensitivity results with respect to above mentioned factors, with their impact observed on policyholder liabilities:

Sensitivity variables	% change in sensitivity variables	% change in policy holder liabilities
Wosening of mortality and critical illness rates	10	4.2
Improvement in mortality and critical illness rates	10	4.2
Increase in investment returns	10	1
Decrease in investment returns	10	1

43.2 Financial risk

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

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

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43.3 Credit risk

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

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

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

(Rupees in '000)

Financial Assets:	2024	2023
Open-ended-mutual funds	6,512,010	2,718,416
Term finance certificates	5,180,997	5,592,836
Term deposits	1,013,163	8,405,112
Loans and other receivables	4,263,143	3,917,108
Insurance / reinsurance receivables	9,025,969	9,691,208
Reinsurance recoveries against outstanding claims	8,596,247	7,009,843
Cash and bank	7,387,415	7,341,653
Financial assets of window takaful operations - Operator's fund	1,489,209	1,097,935
	43,468,153	45,774,111

The credit quality of Group's investment in term finance certificates can be assessed with reference to external credit ratings as follows:

(Rupees in '000)

Rating	Short Term	Rating Agencies	2024	2023
Bank Al Habib Limited	A1+	PACRA	790,422	894,390
United Bank Limited	AA+	VIS	1,250,120	1,250,115
Soneri Bank Limited	A1+	PACRA	150,000	150,000
Askari Bank Limited	A1+	PACRA	599,500	599,500
Habib Bank Limited	A1+	VIS	300,000	300,000
Bank Alfalah Limited	A1+	PACRA	600,000	1,097,163
Bank of Punjab	A1+	PACRA	1,390,955	1,401,668
Kashf Foundation	AAA	PACRA	100,000	100,000
Agritech Limited - 3rd Issue (B)	-	-	5,665	5,665
Agritech Limited - 3rd Issue (A)	-	-	34,972	34,972
Dubai Islamic Bank limited	A1+	VIS	102,000	102,000
			5,323,634	5,935,473

Investment in Government securities are not exposed to any credit risk.

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The management of holding company monitors exposure to credit risk in premium receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables. As at 31 December 2024, the premiums due but unpaid (other than impaired balances) includes amount receivable within one year and above one year amounting to Rs. 7,506 million (2023: Rs. 8,560 million) and Rs. 90 million (2023: Rs. 12 million) respectively.

The credit quality of amounts due from other insurers / reinsurers and claim recoveries from reinsurers of the Holding Company can be assessed with reference to external credit ratings as follows:

(Rupees in '000)

	2024		2023	
Rating	Amounts due from insurers / reinsurers	Reinsurance recoveries against outstanding claims	Amounts due from insurers / reinsurers	Reinsurance recoveries against outstanding claims
A or above (including Pakistan Reinsurance Company Limited)	38,397	7,684,149	57,423	6,278,924
B or above	150	776,310	412	635,947
Others	-	135,788	59	94,972
	38,547	8,596,247	57,894	7,009,843

As at 31 December 2024, the amounts due from insurers / reinsurers of Holding Company includes amount receivable within one year and above one year amounting to Rs. 28 million (2023: Rs. 56 million) and Rs. 10 (2023: Rs.2 millions) respectively.

43.4 Liquidity risk

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

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

The table below provides the maturity analysis of the Holding Company's liabilities as at financial statement date. All liabilities are presented on a contractual cash flow basis except for the provision of outstanding claims (including IBNR), which are presented with their expected cash flows.

(Rupees in '000)

	2024		
	Carrying Amount	Upto one year	Greater than one year
Financial Liabilities:			
Outstanding claims including IBNR	13,029,997	13,029,997	-
Insurance / reinsurance payable	8,022,899	8,022,899	-
Other Creditors and accruals	6,514,416	6,514,416	-
Financial liabilities of window takaful operations - Operator's Fund	187,345	187,345	-
	27,754,657	27,754,657	-

(Rupees in '000)

	2023		
	Carrying Amount	Upto one year	Greater than one year
Financial Liabilities:			
Outstanding claims including IBNR	10,774,706	10,774,706	-
Insurance / reinsurance payable	9,674,489	9,674,489	-
Other Creditors and accruals	5,683,752	5,683,752	-
Financial liabilities of window takaful operations - Operator's Fund	150,251	150,251	-
	26,283,198	26,283,198	-

In life insurance business, liquidity risk is the risk that the Subsidiary Company is unable to meet its funding requirements, without incurring a material loss in disposing off its illiquid assets. To guard against this risk, the Subsidiary Company maintains a healthy balance of cash and cash equivalents and readily marketable securities. Liquidity is monitored regularly and assets are frequently rebalanced to maintain a certain level of liquidity at all times. Going forward, the Subsidiary Company also plans to set up a contingency plan, whereby alternate sources of liquidity will be identified and assets would be analyzed and ranked in their liquidity order, to determine which assets would need to be disposed off first in case of a liquidity crisis.

The expected payouts in liabilities along with maturity profile of assets and liabilities are monitored to ensure that adequate liquidity is maintained within the Subsidiary Company, to avoid the need of liquidating assets below their actual market value.

The following extract, classifies the assets and liabilities of the Subsidiary Company by type of product in each Statutory Fund as at 31 December 2024. The table below also presents details of assets under Shareholder's Fund:

(Rupees in '000)

	Investment Linked Products (All unit main linked plans)	Conventional Products (Individual, Group Life, Riders)	Shareholders' Fund	Total
Available-for-sale				
- Government securities	174,031,907	-	-	174,031,907
- Other fixed income securities	7,468,859		-	7,468,859
Held-to-maturity:				
- Government securities	-	8,183,169	2,295,153	10,478,322
- Other fixed income securities	-	130,069	10,000	140,069
Available-for-sale:				
- listed equities	43,853,584	49,963	38,629	43,942,176
- mutual funds	6,512,010	-	-	6,512,010
- Unlisted equities and mutual funds	-	-	508	508
Loans and receivables	-	-	133,968	133,968
Insurance receivables	-	897,095	-	897,095
Reinsurance assets	72,160	422,212	-	494,372
TDR and bank balances	4,157,988	1,844,374	8,570	6,010,932

(Rupees in '000)

	Investment Linked Products (All unit main linked plans)	Conventional Products (Individual, Group Life, Riders)	Shareholders' Fund	Total
Cash and Stamps	6,087	27	-	6,114
Investment income accrued	2,848,256	147,028	24,708	3,019,992
Advances and deposits	748,621	168,498	-	917,119
Income tax assets	1,779	42,542	1,113,487	1,157,808
Prepayment	121,183	26,963	-	148,146
Sundry receivables	495,839	233,345	50,798	779,982
Right-of-use asset	-	-	509,204	509,204
Fixed assets	546,883	-	2,175,411	2,722,294
Total assets	240,865,156	12,145,285	6,360,436	259,370,877
Long-term insurance: contracts and investment				
Fixed term	147,261,645	333,494	-	147,595,139
Whole of life	81,784,336	-	-	81,784,336
Short-term insurance contracts	-	4,227,318	-	4,227,318
Riders	-	216,448	-	216,448
Equity	-	-	5,651,844	5,651,844
Lease liability	-	-	608,071	608,071
Other liabilities	11,819,175	7,368,025	100,521	19,287,721
Total liabilities	240,865,156	12,145,285	6,360,436	259,370,877

43.5 Market risk

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

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

In addition, the Subsidiary Company is exposed to the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company is exposed to market risk in relation to its investments with respect to products other than unit linked products (in unit linked products, investment risk is borne by the policyholder). The Company limits market risk by maintaining a diversified portfolio and by continuously monitoring developments in government securities, equity and term finance certificates. The company, along with minimizing market risk by careful diversification in assets, also periodically carries out an Asset Liability management exercise, to match its duration of assets and liabilities.

43.6 Interest rate risk

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

The information about Group's exposure to interest rate risk based on contractual repricing or maturity dates whichever is earlier, is as follows:

Maturity profile of financial assets and liabilities

(Rupees in '000)

	2024						
	Interest / mark-up bearing			Non-interest / non-mark-up bearing			
	Maturity up to one year	Maturity above one years	Sub total	Maturity up to one year	Maturity above one years	Sub total	Total
Financial assets							
Investments	123,605,495	82,829,744	206,435,239	981,000	59,258,041	60,239,041	266,674,280
Loans and other receivables	3,639,776	-	3,639,776	623,367	-	623,367	4,263,143
Cash and bank deposits	6,578,997	-	6,578,997	808,418	-	808,418	7,387,415
Insurance / reinsurance receivables	-	-	-	9,025,969	-	9,025,969	9,025,969
Reinsurance recoveries against - outstanding claim	-	-	-	8,596,247	-	8,596,247	8,596,247
Total assets of window takaful operations - Operator's Fund	678,071	735,464	1,413,535	75,674	-	75,674	1,489,209
	134,502,339	83,565,208	218,067,547	20,110,675	59,258,041	79,368,716	297,436,263
Financial liabilities							
Outstanding claims including - IBNR	-	-	-	13,029,997	-	13,029,997	13,029,997
Premium received in advance	-	-	-	-	-	-	-
Insurance / reinsurance payables	-	-	-	8,022,899	-	8,022,899	8,022,899
Other creditors and accruals	-	-	-	6,514,416	-	6,514,416	6,514,416
Retirement benefit	-	-	-	-	-	-	-
Lease liabilities	68,014	664,834	732,848	-	-	-	732,848
Total liabilities of window takaful operations - Operator's Fund	-	-	-	187,345	-	187,345	187,345
	68,014	664,834	732,848	27,754,657	-	27,754,657	28,487,505

	2023						
	Interest / mark-up bearing			Non-interest / non-mark-up bearing			
	Maturity up to one year	Maturity above one years	Sub total	Maturity up to one year	Maturity above one years	Sub total	Total
Financial assets							
Investments	127,883,646	54,645,989	182,529,635	981,000	28,798,567	29,779,567	212,309,202
Loans and other receivables	3,476,369	-	3,476,369	440,739	-	440,739	3,917,108
Cash and bank deposits	5,584,314	-	5,584,314	1,757,339	-	1,757,339	7,341,653
Insurance / reinsurance receivables	-	-	-	9,691,208	-	9,691,208	9,691,208
Reinsurance recoveries against outstanding claim	-	-	-	7,009,843	-	7,009,843	7,009,843
Total assets of window takaful operations - Operator's Fund	123,088	920,277	1,043,365	54,570	-	54,570	1,097,935
	137,067,417	55,566,266	192,633,683	19,934,699	28,798,567	48,733,266	241,366,949
Financial liabilities							
Outstanding claims including IBNR	-	-	-	10,774,706	-	10,774,706	10,774,706
Insurance / reinsurance payables	-	-	-	9,674,489	-	9,674,489	9,674,489
Other creditors and accruals	-	-	-	5,683,752	-	5,683,752	5,683,752
Lease liabilities	82,276	707,901	790,177	-	-	-	790,177
Total liabilities of window takaful operations - Operator's Fund	-	-	-	150,251	-	150,251	150,251
	82,276	707,901	790,177	26,283,198	-	26,283,198	27,073,375

The effective interest rate range (per annum) for the financial assets is as follows:

	2024	2023
Saving and other accounts		
Deposits	13% to 19%	18% to 20.5%
Loans and advances	12.75% to 21.2%	15.5% to 23.5%
Investments	6 % to 12%	6% to 12%
	8% to 22.87%	7.5% to 24.94%

Sensitivity analysis

For cash flow sensitivity analysis of variable rate instruments, a hypothetical change of 100 basis points in interest rates during the year would have decreased / increased profit for the year by the amounts shown below.

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

(Rupees in '000)

	Change in basis points	Effect on profit and loss before tax	Effect on share-holder's equity
31 December 2024	100	65,790	40,132
	(100)	(65,790)	(40,132)
31 December 2023	100	54,449	33,214
	(100)	(54,449)	(33,214)

43.7 Foreign currency risk

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

43.8 Other price risk

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

The Group's equity investments amounting to Rs. 52,546 million are susceptible to market price risk arising from uncertainty about the future value of investment securities. The Group limits market risk by diversifying its equity investment portfolio and by actively monitoring the developments in equity and money markets.

The table below summarises Group's market price risk as of 31 December 2024 and 2023. It shows the effect of a 10 % increase and 10 % decrease in the market prices of equity investments as on those dates on Group's profit and equity.

Had all equity investments, other than associate, been measured at fair values as required by IAS 39, Financial Instruments: Recognition and measurement, the impact of hypothetical change would be as follows:

(Rupees in '000)

	Fair value	Price change	Estimated fair value	Effect on profit and loss before tax	Effect on shareholders equity
31 December 2024	52,546,031	10 % increase	57,800,634	-	5,254,603
		10 % decrease	47,291,428	-	(5,254,603)
31 December 2023	28,598,567	10 % increase	31,458,424	-	2,859,857
		10 % decrease	25,738,710	-	(2,859,857)

43.9 Other risks

The Subsidiary Company faces a number of financial risks in its assets and liabilities, apart from insurance risk. These risks can be broadly categorized as expense risk, lapse risk, market risk, credit risk and liquidity risk. This section describes these risks on the Subsidiary Company level and identifies and describes the processes and strategy of management to manage these risks.

43.10 Expense risk

The risk that the Subsidiary Company faces is that future expenses may be higher than those used in pricing of products causing an expense overrun. The Subsidiary Company mitigates this risk by incorporating a certain level of acceptable conservatism in building future policy expense factors in pricing and expects to maintain its actual expenses within these limits. Regular monitoring of expenses allows the Subsidiary Company to adjust its pricing in time to account for higher-than-expected expenses.

The Subsidiary Company closely monitors its expenses by regularly carrying out an expense analysis for its business. The assumptions for future policy expense levels are determined from the Subsidiary Company's most recent annual expense analysis, with an extra margin built-in to account for variability in future expenses. A review of product pricing is carried out each year based on the latest available expense factors. Constant monitoring of expenses enables the Subsidiary Company to take corrective actions in time.

Based on the results of expense analysis, the Subsidiary Company apportions its management expenses to different lines of business.

43.11 Lapse risk

The risk the Subsidiary Company faces is that future persistency rates may be lower than assumed in pricing, thus impacting the emergence of profit from its portfolio of individual life policies. The Subsidiary Company however is confident that this risk is insignificant as the Subsidiary Company places tremendous emphasis on quality customer services and retention of clients by making persistent standard an integral part of the sales force culture. The Subsidiary Company has been consistently maintaining good levels of persistency and will continue a similar trend in future.

The Subsidiary Company has robust systems in place to regularly monitor the lapse experience. Regular focus on persistency is embedded in the Subsidiary Company culture and is an integral part of the monitoring of the sales force performance and remuneration.

43.12 Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and meet the regulatory, solvency and paid up capital requirements so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders or issue new shares.

44 FAIR VALUE

44.1 IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Following are the assets where fair value is only disclosed and is different from their carrying value:

(Rupees in '000)

	2024									
	Available-for-sale	Held-for-trading	Held-to-maturity	Loan and Receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using Level 1	Level 2	Level 3
Financial assets										
Investments										
Equity securities - quoted	7,840,598	44,704,925	-	-	-	-	52,545,523	52,545,523		
Equity securities - unquoted	508	-	-	-	-	-	508			508
Debt securities	14,483,919	176,156,449	14,981,708	-	-	-	205,622,076		205,622,076	
Open ended mutual funds	1,041,135	5,470,875	-	-	-	-	6,512,010		6,512,010	
Debt securities of	-						-			
Debt securities of window takaful operations - Operator's fund	1,292,402	-	-	-	-	-	1,292,402		1,292,402	
	24,658,562	226,332,249	14,981,708	-	-	-	265,972,519			
Financial assets not at fair value										
Government securities	-	-		-	-	-				
Term deposits*	-	-	1,013,163	-	-	-	1,013,163			
Loans and other receivables*	-	-	-	4,263,143	-	-	4,263,143			
Insurance / reinsurance receivables*	-	-	-	9,025,969	-	-	9,025,969			
Reinsurance	-	-	-	8,596,247	-	-	8,596,247			
Advances*	-	-	-	-	-	-	-			
Other assets*	-	-	-	-	-	-	-			
Certificate of investment*	-	981,000	-	-	-	-	981,000			
Cash and bank*										
Total assets of window takaful	-	-	-	-	7,387,415	-	7,387,415			
operations - Operator's Fund	-	-	-	44,171	152,636	-	196,807			
Total financial assets	-	981,000	1,013,163	21,929,530	7,540,051	-	31,463,744			
	24,658,562	227,313,249	15,994,871	21,929,530	7,540,051	-	297,436,263			
Financial liabilities not measured at fair value										
Outstanding claims including IBNR*	-	-	-	-	-	(13,029,997)	(13,029,997)			
Premium received in advance*	-	-	-	-	-	-	-			
Insurance / reinsurance payables*	-	-	-	-	-	(8,022,899)	(8,022,899)			
Other creditors and accruals*	-	-	-	-	-	(6,514,416)	(6,514,416)			
Total liabilities of window takaful operations - Operator's Fund*	-	-	-	-	-	-	-			
Liabilities of window takaful operations - Operator's Fund	-	-	-	-	-	(187,345)	(187,345)			
Total liabilities	-	-	-	-	-	(27,754,657)	(27,754,657)			

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

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(Rupees in '000)

	2023									
	Available-for-sale	Fair value through profit or loss	Held-to-maturity	Loan and Receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using Level 1	Level 2	Level 3
Financial assets measured at fair value										
Investments										
Equity securities - quoted	3,688,795	22,190,848	-	-	-	-	25,879,643	25,879,643		
Equity securities - unquoted	508	-	-	-	-	-	508			508
Debt securities	12,982,564	150,571,215	10,770,744	-	-	-	174,324,523		174,324,523	
Open-ended-mutual funds	867,998	1,850,418	-	-	-	-	2,718,416		2,718,416	
Debt securities of window takaful operations - Operator's fund	957,785	-	-	-	-	-	957,785		957,785	
	18,497,650	174,612,481	10,770,744	-	-	-	203,880,875			
Financial assets not measured at fair value							-			
Term deposits*	-	-	8,405,112	-	-	-	8,405,112			
Loans and other receivables*	-	-	-	3,917,108	-	-	3,917,108			
Insurance / reinsurance receivables*	-	-	-	9,691,208	-	-	9,691,208			
Reinsurance recoveries against outstanding claims*	-	-	-	7,009,843	-	-	7,009,843			
Certificate of investment*	-	981,000	-	-	-	-	981,000			
Cash and bank*	-	-	-	-	7,341,653	-	7,341,653			
Total assets of window takaful operations - Operator's fund*	-	-	-	50,414	89,736	-	140,150			
	-	981,000	8,405,112	20,668,573	7,431,389	-	37,486,074			
Total financial assets	18,497,650	175,593,481	19,175,856	20,668,573	7,431,389	-	241,366,949			
Financial liabilities not measured at fair value										
Outstanding claims including IBNR*	-	-	-	-	-	(10,774,706)	(10,774,706)			
Insurance / reinsurance payables*	-	-	-	-	-	(9,674,489)	(9,674,489)			
Other creditors and accruals*	-	-	-	-	-	(5,683,752)	(5,683,752)			
Total liabilities of window takaful operations - Operator's Fund*	-	-	-	-	-	(150,251)	(150,251)			
Total financial liabilities	-	-	-	-	-	(26,283,198)	(26,283,198)			

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

45 STATMENT OF SOLVENCY - HOLDING COMPANY

(Rupees in '000)

	2024	2023
Assets		
Lands and buildings	2,953,138	2,781,184
Furniture, fixtures and office equipment	247,198	262,347
Vehicles	469,436	442,287
Property and equipment	3,669,772	3,485,818
Investment property	3,462,112	3,191,970
Investments in subsidiary	8,120,149	9,132,138
Investments		
Equity securities	8,603,348	3,565,490
Debt securities	14,483,919	12,982,564
Term deposits	665,734	896,684
	23,753,001	17,444,738
Loans and other receivables	2,538	2,853
Current Assets - Others		
Insurance / reinsurance receivables	7,596,106	8,572,013
Amounts due from other insurers/reinsurers	38,397	57,894
Salvage recoveries accrued	92,600	99,276
Reinsurance recoveries against outstanding claims	8,596,247	7,009,843
Accrued investment income	567,764	367,694
Retirement benefits	1,680	88,193
Deferred commission expenses	1,510,828	1,491,266
Prepayments	10,715,960	12,525,940
Security deposits	234,301	14,128
Other receivables	116,066	57,237
	29,469,949	30,283,484
Cash and bank	1,717,797	2,286,861
Total assets	70,195,318	65,827,862

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For the year ended 31 December 2024

(Rupees in '000)

	2024	2023
Total assets of window takaful operations - Operators" Fund	2,203,554	1,721,427
Total assets	72,398,872	67,549,289
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000"		
Loans to employees	1,842	2,088
Premium due since more than three months	2,917,660	2,586,137
Deferred tax - operators' fund	-	8,641
Bank deposits related to guarantees	1,311,076	1,418,139
Bank deposits related to liens	38,819	38,819
Shares in any one company or any group of related companies	6,119,839	7,390,293
Vehicles, furnitures, fixtures, office equipments	716,634	704,634
Vehicles, furnitures, fixtures, office equipments - Operators' Fund	5,530	6,487
Total of in-admissible assets	11,111,400	12,155,238
Total admissible assets	61,287,472	55,394,051
Total liabilities		
Underwriting provisions		
Outstanding claims including IBNR	13,029,997	10,774,706
Unearned premium reserves	18,315,194	19,546,386
Unearned reinsurance commission	329,486	302,821
Deferred taxation	1,426,822	360,812
Retirement benefit obligation	80,936	44,238
Premium received in advance	182,957	167,683
Insurance / reinsurance payables	7,830,481	9,472,269
Taxation - payments less provision	362,981	817,640
Other creditors and accruals	4,622,888	3,804,028
Total liabilities	46,181,742	45,290,583
Total liabilities of window takaful operations - Operators' Fund	779,288	711,405
Total liabilities	46,961,030	46,001,988
Total net admissible assets	14,326,442	9,392,063
Minimum Solvency Requirement (higher of following)	4,115,959	3,495,204
Method A - U/s 36(3)(a)	150,000	150,000
Method B - U/s 36(3)(b)	4,115,959	3,495,204
Method C - U/s 36(3)(c)	3,411,208	3,311,442
Excess in net admissible assets over minimum requirements	10,210,483	5,896,859

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45.1 STATEMENT OF SOLVENCY - SUBSIDIARY COMPANY

(Rupees in' 000)

31 December 2024

	Shareholders Fund	Statutory Fund: Investment Linked Business	Conventional Business	Participating Business	Pension Business	Accident & Health Business	Individual Family Takaful	Group Family Takaful	Family Takaful Accidental and Health	Aggregate 31 December 2024
Assets										
Property and Equipment	2,423,415	1,027,097	-		-	-	-	-	-	3,450,512
Intangible assets	261,200	-	-		-	-	-	-	-	261,200
Investment Property	-	-	-		-	-	-	-	-	-
Investment in subsidiaries and associates	-	-	-		-	-	-	-	-	-
Investments										-
Equity Securities	39,137	44,094,859	4,364	-	6,835	45,599	6,263,900	-	-	50,454,694
Government securities	2,295,153	150,806,963	6,026,050	18,520	13,850	1,542,410	23,192,574	614,709	-	184,510,229
Debt securities	10,000	5,690,456	130,069	-	-	-	1,778,403	-	-	7,608,928
Term deposits	-	167,429	-	-	-	-	50,000	-	130,000	347,429
Others	-	-	-	-	-	-	-	-	-	-
Loans secured against life insurance policies	-	-	-	-	-	-	-	-	-	-
Insurance / reinsurance receivables	-	72,160	692,688	-	-	483,942	-	111,107	31,570	1,391,467
Other loans and receivables	790,072	3,018,117	255,228	354	398	164,258	1,241,419	66,607	111,612	5,648,065
Taxation - payments less Provision	1,113,487	-	-	-	-	38,203	1,779	1,779	2,560	1,157,808
prepayments	-	102,034	12,346	-	-	11,994	19,149	-	2,623	148,146
Cash & Banks	8,570	2,151,448	947,475	-	6,038	526,102	1,789,160	197,277	43,547	5,669,617
Total Assets	6,941,034	207,130,563	8,068,220	18,874	27,121	2,812,508	34,336,384	991,479	321,912	260,648,095
In-admissible assets as per following clauses of section 32(2)										
32 (2) (o) interfund	(580,598)	-	-	-	-	-	-	-	-	(580,598)
32 (2) (u) Fixed Asset	(1,914,211)	-	-	-	-	-	-	-	-	(1,914,211)
32 (2) (i) Intangible	(261,200)	-	-	-	-	-	-	-	-	(261,200)
32 (2) (b) Tax	-	-	-	-	-	-	-	-	-	-
32 (2) (d) Unsecured Loan	(28,550)	-	-	-	-	-	-	-	-	(28,550)
32 (2) (f) Secured Loan	-	-	-	-	-	-	-	-	-	-
32 (2) (h) Premium due	-	-	(179,435)	-	-	(18,415)	-	(28,287)	(698)	(226,835)
34 (2) (b) Bank Balance	-	-	-	-	-	-	-	-	-	-
34 (2) (l) Bank Guarantee	-	-	(47,965)	-	-	(63,000)	-	-	-	(110,965)
Equity Investment	-	-	-	-	-	-	-	-	-	-
34 (2) (a) Money Market	-	-	-	-	-	-	-	(2,114)	-	(2,114)
Total In-admissible Assets	(2,784,559)	-	(227,400)	-	-	(81,415)	-	(30,401)	(698)	(3,124,473)
Total Admissible Assets	4,156,475	207,130,563	7,840,820	18,874	27,121	2,731,093	34,336,384	961,078	321,214	257,523,622
Total Liabilities										
Insurance Liabilities net of Reinsurance Recoveries	-	-	-	-	-	-	-	-	-	-
Retirement benefit Obligation	-	-	-	-	-	-	-	-	-	-
Deferred taxation	357,023.0	-	-	-	-	-	-	-	-	357,023.0
Borrowings	-	-	-	-	-	-	75,663.0	-	500.0	76,163.0
Premium received in advance	-	1,363,362.0	127,174.0	59.0	-	368,622.0	240,233.0	70,804.0	2,384.0	2,172,638.0
Insurance / reinsurance payables	-	-	3,644.0	-	-	22,154.0	99,228.0	47,994.0	19,397.0	192,417.0
Other creditors and accruals	932,167.0	5,470,810.0	2,619,674.0	15,951.0	1,598.0	382,848.0	1,124,559.0	293,447.0	164,735.0	11,005,789.0
Taxation - provision less payments					-					-
Total Liabilities	1,289,190	6,834,172	2,750,492	16,010	1,598	773,624	1,539,683	412,245	187,016	13,804,030
Total Net Admissible Assets	2,867,285	200,296,391	5,090,328	2,864	25,523	1,957,469	32,796,701	548,833	134,198	243,719,592
Minimum Solvency Requirement										
Shareholder's Fund	165,000	-	-	-	-	-	-	-	-	165,000
Policyholders Liability	-	197,639,990	3,534,352	2,743	25,099	1,296,559	31,921,216	285,823	133,838	234,839,620
Solvency Margin	-	2,656,401	1,555,976	121	424	660,910	360,632	127,050	-	5,361,514
Excess / (Deficit) in Net Admissible Assets over minimum requirement	2,702,285	-	-	-	-	-	514,853	135,960	360	3,353,458

46 NON-ADJUSTING EVENT AFTER THE CONSOLIDATED FINANCIAL STATEMENT DATE

The Board of Directors in its meeting held on 26 February 2025 have announced a final cash dividend in respect of the year ended 31 December 2024 of Rs. 5.5 per share, 55 % (2023: Rs. 5.50 per share, 55.00 %). In addition, the Board of Directors have also approved the transfer to general reserve from un-appropriated profit amounting to Rs. 1,000 million (2023: Rs. 1,000 million). These consolidated financial statements for the year ended 31 December 2024 do not include the effect of these appropriations, which will be accounted for subsequent to the year end.

47 NUMBER OF EMPLOYEES

The total average number of employees during the year end as at 31 December 2024 and 2023 are as follows.

(Rupees in '000)

	2024	2023
At year end	3,367	3,653
Average during the year	3,507	3,639

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

48 CORRESPONDING FIGURES

Corresponding figures of immaterial amounts have been rearranged and reclassified, wherever necessary, to facilitate comparisons, including recognition of a retirement benefit of Rs. 44 million, which has been netted off against related assets in the previous year.

49 GENERAL

Figures have been rounded off to the nearest thousand rupees

50 DATE OF AUTHORIZATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were authorised for issue by the Board of Directors in its meeting held on 26 February 2025.

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Executive Officer	Chairman

Karachi 26 February 2025

GENERAL

Window Takaful Operations Financial Statements

MUFTI
MUHAMMAD IBRAHIM ESSA
Shariah Advisor
mibrahimesa@yahoo.com
+92-322-2671867

بسم الله الرحمن الرحيم

EFU General Insurance Limited-WTO
Annual Shariah Review Report
For the year ended 2024

The company, EFU General Insurance Limited started its Window Takaful Operations on 6th May 2015. By the grace of Allah, the year under review was the ninth successful year of Takaful in EFU General. The Board of Directors, Management and distribution channels have shown their sincere efforts for the promotion of Takaful and underwritten good numbers in Takaful Alhamdulillah

Progress during the Year 2024:

During the period under review; EFU General Window Takaful Operations (EFU General-WTO) has achieved significant success, detail of which are as follows:

1. Dedicated Window Takaful Branches have successfully recorded the Takaful contracts executed during the year.

2. Divisions and Branches fully participated in Takaful operations in different parts of the Country. A number of divisions have been allowed to underwrite and record Takaful independently. In this way, the Divisions, Branches have underwritten Takaful PMDs which increased the size of Takaful Pool and they provided excellent service of Takaful to their Participants.

3. Significant success has been achieved in the Takaful Agreements with Islamic Banks. At this stage, I am thankful to the Partner Banks for the confidence they have shown on EFU General-WTO's Takaful Products.

Shariah Compliance:

As Shari'ah Advisor of EFU General-WTO and based on my review; I confirm that:

- I have examined all the product documents of EFU General-WTO including Waqf Deed, Waqf rules, Takaful PMDs, Brochures, MOUs with Islamic Banks, and Retakaful Agreements etc, and Alhamdulillah, I have found them in accordance with Shari'ah Principles.

- All the investments of Takaful funds are undertaken in accordance with the consultation of undersigned and are according to the Shariah guidelines. Moreover, all Bank Accounts of Takaful are separate from the conventional insurance business and are maintained in Islamic Banks.

- Window Takaful Branch, Divisions and other related Departments of head office, before launching any Takaful Product, take guidance and advice of Shari'ah from the undersigned and always develop Takaful Products in accordance with the guidelines provided by me as Shari'ah Advisor.

- Segregation of Window Takaful Operations is the essential part of valid Takaful contracts. I am pleased to state that EFU General has realized criticalities of this issue and from the day one, Alhamdulillah, all the Takaful Funds, Investments, Bank Accounts, Systems and other related issues are kept separate from its conventional insurance business, as per requirement of Shari'ah.

- Conducting Training and Development is an imperative for understanding the principles of Takaful and its practical outline. For this purpose EFU General-WTO fulfilled its responsibility and arranged classroom training sessions for takaful all over Pakistan; from Operational to the Distribution force levels working in their respective fields and I personally felt that participants gained significantly from these training sessions. I hope EFU General will continue this practice in the future.

While concluding; I state that the Shari'ah principles are being followed in letter and spirit in EFU General-WTO. I am grateful to the Board of Directors of EFU General, Management, Divisional and Branch Heads and all relevant departments who cooperated with me and provided me every possible support to ensure Shari'ah Compliance in our Takaful practices.

In the end; I pray to Allah Almighty to maintain the passion and dedication with which EFU General has launched its Window Takaful Operations. May Allah Almighty grant us success and help us at every step, keep us away from every hindrance and difficulty, and give financial success to EFU General Window Takaful Operations.

والسلام علیکم ورحمۃ اللہ وبرکاتہ

MUFTI MUHAMMAD IBRAHIM ESSA
Shariah Advisor
Dated: *February, 21, 2025*

Sheikh Mufti Ibrahim Essa
Shariah Advisor

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
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INDEPENDENT AUDITOR'S REPORT

To the members of EFU General Insurance Limited – Window Takaful Operations

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **EFU General Insurance Limited - Window Takaful Operations** (the Operator), which comprise the statement of financial position of OPF and PTF as at 31 December 2024, the profit and loss account, statement of comprehensive income, statement of changes in operator's fund and participants' takaful fund and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position of OPF and PTF, the profit and loss account, the statement of comprehensive income, the statement of changes in operator's fund and participants' takaful fund and the statement of cash flows together with the notes forming part thereof, confirm with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Operator's affairs as at 31 December 2024 and of the profit, total comprehensive income, the changes in operator's fund and participants' takaful fund and its cash flows for the year then ended.

Basis for Opinion

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

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

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

Our opinion on the financial statements does not cover the other information and we do not

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express any form of assurance conclusion thereon.

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

The Board of directors are responsible for overseeing the Operator's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Operator's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Operator's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Operator to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Operator as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit and loss, the statement of comprehensive income, the statement of changes in operator's funds and participants' takaful fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, and Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account;

c) investments made and expenditure incurred during the year were for the purpose of the Operator's business; and

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d) no Zakat was deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of the Operator for the year ended 31 December 2023 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon dated **07 March 2024**.

The engagement partner on the audit resulting in this independent auditor's report is **Amyn Malik**.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 04 March 2025
Karachi
UDIN: AR202410096NIFArPh4T

STATEMENT OF SHARIAH COMPLIANCE WITH THE SHARIAH PRINCIPLES

The financial arrangements, contracts and transactions, entered into by Window Takaful Operations of EFU General Insurance Limited ('the Company') for the year ended December 31, 2024 are in compliance with the Takaful Rules, 2012.

Further, we confirmed that:

- The Company has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the Board of Directors have been implemented

- The Company has imparted trainings / orientations and ensured availability of all manuals / agreements approved by Shariah Advisor/ Board of Directors to maintain the adequate level of awareness, capacity and sensitisation of the staff and management;

- All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts and transactions, entered into by Window Takaful Operations are in accordance with the policies approved by Shariah Advisor; and

- The assets and liabilities of Window Takaful Operations (Participants' Takaful Fund and Operator's fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.

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

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

Karachi: February 26, 2025

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Chartered Accountants
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Independent Reasonable Assurance Report to the Board of Directors on the Management's Statement of Compliance with the Shariah Principles

We were engaged by the Board of Directors of **EFU GENERAL INSURANCE LIMITED** ("the Company") to report on the annexed Statement of Compliance (the Statement) with the Shariah Principles of the Window Takaful Operations (Takaful Operations) of the Company, as set out in the annexed Statement prepared by the management for the year ended **31 December 2024**, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the Statement presents fairly the status for the year ended 31 December 2024 of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

Responsibilities of the Management

The management of the Company is responsible for designing, implementing, and maintaining internal controls relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012, and other applicable laws and regulations.

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

Our responsibilities

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

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our judgment, including the assessment of the risks of non-compliances with the Takaful Rules, 2012, whether due to fraud or error.

In making those risk assessments, we have considered internal controls relevant to the preparation of the Statement in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the preparation of the Statement. Our engagement also included assessing the appropriateness of the compliance with Shariah Principles, the suitability of the criteria used by the management in preparing the Statement in the circumstances of the engagement, evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the Statement and the reasonableness of estimates made by the management and evaluating the overall presentation of the Statement. Reasonable assurance is less than absolute assurance.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

The procedures performed included:

- Evaluating the systems, procedures and practices in place with respect to the Takaful operations in compliance with the Takaful Rules, 2012, and Shariah advisor's guidelines.
- Evaluating the governance arrangements including the reporting of events and status relating to Takaful Operations to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the Board of Directors.
- Testing transactions relating to Takaful operations, using an appropriate sample, to assess compliance of tested transactions carried out in compliance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012.
- Inspecting the Statement to assess whether it is prepared in accordance with Shariah Principles of Takaful Rules, 2012.
- Taking necessary guidance on Shariah matters from independent Shariah scholar.

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Characteristics and Limitations of the Statement

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

Applicable Criteria

The criteria against which the subject matter information (the Statement) is assessed comprise of the provisions of Takaful Rules, 2012, issued by the Securities and Exchange Commission of Pakistan (SECP).

Conclusion

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

In our opinion, the annexed statement, for the year ended 31 December 2024, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

Date: 4 March 2025

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

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Statement of Financial Position

As at 31 December 2024

(Rupees in '000)

	Note	2024			2023		
		Operator's Fund	Participants' Takaful Fund	Total	Operator's Fund	Participants' Takaful Fund	Total
Assets							
Property and equipment	5	5,530	-	5,530	6,487	-	6,487
Investments							
Debt securities	6	1,292,402	2,984,937	4,277,339	957,785	2,267,359	3,225,144
Deposits and other receivables	7	773	1,167	1,940	5,072	7,016	12,088
Takaful / retakaful receivables	8	15,081	659,016	674,097	13,783	474,879	488,662
Retakaful recoveries against outstanding claims / benefits	20	-	665,806	665,806	-	826,919	826,919
Salvage recoveries accrued		-	39,890	39,890	-	46,615	46,615
Deferred commission expense	21	188,109	-	188,109	163,567	-	163,567
Receivable from PTF	9	505,793	-	505,793	444,797	-	444,797
Accrued investment income	10	28,317	69,194	97,511	31,559	73,583	105,142
Deferred wakala fee		-	590,994	590,994	-	533,446	533,446
Deferred taxation	13	-	-	-	8,641	-	8,641
Taxation - payments less provision		14,913	-	14,913	-	-	-
Prepayments	11	-	643,751	643,751	-	559,941	559,941
Cash and bank	12	152,636	313,473	466,109	89,736	274,503	364,239
Total assets		2,203,554	5,968,228	8,171,782	1,721,427	5,064,261	6,785,688
Funds and liabilities							
Operator's Fund (OPF)							
Statutory fund		100,000	-	100,000	100,000	-	100,000
Revaluation reserve - available-for-sale investments	15	7,105	-	7,105	(8,082)	-	(8,082)
Accumulated profit		1,317,161	-	1,317,161	918,104	-	918,104
Total Operator's Fund		1,424,266	-	1,424,266	1,010,022	-	1,010,022
Participants' Takaful Fund (PTF)							
Cede money		-	500	500	-	500	500
Revaluation reserve - available-for-sale investments	15	-	30,957	30,957	-	(4,027)	(4,027)
Accumulated surplus		-	1,889,805	1,889,805	-	1,369,618	1,369,618
Balance of Participants' Takaful Fund		-	1,921,262	1,921,262	-	1,366,091	1,366,091
Liabilities							
PTF Underwriting provisions							
Outstanding claims / benefits including IBNR	20	-	1,103,705	1,103,705	-	1,328,717	1,328,717
Unearned contribution reserves		-	1,663,179	1,663,179	-	1,464,614	1,464,614
Reserve for unearned retakaful rebate	19	-	120,740	120,740	-	104,374	104,374
Deferred taxation	13	949	-	949	-	-	-
Contribution received in advance		-	54,652	54,652	-	10,964	10,964
Takaful / retakaful payables	14	160	544,848	545,008	1,828	315,229	317,057
Unearned wakala fee		590,994	-	590,994	533,446	-	533,446
Payable to OPF	9	-	505,793	505,793	-	444,797	444,797
Taxation - provision less payments		-	-	-	27,708	-	27,708
Other creditors and accruals	16	187,185	54,049	241,234	148,423	29,475	177,898
Total liabilities		779,288	4,046,966	4,826,254	711,405	3,698,170	4,409,575
Total funds and liabilities		2,203,554	5,968,228	8,171,782	1,721,427	5,064,261	6,785,688
Contingencies and commitments	17						

The annexed notes 1 to 35 form an integral part of these financial statements.

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Excecutive Officer	Chairman

Karachi 26 Feburary 2025

Profit and Loss Account

For the year ended 31 December 2024

(Rupees '000)

	Note	2024	2023
Participants' Takaful Fund - (PTF)			
Contribution earned		2,017,688	1,881,068
Less: Contribution ceded to retakaful		(1,304,268)	(934,309)
Net contribution revenue	18	713,420	946,759
Retakaful rebate earned	19	253,742	142,346
Net underwriting income		967,162	1,089,105
Net claims - reported / settled - IBNR	20	(798,475)	(1,127,642)
Other direct expenses		(51,582)	(75,845)
Surplus / (deficit) before investment income		117,105	(114,382)
Investment income	23	496,494	402,243
Other income	24	40,949	30,570
Less: Modarib's share of OPF on investment income	25	(134,361)	(108,203)
Surplus transferred to accumulated surplus		520,187	210,228
Operator's Fund - (OPF)			
Wakala fee		1,141,949	1,164,096
Commission expense	21	(355,222)	(348,196)
General, administrative and management expenses	22	(474,058)	(420,006)
		312,669	395,894
Modarib's share of PTF on investment income	25	134,361	108,203
Investment income	23	208,719	202,284
Direct expenses	26	(14,693)	(23,185)
Other income	24	13,445	13,172
Profit before taxation		654,501	696,368
Taxation	27	(255,444)	(294,092)
Profit after taxation		399,057	402,276

The annexed notes 1 to 35 form an integral part of these financial statements.

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Excecutive Officer	Chairman

Karachi 26 Feburary 2025

Statement of Comprehensive Income

For the year ended 31 December 2024

	2024	2023
		(Rupees '000)
Participants' Takaful Fund - (PTF)		
Surplus for the year	520,187	210,228
Other comprehensive income:		
Items that are or may be reclassified to the profit and loss account		
Net unrealised gain arising during the year on revaluation of available-for-sale investments	33,384	8,273
Reclassification adjustments for gains on sale of available-for-sale investments included in the profit and loss account	1,600	8,609
Other comprehensive income for the year	34,984	16,882
Total comprehensive income for the year	555,171	227,110
Operator's Fund - (OPF)		
Profit after tax for the year	399,057	402,276
Other comprehensive income:		
Items that are or may be reclassified to the profit and loss account		
Net unrealised gain / (loss) arising during the year on revaluation of available-for-sale investments - net of tax	15,831	(2,959)
Reclassification adjustments for losses on sale of available-for-sale investments included in the profit and loss account - net of tax	(644)	-
Other comprehensive income / (loss) for the year	15,187	(2,959)
Total comprehensive income for the year	414,244	399,317

The annexed notes 1 to 35 form an integral part of these financial statements.

TAHER G. SACHAK Director | **HASANALI ABDULLAH** Director | **NAJMUL HODA KHAN** Chief Financial Officer | **KAMRAN ARSHAD INAM** Managing Director & Chief Excecutive Officer | **SAIFUDDIN N. ZOOMKAWALA** Chairman

Karachi 26 Feburary 2025

Cash Flows Statement

For the year ended 31 December 2024

(Rupees '000)

	Note	Operator's Fund		Participant Takaful Fund	
		2024	2023	2024	2023
Operating cash flows					
a) Takaful activities					
Contributions received		-	-	3,215,914	2,986,900
Retakaful contribution paid		-	-	(1,168,474)	(1,220,418)
Claims / benefits paid		-	-	(1,286,983)	(1,763,792)
Retakaful and other recoveries received		-	-	433,173	595,084
Commission paid		(368,288)	(331,954)	-	-
Retakaful rebate received		-	-	270,109	180,873
Wakala fee received / (paid)		1,138,203	1,080,753	(1,138,203)	(1,080,753)
Modarib received / (paid)		134,659	100,127	(134,659)	(100,127)
Net cash flow generated from / (used in) takaful activities		904,574	848,926	190,877	(402,233)
b) Other operating activities					
Income tax paid		(298,185)	(306,830)	-	-
General and other expenses paid		(476,376)	(442,131)	(51,582)	(75,845)
Other operating payments		3,003	(925)	15,865	1,270
Other operating receipts		15,047	22,105	24,572	3,176
Net cash flow used in other operating activities		(756,511)	(727,781)	(11,145)	(71,399)
Total cash flow generated from / (used in) all operating activities		148,063	121,145	179,732	(473,632)
Investment activities					
Profit / return received		223,600	203,900	541,832	409,043
Payment for investments		(447,522)	(457,340)	(1,075,022)	(645,608)
Proceeds from investments		137,802	442,873	392,428	789,137
Fixed capital expenditures		(848)	(5,134)	-	-
Proceeds from disposal of property and equipment		1,805	2,050	-	-
Total cash flow (used in) / generated from investing activities		(85,163)	186,349	(140,762)	552,572
Financing activities - Transfer of profit to the Company		-	(266,687)	-	-
Net cash flow generated from all activities		62,900	40,807	38,970	78,940
Cash and cash equivalents at the beginning of the year		89,736	48,929	274,503	195,563
Cash and cash equivalents at the end of the year	12	152,636	89,736	313,473	274,503
Reconciliation to profit and loss account					
Operating cash flow		148,063	121,145	179,732	(473,632)
Depreciation expense		(1,805)	(758)	-	-
Profit on disposal of property and equipment		1,805	2,050	-	-
Investment income		208,719	202,284	496,494	402,243
Other income		11,640	11,122	40,949	30,570
Increase in assets other than cash		97,569	54,063	151,807	315,539
(Increase) / decrease in liabilities other than borrowings		(66,934)	12,370	(348,795)	(64,492)
Profit after tax / Surplus for the year		399,057	402,276	520,187	210,228
Attributed to					
Operator's Fund		399,057	402,276	-	-
Participants' Takaful Fund		-	-	520,187	210,228
		399,057	402,276	520,187	210,228

The annexed notes 1 to 35 form an integral part of these financial statements.

TAHER G. SACHAK Director | **HASANALI ABDULLAH** Director | **NAJMUL HODA KHAN** Chief Financial Officer | **KAMRAN ARSHAD INAM** Managing Director & Chief Excecutive Officer | **SAIFUDDIN N. ZOOMKAWALA** Chairman

Karachi 26 Feburary 2025

Statement of Changes in Funds

For the year ended 31 December 2024

(Rupees '000)

	Operator's Fund			
	Statutory fund	Unrealised gain / (loss) on revaluation of available-for-sale-investments-net	Accumulated profit	Total
Balance as at 01 January 2023	100,000	(5,123)	782,515	877,392
Total comprehensive income for the year ended 31 December 2023				
- Profit for the year	-	-	402,276	402,276
- Transfer of profit to the Company	-	-	(266,687)	(266,687)
- Other comprehensive loss	-	(2,959)	-	(2,959)
Total comprehensive income / (loss)	-	(2,959)	135,589	132,630
Balance as at 31 December 2023	100,000	(8,082)	918,104	1,010,022
Total comprehensive income for the year ended 31 December 2024				
- Profit for the year	-	-	399,057	399,057
- Other comprehensive income	-	15,187	-	15,187
Total comprehensive income	-	15,187	399,057	414,244
Balance as at 31 December 2024	100,000	7,105	1,317,161	1,424,266

	Participants' Takaful Fund			
	Cede money	Unrealised gain / (loss) on revaluation of available-for-sale investments-net	Accumulated surplus	Total
Balance as at 01 January 2023	500	(20,909)	1,159,390	1,138,981
Total comprehensive income for the year ended 31 December 2023				
- Surplus for the year	-	-	210,228	210,228
- Other comprehensive income	-	16,882	-	16,882
Total comprehensive income	-	16,882	210,228	227,110
Balance as at 31 December 2023	500	(4,027)	1,369,618	1,366,091
Total comprehensive income for the year ended 31 December 2024				
- Surplus for the year	-	-	520,187	520,187
- Other comprehensive income	-	34,984	-	34,984
Total comprehensive income	-	34,984	520,187	555,171
Balance as at 31 December 2024	500	30,957	1,889,805	1,921,262

The annexed notes 1 to 35 form an integral part of these financial statements.

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Excecutive Officer	Chairman

Karachi 26 Feburary 2025

Notes to and forming part of the Financial Statements

For the year ended 31 December 2024

1 Legal status and nature of business

EFU General Insurance Limited (the Operator) was allowed to undertake Window Takaful Operations (the Operations) on 16 April 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations (OPF) in Pakistan.

For the purpose of carrying on the takaful business, the Operator has formed a Waqf / Participants' Takaful Fund (PTF) on 06 May 2015 under the Waqf deed. The Waqf deed governs the relationship of Operator and Participants for management of takaful operations.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017, General Takaful Accounting Regulation, 2019 and Takaful Rules 2012;

In case requirement differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules 2017, Takaful Rules, 2012, General Takaful Accounting Regulations, 2019 shall prevail.

2.1 Basis of measurement

These financial statements have been prepared under the historical cost basis except for the available-for-sale investments that have been measured at fair value.

2.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is also the Operator's functional currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest rupees in thousand, unless otherwise stated.

2.3 Standards, interpretations and amendments effective during the current year

There are certain new and amended standards, interpretations and amendments that are mandatory for the Operator's accounting periods beginning on or after 01 January 2024 but are considered not to be relevant or do not have any significant effect on the Operator's operation and therefore not detailed in these financial statements.

Effective date	New amendments to standard
1 January 2024	Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020)
	Non-current liabilities with covenants (Amendment to IAS 1 in October 2022)
	lease liability in a sale and leaseback (Amendment to IFRS 16 in September 2022)
	Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

2.4 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2025:

`- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

- Lack of Exchangeability (amendments to IAS 21) clarify:

  - when a currency is exchangeable into another currency; and
  - how a company estimates a spot rate when a currency lacks exchangeability.

Further, operators will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- The nature and financial impacts of the currency not being exchangeable;
- The spot exchange rate used;
- The estimation process; and
- Risks to the operator because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments Disclosures”
- Financial Assets with ESG-linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial asset with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features.While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs - e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- Recognition / Derecognition requirements of financial assets / liabilities by electronic payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognise their trade payables on the settlement date (i.e. when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the Operator to derecognise its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- No practical ability to withdraw, stop or cancel the payment instruction;
- No practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system is insignificant.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- Other related amendment:

  Contractually linked instruments (CLIs) and non-recourse features:

  The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the ‘look through’ test)

- Disclosures on investments in equity instruments:

  The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

  The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

Annual Improvements to IFRS Accounting Standards – Amendments to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and it’s accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

The amendements to IFRS 9 address:

- conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables: Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and

- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:

  When lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit and loss account.

  The amendment on trade receivables may require some companies to change their accounting policy.

  The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

  The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

2.4.1 Temporary exemption from IFRS 17 and IFRS 9

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I) / 2023 dated 21 November 2023 IFRS 17 “Insurance Contracts”, is applicable to the companies engaged in insurance / takaful and re-insurance / re-takaful business from financial years commencing on or after 01 January 2025.

IFRS 17, replaces IFRS 4 “Insurance Contracts”. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition / derecognition of IFRS 17. Companies subject to the requirement of SRO 1715 will also be required to adopt requirements of IFRS 9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

SECP through its S.R.O.506(I)/2024 has directed that the applicability period of optional temporary exemption from applying IFRS 9 “Financial Instruments” as given in para 20A of IFRS 4 “Insurance Contracts” is extended for annual periods beginning before 01 January 2026, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

SECP vide letter no. ID/MDPRD/IFRS-17/2021/176 dated 15 June 2021 initiated a four-phase approach towards implementation of IFRS 17 “Insurance Contracts”. The first three phases now stand completed and Phase 4 parallel run and implementation has commenced and is currently under progress.

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

In Phase 4 SECP requires parallel run of IFRS 17 for the year ended 31 December 2024 to be submitted to SECP by 30 June 2025 and dry run on the financial statement of the first quarter of 2025 to be submitted by 30 November 2025.

The tables below set out the fair values as at the end of reporting year and the amount of change in the fair value during that year for the following two groups of financial assets separately:

a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding, excluding any financial asset that meets the definition of fair value through profit and loss in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis; and

b) all other financial assets.

Fair value of financial assets as at December 31, 2024 and change in the fair values during the year ended December 31 2024.

(Rupees ‘000)

	As at 31 December 2024			
	Fail the SPPI test		Pass the SPPI test	
Financial assets	**Fair value**	**Change in unrealised gain during the year**	**Fair value**	**Change in unrealised gain during the year**
Cash at bank*	-	-	466,109	-
Investment in debt securities	-	-	4,277,339	49,215
	-	-	4,743,448	49,215

*The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

Fair value of financial assets as at 31 December 2023 and the change in the fair values during the year ended 31 December 2023.

(Rupees ‘000)

	As at 31 December 2023			
	Fail the SPPI test		Pass the SPPI test	
Financial assets	Fair value	Change in unre-alised gain during the year	Fair value	Change in unrealised gain during the year
Cash at bank*	-	-	364,239	-
Investment in debt securities	-	-	3,225,144	5,314
	-	-	3,589,383	5,314

*The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The Operator has consistently applied the following accounting policies to all periods presented in these financial statements for the year ended 31 December 2024. These are consistent with those applied in preparation of the published annual audited financial statements of the Operator for the year ended 31 December 2023.

3.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated on straight line basis at the rates specified in note 5.1.

Depreciation on additions during the year is charged from the date in which the asset is put to use, whereas no depreciation is charged from the date the asset is disposed off.

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

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognised. Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at each reporting date.

3.2 Takaful Contracts

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

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

The Operator underwrites non-life takaful contracts that can be categorised into fire and property damage, marine, aviation and transport, motor and miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Takaful contracts entered into by the Operator under which the contract holder is another Takaful Operator (inwards retakaful) of a facultative nature are included within the individual category of takaful contracts, other than those, which fall under Treaty. The takaful risk involved in these contracts is similar to the contracts undertaken by the Operator as takaful operator.

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

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

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

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

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

3.3 Contribution

For all the takaful contracts, contributions / cover notes issued including administrative surcharge received / receivable under a policy / cover note are recognised as written from the date of attachment of the risk to the policy / cover note and over the period of contract from inception to the expiry of policy. Where contributions for a policy are payable in installments, full contribution for the duration of the policy is recognised as written at the inception of the policy and related assets set up for contributions receivable at a later date. Contributions are stated on gross basis and exclusive of taxes and duties levied on contributions.

3.4 Unearned contribution reserve

The unearned contribution reserve is the unexpired portion of the contribution including administrative surcharge which relates to business in force at the financial statement date. Unearned contribution has been calculated by applying 1/24th method as specified in the Insurance Rules, 2017.

3.5 Contribution deficiency reserve (liability adequacy test)

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

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies and expectations of future events that are believed to be reasonable.

The movement in the contribution deficiency reserve is recognised as an expense or income in the profit and loss account for the year.

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

	2024	2023
– Fire and property damage	29%	36%
– Marine, aviation and transport	15%	11%
– Motor	52%	53%
– Miscellaneous	19%	46%

Notes to and forming part of the Financial Statements

For the year ended 31 December 2024

3.6 Retakaful contracts

Contracts entered into by the Operator with retakaful operator under which the Operator arranges to cede takaful risks of PTF assumed during normal course of the business and according to which the PTF is compensated for losses on takaful contracts issued by the Operator are classified as retakaful contracts held.

Retakaful contribution is recognised as an expense at the time the retakaful is ceded. Commission on retakaful cessions are recognised in accordance with the policy of recognizing contribution revenue.

Retakaful assets represent balances due from retakaful operators and retakaful recoveries against outstanding claims. Retakaful recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the retakaful contracts. Retakaful liabilities represent balances due to retakaful operators, are primarily contributions payable for retakaful contracts, and are recognised at the same time when retakaful contributions are recognised as an expense.

Retakaful assets or liabilities are derecognised when the contractual rights are extinguished or expired.

An impairment review of retakaful assets is performed at each financial statement date. If there is an objective evidence that the asset is impaired, the Operator reduces the carrying amount of the retakaful asset to its recoverable amount and recognises that impairment loss in the profit and loss account.

3.6.1 Takaful receivable

Receivables under takaful contracts are recognised when due, at the fair value of the consideration receivable. If there is objective evidence that the receivable is impaired, the Operator reduces the carrying amount of the receivable accordingly and recognises it as impairment loss.

An assessment is made at each reporting date to determine whether there is an objective evidence from external as well as internal source of information that a financial asset or group of assets may be impaired i.e. recoverable amount at the reporting date is less than earning amount of asset. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised, in the profit and loss account, for the difference between the recoverable amount and the carrying amount. Provisions for impairment are reviewed at each reporting date and adjusted to reflect the current best estimates. Changes in provisions are recognised as income or expense, in the profit and loss account.

3.7 Segment reporting

An operating segment is a component of the Operator that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Operator other components. All operating segments' results are reviewed regularly by the Operator key management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Operator has four primary business segments for reporting purposes namely, fire and property damage, marine, motor and miscellaneous. The nature and business activities of these segments are disclosed in note 3.2.

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

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

3.8 Revenue recognition

3.8.1 Participant Takaful Fund (PTF)

3.8.1.1 Contribution

The revenue recognition policy for contributions is given under note 3.3.

3.8.1.2 Rebate from retakaful operators

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

3.8.2 Operator's Participant Fund (OPF)

The revenue recognition policy for wakala fee is given under note 3.14.

3.8.3 Investment Income PTF / OPF

Profit on debt investments, profit on sharing accounts and bank deposits are recognised on accrual basis.

3.9 Investments

- In debt securities - available-for-sale
- In term deposit - held-to-maturity

3.9.1 Recognition

All investments are initially recognised at fair value of the consideration given and include transaction costs. All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the Operator commits to purchase or sell investments.

3.9.2 Measurement

3.9.2.1 Available-for-sale

At the time of acquisition, investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

Subsequent to initial measurement, these are remeasured at fair value. Surplus / deficit on revaluation from one reporting date to other is taken to other comprehensive income in the Statement of Comprehensive Income. On derecognition or impairment of available-for-sale investments, the cumulative gain or loss previously reported in other comprehensive income is transferred to profit and loss for the period within Statement of Comprehensive Income. Whereas, any reversal in impairment is taken in Statement of Comprehensive Income.

These are reviewed for impairment at each reporting date and any losses arising from impairment in values are charged to the profit and loss account.

3.9.2.2 Held to maturity

At the time of acquisition, investments with fixed determinable payments and fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held to maturity.

Subsequently, these are measured at amortised cost using the effective yield, less provision for impairment losses, if any. Any premium paid or discount availed on acquisition of held to maturity investment is deferred and amortised over the term of investment using the effective yield method.

These are reviewed for impairment at year end and any losses arising from impairment in values are charged to the profit and loss account.

3.9.2.3 Investment Income

Profit on debt investments, profit on sharing accounts and bank deposits are recognised on accrual basis.

3.10 Claims

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

3.10.1 Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognised in respect of all claims incurred up to the financial statement date which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs.

Retakaful recoveries against outstanding claims are recognised as an asset and measured at the amount expected to be received.

The provision for claims incurred but not reported (IBNR) is made at the financial statement date. In accordance with SECP circular no. 9 of 2016, the Operator has changed its method of estimation of IBNR. The Operator now takes actuarial advice for the determination of IBNR claims. IBNR claim have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

3.11 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity or in the statement of comprehensive income, in which case it is recognised in equity or in the statement of comprehensive income respectively.

3.11.1 Current tax

Provision for current taxation is based on taxable income determined in accordance with the prevailing law for taxation of income and is calculated using enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for the current taxation also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalised during the year or required by any other reason.

3.11.2 Deferred tax

Deferred tax is recognised using the statement of financial postion liability method for all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted at the financial statement date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The taxation of Operators' Fund is made while including in the Operator's results as a whole and accordingly taxation has been recorded.

3.12 Management expenses

Management expenses are allocated to various classes of business as deemed equitable by the management based on the detailed exercise carried out by the management on an annual basis.

3.13 Commission expense

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

3.14 Wakala fees

The Operator manages the general takaful operations for the participants and charges 35.00% (2023: 35.00%) for fire and property, 35.00% (2023: 35.00%) for marine, aviation and transport, 35.00% (2023: 35.00%) for motor, 40.00% (2023: 40.00%) for motor Ijara, 35% (2023: 35%) for miscellaneous of gross contribution written including administrative surcharge as wakala fee against the services.

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

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

3.15 Modarib fee

The Operator also manages the participants' investment as modarib and charges 25% (2023: 25%) of investment income and profit on profit and loss sharing accounts and bank deposits earned by the PTF as Modarib fee. It is recognised on the same basis on which related revenue is recognised.

3.16 Cash and cash equivalents

Cash and cash equivalents includes policy and revenue stamps, bond papers, cash at bank, and term deposits with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Operator in the management of its short-term commitments. Bank overdrafts that are repayable on demand and form an integral part of the Opeator cash management are included as a component of cash and cash equivalents for the purposes of the of cash flow statement.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

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

	Note
– Property and equipment	3.1
– Contribution deficiency reserve (liability adequacy test)	3.5
– Takaful receivables	3.6.1
– Provision for outstanding claims (including IBNR)	3.10.1
– Taxation	3.11

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

5 PROPERTY AND EQUIPMENT

(Rupees '000)

	Note	2024	2023
Operating assets	5.1	5,530	6,487

5.1

Operator's Fund - 2024

	Cost				Depreciation				WDV	
	As at 01 January	Additions	Disposals / Adjustments	As at 31 December	As at 01 January	For the year	Disposals / Adjustments	As at 31 December	As at 31 December	Rate %
Vehicles	8,422	560	(1,680)	7,302	2,524	1,515	(1,680)	2,359	4,943	20
Furniture and Fixtures	1,502	142	-	1,644	1,230	149	-	1,379	265	10
Computer Equipment	1,029	143	(129)	1,043	952	96	(129)	919	124	30
Office Equipment	525	3	-	528	285	45	-	330	198	10
	11,478	848	(1,809)	10,517	4,991	1,805	(1,809)	4,987	5,530	

Operator s Fund - 2023

	Cost				Depreciation				WDV	
	As at 01 January	Additions	Disposals / Adjustments	As at 31 December	As at 01 January	For the year	Disposals / Adjustments	As at 31 December	As at 31 December	Rate %
Vehicles	5,176	4,942	(1,696)	8,422	3,775	445	(1,696)	2,524	5,898	20
Furniture and Fixtures	1,502	-	-	1,502	1,074	156	-	1,230	272	10
Computer Equipment	1,029	-	-	1,029	829	123	-	952	77	30
Office Equipment	333	192	-	525	251	34	-	285	240	10
	8,040	5,134	(1,696)	11,478	5,929	758	(1,696)	4,991	6,487	

5.1.1 Details of tangible assets disposed off during the year are as follows:

Category of assets (mode of disposal)	Original Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gains
Computers written down value below Rs. 50,000	129	129	-	5	5
Vehicles written down value below Rs. 50,000	1,680	1,680	-	1,800	1,800
	1,809	1,809	-	1,805	1,805

6 INVESTMENT IN DEBT SECURITIES

6.1 Operator's Fund - available-for-sale

(Rupees in '000)

	2024			2023		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Fixed Income Securities						
Ijara Sukuks	1,255,754	-	1,255,754	943,774	-	943,774
Corporate Sukuk	33,931	(8,931)	25,000	36,192	(8,931)	27,261
	1,289,685	(8,931)	1,280,754	979,966	(8,931)	971,035
Surplus / (deficit) on revaluation	-	-	11,648	-	-	(13,250)
	1,289,685	(8,931)	1,292,402	979,966	(8,931)	957,785

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

(Rupees in '000)

6.1.1

Name of investments	Term	Maturity year	Effective yield %	Profit payment	Face value	2024
Ijara Sukuks						
5 Year GoP Ijara Sukuk	5 Year	2025	13.63%	Half yearly	40,000	40,332
5 Year GoP Ijara Sukuk	5 Year	2025	13.63%	Half yearly	25,000	25,208
5 Year GoP Ijara Sukuk	5 Year	2025	13.66%	Half yearly	50,000	50,415
5 Year GoP Ijara Sukuk	5 Year	2025	12.75%	Half yearly	30,000	30,294
5 Year GoP Ijara Sukuk	5 Year	2025	12.73%	Half yearly	43,500	43,926
5 Year GoP Ijara Sukuk	5 Year	2025	12.73%	Half yearly	17,000	17,166
5 Year GoP Ijara Sukuk	5 Year	2025	12.79%	Half yearly	30,000	30,294
5 Year GoP Ijara Sukuk	5 Year	2025	12.86%	Half yearly	30,000	30,294
5 Year GoP Ijara Sukuk	5 Year	2025	12.78%	Half yearly	27,000	27,265
5 Year GoP Ijara Sukuk	5 Year	2025	13.00%	Half yearly	35,000	35,343
5 Year GoP Ijara Sukuk	5 Year	2025	18.77%	Half yearly	13,000	13,315
5 Year GoP Ijara Sukuk	5 Year	2025	18.68%	Half yearly	15,000	15,363
5 Year GoP Ijara Sukuk	5 Year	2025	18.75%	Half yearly	17,000	17,411
5 Year GoP Ijara Sukuk	5 Year	2025	8.52%	Half yearly	59,000	57,773
5 Year GoP Ijara Sukuk	5 Year	2025	8.15%	Half yearly	13,500	13,219
5 Year GoP Ijara Sukuk	5 Year	2025	8.14%	Half yearly	25,000	24,480
5 Year GoP Ijara Sukuk	5 Year	2025	12.29%	Half yearly	19,000	19,190
5 Year GoP Ijara Sukuk	5 Year	2025	12.28%	Half yearly	25,000	25,250
5 Year GoP Ijara Sukuk	5 Year	2025	12.19%	Half yearly	40,000	40,400
5 Year GoP Ijara Sukuk	5 Year	2026	13.55%	Half yearly	25,000	25,498
5 Year GoP Ijara Sukuk	5 Year	2026	13.68%	Half yearly	2,000	2,040
5 Year GoP Ijara Sukuk	5 Year	2026	12.91%	Half yearly	16,900	17,236
5 Year GoP Ijara Sukuk	5 Year	2026	12.44%	Half yearly	40,000	40,796
5 Year GoP Ijara Sukuk	5 Year	2026	13.57%	Half yearly	10,000	10,235
5 Year GoP Ijara Sukuk	5 Year	2026	12.36%	Half yearly	55,000	56,293
5 Year GoP Ijara Sukuk	5 Year	2026	12.61%	Half yearly	90,000	91,935
5 Year GoP Ijara Sukuk	5 Year	2027	13.93%	Half yearly	30,000	30,867
5 Year GoP Ijara Sukuk	5 Year	2027	14.12%	Half yearly	20,000	20,578
5 Year GoP Ijara Sukuk	5 Year	2027	14.12%	Half yearly	46,000	46,301
5 Year GoP Ijara Sukuk	5 Year	2027	14.15%	Half yearly	68,000	69,965
5 Year GoP Ijara Sukuk	5 Year	2027	13.96%	Half yearly	30,000	30,867
5 Year GoP Ijara Sukuk	5 Year	2027	14.15%	Half yearly	4,000	4,116
5 Year GoP Ijara Sukuk	5 Year	2027	13.28%	Half yearly	71,000	73,052
5 Year GoP Ijara Sukuk	5 Year	2027	13.35%	Half yearly	12,000	12,347
5 Year GoP Ijara Sukuk	5 Year	2027	13.35%	Half yearly	29,000	29,838
5 Year GoP Ijara Sukuk	5 Year	2027	13.78%	Half yearly	50,000	51,445
3 Year GoP Ijara Sukuk	3 Year	2027	12.80%	Half yearly	6,500	6,711
5 Year GoP Ijara Sukuk	5 Year	2027	12.51%	Half yearly	10,000	10,289
5 Year GoP Ijara Sukuk	5 Year	2027	12.02%	Half yearly	7,000	7,228
5 Year GoP Ijara Sukuk	5 Year	2028	11.25%	Half yearly	70,000	72,827
Total Ijara Sukuks					1,246,400	1,267,402
Corporate Sukuk						
5 Years Dubai Islamic Bank Ltd. Sukuk		Perpetual	24.35%	Monthly	25,000	25,000
Total operator's fund available-for-sale invesments as at 31 December 2024					1,271,400	1,292,402

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

(Rupees in '000)

Name of investments	Term	Maturity year	Effective yield %	Profit payment	Face value	2023
Ijara Sukuks						
1 Year GoP Ijara Sukuk	1 Year	2024	20.07%	Half yearly	37,000	37,508
5 Years GoP Ijara Sukuk	5 Years	2025	20.76%	Half yearly	30,000	29,895
5 Years GoP Ijara Sukuk	5 Years	2025	20.76%	Half yearly	43,500	43,348
5 Years GoP Ijara Sukuk	5 Years	2025	20.76%	Half yearly	17,000	16,941
5 Years GoP Ijara Sukuk	5 Years	2025	20.81%	Half yearly	30,000	29,862
5 Years GoP Ijara Sukuk	5 Years	2025	20.88%	Half yearly	30,000	29,895
5 Years GoP Ijara Sukuk	5 Years	2025	20.80%	Half yearly	27,000	26,906
5 Years GoP Ijara Sukuk	5 Years	2025	22.44%	Half yearly	13,000	13,130
5 Years GoP Ijara Sukuk	5 Years	2025	22.35%	Half yearly	15,000	15,170
5 Years GoP Ijara Sukuk	5 Years	2025	22.42%	Half yearly	17,000	17,170
5 Years GoP Ijara Sukuk	5 Years	2025	8.52%	Half yearly	59,000	49,446
5 Years GoP Ijara Sukuk	5 Years	2025	8.15%	Half yearly	13,500	11,312
5 Years GoP Ijara Sukuk	5 Years	2025	21.89%	Half yearly	40,000	39,796
5 Years GoP Ijara Sukuk	5 Years	2025	21.89%	Half yearly	25,000	24,873
5 Years GoP Ijara Sukuk	5 Years	2025	8.14%	Half yearly	25,000	20,948
5 Years GoP Ijara Sukuk	5 Years	2025	21.92%	Half yearly	50,000	49,745
5 Years GoP Ijara Sukuk	5 Years	2025	20.77%	Half yearly	19,000	19,173
5 Years GoP Ijara Sukuk	5 Years	2025	21.03%	Half yearly	35,000	34,878
5 Years GoP Ijara Sukuk	5 Years	2025	20.76%	Half yearly	25,000	25,228
5 Years GoP Ijara Sukuk	5 Years	2025	20.66%	Half yearly	40,000	40,364
5 Years GoP Ijara Sukuk	5 Years	2026	21.76%	Half yearly	10,000	10,150
5 Years GoP Ijara Sukuk	5 Years	2026	21.65%	Half yearly	25,000	25,250
5 Years GoP Ijara Sukuk	5 Years	2026	22.25%	Half yearly	2,000	2,020
5 Years GoP Ijara Sukuk	5 Years	2027	22.21%	Half yearly	15,000	15,225
5 Years GoP Ijara Sukuk	5 Years	2027	21.69%	Half yearly	30,000	30,535
5 Years GoP Ijara Sukuk	5 Years	2027	22.25%	Half yearly	50,000	50,890
5 Years GoP Ijara Sukuk	5 Years	2027	21.91%	Half yearly	20,000	20,356
5 Years GoP Ijara Sukuk	5 Years	2027	22.39%	Half yearly	68,000	69,220
5 Years GoP Ijara Sukuk	5 Years	2027	22.74%	Half yearly	25,000	25,445
5 Years GoP Ijara Sukuk	5 Years	2027	22.74%	Half yearly	20,000	20,356
5 Years GoP Ijara Sukuk	5 Years	2027	22.17%	Half yearly	30,000	30,534
5 Years GoP Ijara Sukuk	5 Years	2027	22.39%	Half yearly	4,000	4,073
5 Years GoP Ijara Sukuk	5 Years	2027	21.40%	Half yearly	50,000	50,890
Total Ijara Sukuks					940,000	930,532
Corporate Sukuks						
5 Years Dubai Islamic Bank Ltd. Sukuk		Perpetual	24.35%	Monthly	25,000	25,000
4 Years Hub Power Company Ltd. Sukuk		Perpetual	21.12%	Half yearly	2,250	2,253
Total Corporate Sukuks					27,250	27,253
Total operator's fund available-for-sale invesments as at 31 December 2023					967,250	957,785

6.2 Participants' Takaful Fund - available-for-sale

	2024			2023		
	Cost	**Impairment / provision**	**Carrying value**	Cost	Impairment / provision	Carrying value
Fixed Income Securities						
Ijara Sukuks	2,906,979	-	2,906,979	2,220,368	-	2,220,368
Corporate Sukuks	55,931	(8,931)	47,000	59,948	(8,931)	51,017
	2,962,910	(8,931)	2,953,979	2,280,316	(8,931)	2,271,385
Surplus / (deficit) on revaluation			30,958			(4,026)
			2,984,937			2,267,359

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

6.2.1 Investment in debt securities

(Rupees in '000)

Name of investments	Term	Maturity year	Effective yield %	Profit payment	Face value	2024
Ijara Sukuks						
5 Years GoP Ijara Sukuk	5 Years	2025	13.21%	Half yearly	60,000	60,588
5 Years GoP Ijara Sukuk	5 Years	2025	12.73%	Half yearly	106,500	107,544
5 Years GoP Ijara Sukuk	5 Years	2025	12.73%	Half yearly	68,000	68,666
5 Years GoP Ijara Sukuk	5 Years	2025	12.72%	Half yearly	70,000	70,686
5 Years GoP Ijara Sukuk	5 Years	2025	12.73%	Half yearly	82,000	82,804
5 Years GoP Ijara Sukuk	5 Years	2025	12.73%	Half yearly	18,000	18,176
5 Years GoP Ijara Sukuk	5 Years	2025	12.79%	Half yearly	25,000	25,245
5 Years GoP Ijara Sukuk	5 Years	2025	11.37%	Half yearly	15,000	15,159
5 Years GoP Ijara Sukuk	5 Years	2025	11.37%	Half yearly	22,000	22,233
5 Years GoP Ijara Sukuk	5 Years	2025	11.32%	Half yearly	15,000	15,159
5 Years GoP Ijara Sukuk	5 Years	2025	18.77%	Half yearly	40,000	40,968
5 Years GoP Ijara Sukuk	5 Years	2025	18.78%	Half yearly	6,000	6,145
5 Years GoP Ijara Sukuk	5 Years	2025	18.67%	Half yearly	40,000	40,968
5 Years GoP Ijara Sukuk	5 Years	2025	18.68%	Half yearly	7,000	7,169
5 Years GoP Ijara Sukuk	5 Years	2025	18.68%	Half yearly	12,000	12,290
5 Years GoP Ijara Sukuk	5 Years	2025	18.70%	Half yearly	10,000	10,242
5 Years GoP Ijara Sukuk	5 Years	2025	18.70%	Half yearly	25,000	25,605
5 Years GoP Ijara Sukuk	5 Years	2025	18.69%	Half yearly	15,000	15,363
5 Years GoP Ijara Sukuk	5 Years	2025	18.69%	Half yearly	27,000	27,653
5 Years GoP Ijara Sukuk	5 Years	2025	18.69%	Half yearly	32,000	32,774
5 Years GoP Ijara Sukuk	5 Years	2025	8.52%	Half yearly	41,000	40,147
5 Years GoP Ijara Sukuk	5 Years	2025	8.22%	Half yearly	15,000	14,688
5 Years GoP Ijara Sukuk	5 Years	2025	13.62%	Half yearly	17,000	17,141
5 Years GoP Ijara Sukuk	5 Years	2025	12.80%	Half yearly	120,000	121,176
5 Years GoP Ijara Sukuk	5 Years	2025	13.70%	Half yearly	25,000	25,208
5 Years GoP Ijara Sukuk	5 Years	2025	13.55%	Half yearly	18,000	18,149
5 Years GoP Ijara Sukuk	5 Years	2025	12.99%	Half yearly	38,000	38,315
5 Years GoP Ijara Sukuk	5 Years	2025	13.03%	Half yearly	50,000	50,490
5 Years GoP Ijara Sukuk	5 Years	2025	12.28%	Half yearly	15,000	15,150
5 Years GoP Ijara Sukuk	5 Years	2025	12.28%	Half yearly	75,000	75,750
5 Years GoP Ijara Sukuk	5 Years	2025	12.19%	Half yearly	20,000	20,200
5 Years GoP Ijara Sukuk	5 Years	2025	12.18%	Half yearly	15,000	15,150
5 Years GoP Ijara Sukuk	5 Years	2025	12.35%	Half yearly	120,000	121,200
5 Years GoP Ijara Sukuk	5 Years	2025	12.23%	Half yearly	77,000	77,770
5 Years GoP Ijara Sukuk	5 Years	2026	13.69%	Half yearly	10,000	10,199
5 Years GoP Ijara Sukuk	5 Years	2026	13.58%	Half yearly	34,000	34,799
5 Years GoP Ijara Sukuk	5 Years	2026	13.57%	Half yearly	80,000	81,880
5 Years GoP Ijara Sukuk	5 Years	2026	13.57%	Half yearly	4,000	4,094
5 Years GoP Ijara Sukuk	5 Years	2026	14.04%	Half yearly	50,000	51,175
3 Years GoP Ijara Sukuk	3 Years	2026	12.61%	Half yearly	62,000	63,333
5 Years GoP Ijara Sukuk	5 Years	2026	12.91%	Half yearly	45,700	46,609
5 Years GoP Ijara Sukuk	5 Years	2026	12.36%	Half yearly	125,000	127,938
5 Years GoP Ijara Sukuk	5 Years	2026	12.72%	Half yearly	32,000	32,752
5 Years GoP Ijara Sukuk	5 Years	2027	13.56%	Half yearly	10,000	10,325
5 Years GoP Ijara Sukuk	5 Years	2027	13.85%	Half yearly	15,000	15,488
5 Years GoP Ijara Sukuk	5 Years	2027	14.00%	Half yearly	77,000	79,503
5 Years GoP Ijara Sukuk	5 Years	2027	14.04%	Half yearly	36,000	37,040
5 Years GoP Ijara Sukuk	5 Years	2027	14.15%	Half yearly	75,000	77,438
5 Years GoP Ijara Sukuk	5 Years	2027	14.15%	Half yearly	75,000	77,168
5 Years GoP Ijara Sukuk	5 Years	2027	14.15%	Half yearly	24,000	24,694
5 Years GoP Ijara Sukuk	5 Years	2027	14.15%	Half yearly	30,000	30,867
5 Years GoP Ijara Sukuk	5 Years	2027	14.02%	Half yearly	94,000	96,717
5 Years GoP Ijara Sukuk	5 Years	2027	13.28%	Half yearly	22,000	22,636

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

(Rupees in '000)

Name of investments	Term	Maturity year	Effective yield %	Profit payment	Face value	2024
5 Years GoP Ijara Sukuk	5 Years	2027	13.28%	Half yearly	29,000	29,838
5 Years GoP Ijara Sukuk	5 Years	2027	13.27%	Half yearly	25,000	25,723
5 Years GoP Ijara Sukuk	5 Years	2027	13.35%	Half yearly	110,000	113,179
5 Years GoP Ijara Sukuk	5 Years	2027	13.34%	Half yearly	28,000	28,809
5 Years GoP Ijara Sukuk	5 Years	2027	14.15%	Half yearly	50,000	51,445
5 Years GoP Ijara Sukuk	5 Years	2027	13.33%	Half yearly	60,000	61,950
5 Years GoP Ijara Sukuk	5 Years	2027	13.78%	Half yearly	10,000	10,289
5 Years GoP Ijara Sukuk	5 Years	2027	14.15%	Half yearly	15,000	15,488
5 Years GoP Ijara Sukuk	5 Years	2027	12.80%	Half yearly	18,000	18,585
5 Years GoP Ijara Sukuk	5 Years	2027	12.92%	Half yearly	45,000	46,301
5 Years GoP Ijara Sukuk	5 Years	2027	12.51%	Half yearly	85,000	87,457
5 Years GoP Ijara Sukuk	5 Years	2027	12.02%	Half yearly	163,000	168,247
Total Ijara Sukuks					**2,880,200**	**2,937,937**
Corporate Sukuks						
5 Years Dubai Islamic Bank Ltd. Sukuk		Perpetual	18.56%	Monthly	25,000	25,000
4 Years Hub Power Company Ltd. Sukuk		Perpetual	21.72%	Half yearly	22,000	22,000
Total Corporate Sukuks					**47,000**	**47,000**
Total Participants' Takaful Fund available-for-sale invesments as at 31 December 2024					**2,927,200**	**2,984,937**

Name of investments	Term	Maturity year	Effective yield %	Profit payment	Face value	2023
Ijara Sukuks						
1 Year GoP Ijara Sukuk	1Years	2024	20.07%	Half yearly	63,000	63,883
5 Years GoP Ijara Sukuk	5 Years	2025	21.24%	Half yearly	60,000	59,790
5 Years GoP Ijara Sukuk	5 Years	2025	20.75%	Half yearly	106,500	106,127
5 Years GoP Ijara Sukuk	5 Years	2025	20.74%	Half yearly	68,000	67,762
5 Years GoP Ijara Sukuk	5 Years	2025	20.74%	Half yearly	70,000	69,755
5 Years GoP Ijara Sukuk	5 Years	2025	20.74%	Half yearly	82,000	81,713
5 Years GoP Ijara Sukuk	5 Years	2025	20.74%	Half yearly	18,000	17,937
5 Years GoP Ijara Sukuk	5 Years	2025	20.81%	Half yearly	25,000	24,913
5 Years GoP Ijara Sukuk	5 Years	2025	20.77%	Half yearly	15,000	14,988
5 Years GoP Ijara Sukuk	5 Years	2025	20.77%	Half yearly	22,000	21,982
5 Years GoP Ijara Sukuk	5 Years	2025	20.72%	Half yearly	15,000	14,988
5 Years GoP Ijara Sukuk	5 Years	2025	22.44%	Half yearly	40,000	40,400
5 Years GoP Ijara Sukuk	5 Years	2025	22.45%	Half yearly	6,000	6,060
5 Years GoP Ijara Sukuk	5 Years	2025	22.34%	Half yearly	40,000	40,400
5 Years GoP Ijara Sukuk	5 Years	2025	22.35%	Half yearly	7,000	7,070
5 Years GoP Ijara Sukuk	5 Years	2025	22.35%	Half yearly	12,000	12,120
5 Years GoP Ijara Sukuk	5 Years	2025	22.37%	Half yearly	10,000	10,100
5 Years GoP Ijara Sukuk	5 Years	2025	22.37%	Half yearly	25,000	25,250
5 Years GoP Ijara Sukuk	5 Years	2025	22.36%	Half yearly	15,000	15,150
5 Years GoP Ijara Sukuk	5 Years	2025	22.36%	Half yearly	27,000	27,270
5 Years GoP Ijara Sukuk	5 Years	2025	22.36%	Half yearly	32,000	32,320
5 Years GoP Ijara Sukuk	5 Years	2025	8.52%	Half yearly	41,000	34,354
5 Years GoP Ijara Sukuk	5 Years	2025	8.22%	Half yearly	15,000	12,568
5 Years GoP Ijara Sukuk	5 Years	2025	21.89%	Half yearly	17,000	16,913
5 Years GoP Ijara Sukuk	5 Years	2025	20.81%	Half yearly	120,000	119,590
5 Years GoP Ijara Sukuk	5 Years	2025	21.96%	Half yearly	25,000	24,873
5 Years GoP Ijara Sukuk	5 Years	2025	21.81%	Half yearly	18,000	17,918

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

(Rupees in '000)

Name of investments	Term	Maturity year	Effective yield %	Profit payment	Face value	2023
5 Years GoP Ijara Sukuk	5 Years	2025	22.22%	Half yearly	38,000	37,806
5 Years GoP Ijara Sukuk	5 Years	2025	20.77%	Half yearly	44,000	44,400
5 Years GoP Ijara Sukuk	5 Years	2025	21.05%	Half yearly	50,000	49,825
5 Years GoP Ijara Sukuk	5 Years	2025	20.76%	Half yearly	15,000	15,136
5 Years GoP Ijara Sukuk	5 Years	2025	20.76%	Half yearly	75,000	75,683
5 Years GoP Ijara Sukuk	5 Years	2025	20.66%	Half yearly	20,000	20,182
5 Years GoP Ijara Sukuk	5 Years	2025	20.66%	Half yearly	15,000	15,136
5 Years GoP Ijara Sukuk	5 Years	2025	20.84%	Half yearly	120,000	121,098
5 Years GoP Ijara Sukuk	5 Years	2025	20.71%	Half yearly	77,000	77,701
5 Years GoP Ijara Sukuk	5 Years	2026	22.27%	Half yearly	10,000	10,100
5 Years GoP Ijara Sukuk	5 Years	2026	21.77%	Half yearly	34,000	34,510
5 Years GoP Ijara Sukuk	5 Years	2026	22.05%	Half yearly	80,000	81,200
5 Years GoP Ijara Sukuk	5 Years	2026	21.76%	Half yearly	4,000	4,060
5 Years GoP Ijara Sukuk	5 Years	2026	22.27%	Half yearly	50,000	50,750
5 Years GoP Ijara Sukuk	5 Years	2027	21.73%	Half yearly	10,000	10,150
5 Years GoP Ijara Sukuk	5 Years	2027	22.05%	Half yearly	15,000	15,225
5 Years GoP Ijara Sukuk	5 Years	2027	22.21%	Half yearly	77,000	78,185
5 Years GoP Ijara Sukuk	5 Years	2027	22.25%	Half yearly	36,000	36,651
5 Years GoP Ijara Sukuk	5 Years	2027	22.39%	Half yearly	200,000	203,000
5 Years GoP Ijara Sukuk	5 Years	2027	22.39%	Half yearly	75,000	76,335
5 Years GoP Ijara Sukuk	5 Years	2027	22.39%	Half yearly	24,000	24,427
5 Years GoP Ijara Sukuk	5 Years	2027	22.39%	Half yearly	30,000	30,534
5 Years GoP Ijara Sukuk	5 Years	2027	22.07%	Half yearly	94,000	95,673
5 Years GoP Ijara Sukuk	5 Years	2027	21.40%	Half yearly	22,000	22,392
Total Ijara Sukuks					2,209,500	2,216,353
Corporate Sukuks						
5 Years Dubai Islamic Bank Ltd. Sukuk		Perpetual	21.40%	Monthly	25,000	25,000
4 Years Hub Power Company Ltd. Sukuk		Perpetual	21.40%	Half Yearly	12,000	4,006
10 Years Dubai Islamic Bank Ltd. Sukuk		2032	21.40%	Half Yearly	22,000	22,000
Total Corporate Sukuks					59,000	51,006
Total Participants' Takaful Fund available-for-sale invesments as at 31 December 2023					2,268,500	2,267,359

	Operator's Fund 2024	Operator's Fund 2023	Participants' Takaful Fund 2024	Participants' Takaful Fund 2023
7 DEPOSITS AND OTHER RECEIVABLES				
Security deposits	**301**	301	**-**	-
Other receivables	**472**	4,771	**1,167**	7,016
	773	5,072	**1,167**	7,016

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

(Rupees in '000)

		Note	Operator's Fund 2024	Operator's Fund 2023	Participants' Takaful Fund 2024	Participants' Takaful Fund 2023
8	**TAKAFUL / RETAKAFUL RECEIVABLES**					
	Due from takaful participants holders		**-**	-	**642,916**	456,941
	Due from other takaful / retakaful operators		**15,081**	13,783	**16,100**	17,938
			15,081	13,783	**659,016**	474,879
9	**RECEIVABLE FROM (PTF) / PAYABLE TO (OPF)**					
	Wakala fee		**485,279**	423,986	**485,279**	423,986
	Modarib fee		**20,514**	20,811	**20,514**	20,811
			505,793	444,797	**505,793**	444,797
10	**ACCRUED INVESTMENT INCOME**					
	Debt securities		**28,317**	31,559	**69,194**	73,583
11	**PREPAYMENTS**					
	Prepaid retakaful contribution ceded		**-**	-	**624,597**	530,772
	Prepaid charges for vehicle tracking devices		**-**	-	**19,154**	29,169
			-	-	**643,751**	559,941
12	**CASH AND BANK**					
	Cash and cash equivalents					
	Policy stamps		**-**	-	**5,837**	2,496
	Cash at bank					
	Current accounts		**31,503**	4,156	**1,795**	1,517
	Saving accounts	12.1	**121,133**	85,580	**305,841**	270,490
			152,636	89,736	**307,636**	272,007
			152,636	89,736	**313,473**	274,503

12.1 The rate of profit on profit and loss sharing accounts from various banks were 10.00% to 16.00% per annum (31 December 2023: 8.00% to 16.50%) depending on the size of average deposits.

13 DEFERRED TAXATION

(Rupees in '000)

	2024	2023
Deferred debit arising in respect of:		
Accelerated tax depreciation	**111**	-
Unrealised losses on available-for-sale investments	**-**	5,167
Impairment on available-for-sale investments	**3,483**	3,483
	3,594	8,650
Deferred credit arising in respect of:		
Accelerated tax depreciation	**-**	(9)
Unrealised gains on available-for-sale investments	**(4,543)**	-
	(4,543)	(9)
	(949)	8,641

Notes to and forming part of the Financial Statements

For the year ended 31 December 2024

(Rupees in '000)

	2024			
	Balance as at 01 January 2024	Recognised in profit and loss account	Recognised in other comprehensive income	Balance as at 31 December 2024
Deductible / (taxable) temporary differences				
Accelerated tax depreciation	(9)	120	-	111
Impairment on available-for-sale investments	3,483	-	-	3,483
Unrealised (losses) / gains on available-for-sale investments	5,167	-	(9,710)	(4,543)
	8,641	120	(9,710)	(949)

	2023			
	Balance as at 01 January 2023	Recognised in profit and loss account	Recognised in other comprehensive income	Balance as at 31 December 2023
Deductible / (taxable) temporary differences				
Accelerated tax depreciation	325	(334)	-	(9)
Impairment on available-for-sale investments	2,725	758	-	3,483
Unrealised losses on available-for-sale investments	2,522	-	2,645	5,167
	5,572	424	2,645	8,641

14 TAKAFUL / RETAKAFUL PAYABLES

	Operator's Fund 2024	Operator's Fund 2023	Participants' Takaful Fund 2024	Participants' Takaful Fund 2023
Co-takaful payable	160	1,828	169,175	158,001
Re-takaful payable	-	-	375,673	157,228
	160	1,828	544,848	315,229

14.1 The Operator has co-takaful and re-takaful arrangements with various takaful operators and a domestic re-takaful operators. Under the above arrangements, the receivable and payable balances originate mainly due to contributions collected or claims settled by the lead operators on behalf of other co-operators, and in case of re-takaful, the contribution ceded to and claims recoverable from the re-takaful operator under the respective contracts. As per the prevailing industry practices, settlements of balances under co-takaful arrangements are done between the respective takaful operators in normal course of business.

The Operator believes that the current balances of co-takaful and re-takaful reflected in the records of the Operator are based on the underlying contracts and transactions supported by appropriate evidence.

In this regard, the Operator exchanged balance information with various co-takaful based on significance of the balances and the re-takaful. This information corroborates the balance position of the Operator in all material respects.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2024

(Rupees in '000)

15 REVALUATION RESERVE - AVAILABLE-FOR-SALE INVESEMENTS

	Operator's Fund 2024	Operator's Fund 2023	Participants' Takaful Fund 2024	Participants' Takaful Fund 2023
Debt securities	11,648	(13,249)	30,957	(4,027)
Related deferred tax	(4,543)	5,167	-	-
	7,105	(8,082)	30,957	(4,027)

16 OTHER CREDITORS AND ACCRUALS

	Operator's Fund 2024	Operator's Fund 2023	Participants' Takaful Fund 2024	Participants' Takaful Fund 2023
Agent commission payable	133,212	120,069	-	-
Workers' welfare fund	35,475	22,118	-	-
Accrued expenses	15,032	4,461	-	-
Sales tax payable	2,643	1,107	34,340	26,920
Retirement benefit obligations	486	405	-	-
Other creditors	337	263	17,012	160
Federal takaful fee payable	-	-	2,697	2,395
	187,185	148,423	54,049	29,475

17 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 31 December 2024 (31 December 2023: Nil).

(Rupees in '000)

18 NET CONTRIBUTION REVENUE

	2024	2023
Written gross contribution	3,358,201	3,070,936
Wakala fee	(1,199,497)	(1,125,264)
Contribution net of wakala fee	2,158,704	1,945,672
Unearned contribution reserve - opening	931,169	866,565
Unearned contribution reserve - closing	(1,072,185)	(931,169)
Contribution earned	2,017,688	1,881,068
Less:		
Retakaful contribution ceded	1,398,093	1,112,195
Prepaid retakaful contribution - opening	530,772	352,886
Prepaid retakaful contribution - closing	(624,597)	(530,772)
Retakaful expense	1,304,268	934,309
Net contribution revenue	713,420	946,759

19 RETAKAFUL REBATE EARNED

	2024	2023
Rebate received or recoverable	270,108	180,873
Unearned retakaful rebate-opening	104,374	65,847
Unearned retakaful rebate-closing	(120,740)	(104,374)
	253,742	142,346

(Rupees in '000)

		2024	2023
20	**NET CLAIMS**		
	Benefits / claims paid	1,293,708	1,761,198
	Outstanding benefits / claims including IBNR - closing	1,103,705	1,328,717
	Outstanding benefits / claims including IBNR - opening	(1,328,717)	(1,282,538)
	Claims expense	1,068,696	1,807,377
	Less:		
	Retakaful and other recoveries received	431,334	599,682
	Retakaful and other recoveries in respect of outstanding claims - closing	665,806	826,919
	Retakaful and other recoveries in respect of outstanding claims - opening	(826,919)	(746,866)
	Retakaful and other recoveries revenue	270,221	679,735
	Net claims expense	798,475	1,127,642

20.1 Benefit / claim development

The Operator maintains adequate reserves in respect of its takaful business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year. The following table shows the development of the claims over a period of time. All amounts are presented in gross numbers before re-takaful.

(Rupees in '000)

Accident year	2020 and Prior	2021	2022	2023	2024 (Including IBNR)
Estimate of ultimate claims costs:					
– At end of accident year	2,732,208	1,398,377	1,627,009	1,444,140	1,846,365
– One year later	1,903,923	1,310,627	1,451,410	1,352,567	-
– Two years later	1,826,527	1,318,582	1,212,611	-	-
– Three years later	1,804,689	1,338,079	-	-	-
– Four years later	1,800,865	-	-	-	-
Current estimate of cumulative claims	1,800,865	1,338,079	1,212,611	1,352,567	1,846,365
Cumulative payments to date	(1,379,279)	(1,297,431)	(1,188,250)	(1,197,519)	(1,384,303)
Liability recognised in statement of financial position	421,586	40,648	24,361	155,048	462,062

20.2 The provision for IBNR on the basis of actuarial valuation carried out as at 31 December 2024 amounted to Rs. 57.84 million (2023: Rs. 65.77 million).

(Rupees in '000)

		2024	2023
21	**COMMISSION EXPENSE**		
	Commission paid or payable	379,764	348,323
	Deferred commission expense - opening	163,567	163,440
	Deferred commission expense - closing	(188,109)	(163,567)
		355,222	348,196

(Rupees in '000)

		Note	2024	2023
22	**GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES**			
	Salaries, wages and benefits	22.1	332,110	293,665
	Bonus		26,126	23,159
	Depreciation	22.3	25,332	20,400
	Traveling, club and entertainment		16,994	16,737
	Gas, electricity and fuel expenses		15,635	10,630
	Rent, rates and taxes		15,249	16,201
	Annual supervision fee - SECP		14,977	4,316
	Sundries		9,254	15,599
	Printing and stationery		5,864	7,215
	Gratuity		4,699	4,635
	Telephone		3,005	2,372
	Postage & telegrams		2,552	2,983
	Conveyance expenses		1,939	1,799
	Insurance expenses		315	292
	Bank charges & commission		7	3
			474,058	420,006

22.1 This includes Rs. 0.38 million (2023: Rs. 0.32 million) contribution for employees' provident fund.

22.2 All common expense between the Company and the Operators' Fund are proportionately allocated.

(Rupees in '000)

		Note	2024	2023
22.3	**Depreciation**			
	Depreciation charged during the year	5.1	1,805	758
	Depreciation allocated against common assets		23,527	19,642
			25,332	20,400
23	**INVESTMENT INCOME**			
23.1	**Operator's Fund**			
	Income from debt securities - available-for-sale return on debt securities (Sukuks)		208,929	201,465
	Net realised (losses) / gains on available-for-sale investments		(210)	819
			208,719	202,284
23.2	**Participants' Takaful Fund**			
	Income from debt securities - available-for-sale return on debt securities (Sukuks)		496,494	419,643
	Net realised losses on available-for-sale investments		-	(17,400)
			496,494	402,243

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(Rupees in '000)

		2024	2023
24	**OTHER INCOME**		
24.1	**Operator's Fund**		
	Other income		
	Profit on bank deposits	11,640	11,122
	Gain on property and equipment	1,805	2,050
		13,445	13,172
24.2	**Participants' Takaful Fund**		
	Profit on bank deposits	40,949	30,570

25 MODARIB'S FEE

The Operator manages the participants' investments as a Modarib and charges 25% (2023: 25%) Modarib's share of the investment income (including profit on bank balances) earned by the PTF.

(Rupees in '000)

		Note	2024	2023
26	**DIRECT EXPENSES - OPF**			
	Workers' welfare fund		13,357	22,118
	Auditor's remuneration	26.1	1,336	940
	Subscription to association		-	127
			14,693	23,185
26.1	**Auditor's remuneration**			
	Audit fee	26.1.1	915	675
	Shariah Compliance audit fee		312	250
	Out of pocket expenses		109	15
			1,336	940

26.1.1 The Operator's auditor for the current year is KPMG Taseer Hadi & Co., whereas, in the previous year, the Operator was audited by EY Ford Rhodes. The base allocated audit fee, excluding other services, amounts to Rs. 0.915 million for the year (2023: Rs. 0.675 million).

		2024	2023
27	**TAXATION**		
	For current year		
	Current	190,035	201,694
	Super tax	65,529	69,550
	Deferred	(120)	(425)
		255,444	270,819
	For prior year(s)		
	Super tax	-	23,273
		255,444	294,092

Notes to and forming part of the Financial Statements
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(Rupees in '000)

27.1 **Relationship between tax expense and accounting profit**	2024	2023	2024	2023
	Effective tax rate (%)			
Profit before taxation			654,501	696,368
Tax at the applicable rate	29	29	189,805	201,947
Tax effects of deduction not allowed	0	0	110	(678)
Tax effects of prior year tax	0	3	-	23,273
Average effective tax rate charged on income			189,915	224,542
effect of super tax	10	10	65,529	69,550
Total average effective tax rate	39	42	255,444	294,092

28 COMPENSATION OF HEAD OF WINDOW TAKAFUL OPERATIONS AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including all benefits, to the Head of Window Takaful Operations and Executives of the Operator are as follows:

(Rupees in '000)

	2024			2023		
	Head of WTO	Execu-tives	Total	Head of WTO	Execu-tives	Total
Managerial remuneration	450	6,972	7,422	5,400	6,216	11,616
Leave encashment	-	385	385	-	239	239
Bonus	-	1,003	1,003	-	886	886
Retirement benefits	-	401	401	-	301	301
Utilities	114	373	487	374	334	708
Medical expenses	-	85	85	300	59	359
Total	564	9,219	9,783	6,074	8,035	14,109
Number of persons	1	2	3	1	2	3

29 RELATED PARTY TRANSACTIONS

Related parties comprise of directors, major shareholders, key management personnel, associated companies, subsidiary company, and entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. The transactions and balances with related parties during the year other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

(Rupees in '000)

	2024	2023
Transactions		
Subsidiary company		
Contributions refund	28	-
Associated companies		
Contributions written	24,905	772
Contributions paid	159	121
Claims paid	4,766	692

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

	2024	2023
	(Rupees in '000)	
Key management personnel		
Contributions written	48	70
Others		
Contributions written	290	285
Claim Paid	-	57
Employees' funds		
Contribution to gratuity fund	488	204
Contribution to provident fund	378	315
Other balances		
Balances receivable	574	-
Bank balances	128,499	-
Employees' gratuity fund payable	485	405

30 MOVEMENT IN INVESTMENT

30.1 Operator's fund

Name of Investment	Available - for-sale debt securities	Held-to-maturity term deposit	Total
At beginning of previous year	948,921	-	948,921
Additions	457,340	-	457,340
Disposals - (sale and redemptions)	(442,873)	-	(442,873)
Fair value net losses (excluding net realised gains / (losses))	(5,603)	-	(5,603)
At beginning of current year	957,785	-	957,785
Additions	417,522	30,000	447,522
Disposals - (sale and redemptions)	(107,802)	(30,000)	(137,802)
Fair value net gains (excluding net realised gains / (losses))	24,897	-	24,897
At end of current year 31 December 2024	1,292,402	-	1,292,402

30.2 Participants' Takaful Fund

Name of Investment	Available - for-sale debt securities	Held-to-maturity term deposit	Total
At beginning of previous year	2,394,006	-	2,394,006
Additions	645,608	-	645,608
Disposals - (sale and redemptions)	(789,137)	-	(789,137)
Fair value net gains (excluding net realised gains / (losses))	16,882	-	16,882
At beginning of current year	2,267,359	-	2,267,359
Additions	927,522	147,500	1,075,022
Disposals - (sale and redemptions)	(244,928)	(147,500)	(392,428)
Fair value net gains (excluding net realised gains / (losses))	34,984	-	34,984
At end of current year 31 December 2024	2,984,937	-	2,984,937

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31 MANAGEMENT OF TAKAFUL AND FINANCIAL RISK

31.1 Takaful risk

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

The Operator manages these risks through its underwriting strategy, adequate retakaful arrangements and proactive claims handling. The underwriting strategy aims to minimise takaful risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. The Operator underwrites non-life takaful contracts that can be categorised into fire and property damage, marine, aviation and transport, motor and miscellaneous contracts. These classes of takaful are generally regarded as short-term takaful contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate takaful risk.

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

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

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

31.1.1 Frequency and severity of claims

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

The Operator monitors concentration of takaful risks primarily by class of business. The table below sets out the concentration of the claims and contribution liabilities (in percentage terms) by class of business at financial statement date:

Notes to and forming part of the Financial Statements
For the year ended 31 December 2024

Class	2024 Gross Claims Liabilities	2024 Net Claims Liabilities	2024 Gross Contribution Liabilities	2024 Gross Contribution Liabilities
	%	%	%	%
– Fire and property damage	49	3	33	4
– Marine, aviation and transport	3	2	3	1
– Motor	35	88	57	91
– Miscellaneous	13	7	7	4
	100	100	100	100

Class	2023 Gross Claims Liabilities	2023 Net Claims Liabilities	2023 Gross Contribution Liabilities	2023 Gross Contribution Liabilities
	%	%	%	%
– Fire and property damage	57	7	33	4
– Marine, aviation and transport	2	1	2	1
– Motor	31	83	59	92
– Miscellaneous	10	9	6	3
	100	100	100	100

The Operator also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighboring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk.

The Operator evaluates the concentration of exposures to individual and cumulative takaful risks and establishes its retakaful policy to reduce such exposures to levels acceptable to the Operator.

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

Class	2024	2023
	(Rupees in '000)	
– Fire and property damage	41,438,000	17,419,000
– Marine, aviation and transport	1,082,000	740,460
– Motor	75,000	130,000
– Miscellaneous	3,900,000	2,800,000

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

Notes to and forming part of the Financial Statements
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31.1.2 Sources of uncertainty in estimation of future claim payments

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

In particular estimates have to be made both for the expected ultimate cost of claims reported at the financial statement date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the financial statement date. The details of estimation of outstanding claims (including IBNR) are given under note 3.10.1.

31.1.3 Process used to decide on assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate case by case basis with due regard to claim circumstances information available from surveyors and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information is available.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Operator in which case information about the claim event is available. The Operator has taken actuarial advice for the determination of IBNR claims which has been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

The contribution liabilities have been determined such that the total contribution liability provisions (unearned contribution reserve and contribution deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired contracts as of financial statement date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

31.1.4 Sensitivity analysis

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

(Rupees in '000)

	2024		2023	
	Revenue	**Equity**	Revenue	Equity
Impact of change in claim liabilities by + 10 %				
– Fire and property damage	**(1,149)**	**(1,149)**	(3,135)	(3,135)
– Marine, aviation and transport	**(681)**	**(681)**	(503)	(503)
– Motor	**(38,859)**	**(38,859)**	(41,798)	(41,798)
– Miscellaneous	**(3,102)**	**(3,102)**	(4,745)	(4,745)
	(43,791)	**(43,791)**	(50,181)	(50,181)

	2024		2023	
	Revenue	**Equity**	Revenue	Equity
Impact of change in claim liabilities by - 10 %				
– Fire and property damage	**1,149**	**1,149**	3,135	3,135
– Marine, aviation and transport	**681**	**681**	503	503
– Motor	**38,859**	**38,859**	41,798	41,798
– Miscellaneous	**3,102**	**3,102**	4,745	4,745
	43,791	**43,791**	50,181	50,181

31.2 Financial risk

The Operator is exposed to a variety of financial risks: market risk (comprising profit rate risk, and other price risk), liquidity risk and credit risk in relation to the financial statements on its statement of financial position. The Operator's overall risk management seeks to minimise potential adverse effects on the Operator's financial performance of such risk.

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

31.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise of profit rate risk, foreign currency risk and other price risk. The Operator manages the market risk exposures by following internal risk management policies.

31.2.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Operator, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistan Rupees.

31.2.3 Other price risk

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

31.2.4 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

`The management monitors exposure to credit risk through regular review of credit exposure, undertaking transactions with a large number of counter parties and various industries and by continually assessing the credit worthiness of counter parties.
Concentration of credit risk arises when a number of counter parties have similar types of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in a similar manner. Due to nature of financial assets, the operator believes it is not exposed to any major concentration of credit risk.

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

(Rupees in '000)

Financial assets:	**Operator's Fund**		**Participants' Takaful Fund**	
	2024	2023	**2024**	2023
Debt securities	**1,292,402**	957,785	**2,984,937**	2,267,359
Cash and bank	**152,636**	89,736	**307,636**	272,007
Accrued investment income	**28,317**	31,559	**69,194**	73,583
Takaful / retakaful receivables	**15,081**	13,783	**659,016**	474,879
Deposits and other receivables	**773**	5,072	**1,167**	7,016
Retakaful recoveries against outstanding claims	**-**	-	**665,806**	826,919
	1,489,209	1,097,935	**4,687,756**	3,921,763

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

(Rupees in '000)

Operator's Fund

Name of Bank	Rating Agency	Long Term Rating	Short Term Rating	**2024**	2023
Dubai Islamic Bank Pakistan Ltd	VIS	AA	A-1+	**60,986**	50,480
BankIslami Pakistan Ltd.	PACRA	AA-	A1	**39,509**	2,796
Meezan Bank Limited	VIS	AAA	A-1+	**24,269**	11,630
Albaraka Bank (Pakistan) Limited	VIS	A+	A-1	**20,135**	17,530
Habib Metropolitan Bank Islamic Banking	PACRA	AA+	A1+	**7,733**	7,185
Faysal Bank Barkat Islamic Banking	PACRA	AA	A1+	**4**	5
MCB Islamic Banking	PACRA	A+	A1	**-**	110
				152,636	89,736

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(Rupees in '000)

Participants' Takaful Fund

Name of Bank	Rating Agency	Long Term Rating	Short Term Rating	2024	2023
Dubai Islamic Bank Pakistan Ltd	VIS	AA	A-1+	97,248	94,815
BankIslami Pakistan Ltd.	PACRA	AA-	A1	88,990	2,130
Albaraka Bank (Pakistan) Limited	VIS	A+	A-1	47,658	53,775
Meezan Bank Limited	VIS	AAA	A-1+	32,884	61,961
Habib Metropolitan Bank Islamic Banking	PACRA	AA+	A1+	21,919	16,068
Faysal Bank Barkat Islamic Banking	PACRA	AA	A1+	16,535	23,775
UBL Ameen Islamic Banking	VIS	AAA	A-1+	1,564	11,845
Bank of Punjab	PACRA	AA+	A1+	729	1,556
Habib Bank Limited Islamic Banking	VIS	AAA	A-1+	107	5,644
MCB Islamic Banking	PACRA	A+	A1	2	438
				307,636	272,007

The management monitors exposure to credit risk in contribution receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables. The credit quality of claim recoveries from retakaful operators can be assessed with reference to external credit ratings as follows:

(Rupees in '000)

a. Operator's Fund

	2024	2023
	Amounts due from takaful / retakaful	Amounts due from takaful / retakaful
A or above	14,402	13,783
Un rated	679	-
	15,081	13,783

b. Participants' Takaful Fund

	2024		2023	
	Amounts due from takaful / retakaful	Retakaful recoveries against outstanding claims	Amounts due from takaful / retakaful	Retakaful recoveries against outstanding claims
A or above	659,016	652,331	474,879	813,305
B or above (including Pakistan Reinsurance Company Ltd Window Takaful)	-	13,475	-	13,614
	659,016	665,806	474,879	826,919

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31.2.5 Liquidity Risk

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

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

The table below provides the maturity analysis of the Operations liabilities as at financial statement date. All liabilities are presented on a contractual cash flow basis except for the provision of outstanding claims (including IBNR), which are presented with their expected cash flows.

(Rupees in '000)

	Operator's Fund - 2024		
Financial liabilities	Carrying amount	Up to one year	Greater than one year
Takaful / retakaful payables	160	160	-
Other creditors and accruals	187,185	187,185	-
	187,345	187,345	-

	Participants' Takaful Fund - 2024		
Financial liabilities	Carrying amount	Up to one year	Greater than one year
Outstanding claims / benefits including IBNR	1,103,705	1,103,705	-
Takaful / retakaful payables	544,848	544,848	-
Other creditors and accruals	54,049	54,049	-
	1,702,602	1,702,602	-

	Operator's Fund - 2023		
Financial liabilities	Carrying amount	Up to one year	Greater than one year
Takaful / retakaful payables	1,828	1,828	-
Other creditors and accruals	148,423	148,423	-
	150,251	150,251	-

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(Rupees in '000)

Financial liabilities	Participant's Takaful Fund - 2023		
	Carrying amount	Up to one year	Greater than one year
Outstanding claims / benefits including IBNR	1,328,717	1,328,717	-
Takaful / retakaful payables	315,229	315,229	-
Other creditors and accruals	29,475	29,475	-
	1,673,421	1,673,421	-

31.2.6 Profit rate risk

Profit rate sensitivity measures the degree with which a fixed-income asset price moves with changes in profit rates. Profit rates and fixed-income asset prices are inversely correlated. More interest rate sensitivity means an asset's price fluctuates more with a change in profit rates.

Debt securities held to maturity as accounted for at amortised cost and their carrying amounts are not sensitive to changes in the levels of profit rates.

Management monitors the sensitivity of reported profit rate movements periodically by assessing the expected changes in the different portfolios due to parallel movement of 100 basis points in all yield curves.

An increase in 100 basis points in profit yield would result in a loss of Rs. 12.1 million (2023: 8.5 million).

A decrease in 100 basis points in profit yield would result in a gain of Rs. 12.1 million (2023: 8.5 million).

31.2.7 Maturity profile of financial assets and liabilities:

(Rupees in '000)

	Operator's Fund - 2024						
	Profit / Markup Bearing			Non Profit / Non Markup Bearing			
	Maturing up to one year	Maturing after one year	Sub total	Maturing up to one year	Maturing after one year	Sub total	Total
Financial Asset							
Investments debt securities	556,938	735,464	1,292,402	-	-	-	1,292,402
Deposits and other Receivables	-	-	-	773	-	773	773
Accrued investment income	-	-	-	28,317	-	28,317	28,317
Takaful / retakaful receivables	-	-	-	15,081	-	15,081	15,081
Cash and bank	121,133	-	121,133	31,503	-	31,503	152,636
	678,071	735,464	1,413,535	75,674	-	75,674	1,489,209
Financial liabilities							
Takaful / retakaful Payables	-	-	-	160	-	160	160
Other creditors and accruals	-	-	-	187,185	-	187,185	187,185
	-	-	-	187,345	-	187,345	187,345
Profit risk sensitivity gap	678,071	735,464	1,413,535	(111,671)	-	(111,671)	1,301,864

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(Rupees in '000)

	Operator's Fund - 2023						
	Profit / Markup Bearing			Non Profit / Non Markup Bearing			
	Maturing up to one year	Maturing after one year	Sub total	Maturing up to one year	Maturing after one year	Sub total	Total
Financial Asset							
Investments debt securities	37,508	920,277	957,785	-	-	-	957,785
Deposits and other Receivables	-	-	-	5,072	-	5,072	5,072
Accrued investment income	-	-	-	31,559	-	31,559	31,559
Takaful / retakaful receivables	-	-	-	13,783	-	13,783	13,783
Cash and bank	85,580	-	85,580	4,156	-	4,156	89,736
	123,088	920,277	1,043,365	54,570	-	54,570	1,097,935
Financial liabilities							
Takaful / retakaful Payables	-	-	-	1,828	-	1,828	1,828
Other creditors and accruals	-	-	-	148,423	-	148,423	148,423
	-	-	-	150,251	-	150,251	150,251
Profit risk sensitivity gap	123,088	920,277	1,043,365	(95,681)	-	(95,681)	947,684

	Participants' Takaful Fund - 2024						
	Profit / Markup Bearing			Non Profit / Non Markup Bearing			
	Maturing up to one year	Maturing after one year	Sub total	Maturing up to one year	Maturing after one year	Sub total	Total
Financial Asset							
Investments Debt securities	1,355,971	1,628,966	2,984,937	-	-	-	2,984,937
Deposits And Other Receivables	-	-	-	1,167	-	1,167	1,167
Accrued investment income	-	-	-	69,194	-	69,194	69,194
Retakaful recoveries against out -standing claims / benefits	-	-	-	665,806	-	665,806	665,806
Takaful / retakaful receivables	-	-	-	659,016	-	659,016	659,016
Cash and bank	305,841	-	305,841	1,795	-	1,795	307,636
	1,661,812	1,628,966	3,290,778	1,396,978	-	1,396,978	4,687,756
Financial liabilities							
Outstanding claims/ benefits including IBNR	-	-	-	1,103,705		1,103,705	1,103,705
Takaful / retakaful Payables	-	-	-	544,848	-	544,848	544,848
Other creditors and accruals	-	-	-	54,048	-	54,048	54,048
	-	-	-	1,702,601	-	1,702,601	1,702,601
Profit risk sensitivity gap	1,661,812	1,628,966	3,290,778	(305,623)	-	(305,623)	2,985,155

(Rupees in '000)

	Participant's Takaful Fund - 2023						
	Profit / Markup Bearing			Non Profit / Non Markup Bearing			
	Maturing up to one year	Maturing after one year	Sub total	Maturing up to one year	Maturing after one year	Sub total	Total
Financial Asset							
Investments Debt securities	63,883	2,203,476	2,267,359	-	-	-	2,267,359
Deposits And Other Receivables	-	-	-	7,016	-	7,016	7,016
Accrued investment income	-	-	-	73,583	-	73,583	73,583
Retakful recoveries against out -standing claims / benefits	-	-	-	826,919	-	826,919	826,919
Takaful / retakaful receivables	-	-	-	474,879	-	474,879	474,879
Cash and bank	270,490	-	270,490	1,517	-	1,517	272,007
	334,373	2,203,476	2,537,849	1,383,914	-	1,383,914	3,921,763
Financial liabilities							
Outstanding claims/ benefits including IBNR	-	-	-	1,328,717	-	1,328,717	1,328,717
Takaful / retakaful Payables	-	-	-	315,229	-	315,229	315,229
Other creditors and accruals	-	-	-	29,475	-	29,475	29,475
	-	-	-	1,673,421	-	1,673,421	1,673,421
Profit risk sensitivity gap	334,373	2,203,476	2,537,849	(289,507)	-	(289,507)	2,248,342

32 FAIR VALUE MEASUREMENT

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

Following are the assets where fair value is only disclosed and is different from their carrying value:

(Rupees in '000)

	As at 31 December 2024							
	Carrying value					Fair value		
Operator's Fund	**Available-for-sale**	**Loan and receivables**	**Other financial assets**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value								
Investments								
Ijara Sukuks	1,267,402	-	-	-	1,267,402		1,267,402	
Corporate Sukuks	25,000	-	-	-	25,000		25,000	
Financial assets not measured at fair value								
Cash and bank balances	-	-	152,636	-	152,636			
Accrued investment income	-	28,317	-	-	28,317			
Takaful / retakaful receivables	-	15,081	-	-	15,081			
Deposits and other receivables	-	773	-	-	773			
	1,292,402	44,171	152,636	-	1,489,209			
Financial liabilities not measured at fair value								
Other creditors and accruals	-	-	-	(148,581)	(148,581)			
	1,292,402	44,171	152,636	(148,581)	1,340,628			

	As at 31 December 2023							
	Carrying value					Fair value		
	Available-for-sale	Loan and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuks	930,532	-	-	-	930,532		930,532	
Corporate Sukuks	27,253	-	-	-	27,253		27,253	
Financial assets not measured at fair value								
Cash and bank balances	-	-	89,736	-	89,736			
Accrued investment income	-	31,559	-	-	31,559			
Takaful / retakaful receivables	-	13,783	-	-	13,783			
Deposits and other receivables	-	5,072	-	-	5,072			
	957,785	50,414	89,736	-	1,097,935			
Financial liabilities not measured at fair value								
Other creditors and accruals	-	-	-	(124,793)	(124,793)			
	957,785	50,414	89,736	(124,793)	973,142			

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(Rupees in '000)

Participants' Takaful Fund	As at 31 December 2024							
	Carrying value					Fair value		
	Available-for-sale	Loan and receiv-ables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuks	2,937,937	-	-	-	2,937,937		2,937,937	
Corporate Sukuks	47,000	-	-	-	47,000		47,000	
Financial assets not measured at fair value								
Retakaful recoveries against outstanding claims / benefits	-	665,806	-	-	665,806			
Takaful / retakaful receivables	-	659,016	-	-	659,016			
Cash and bank balances	-	-	307,636	-	307,636			
Accrued investment income	-	69,194	-	-	69,194			
Deposits and other receivables	-	1,167	-	-	1,167			
	2,984,937	1,395,183	307,636	-	4,687,756			
Financial liabilities not measured at fair value								
Outstanding claims / benefits including IBNR	-	-	-	(1,103,705)	(1,103,705)			
Takaful / retakaful payable	-	-	-	(544,848)	(544,848)			
Other creditors and accruals	-	-	-	(19,709)	(19,709)			
	2,984,937	1,395,183	307,636	(1,668,262)	3,019,494			

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(Rupees in '000)

Participants' Takaful Fund	As at 31 December 2023							
	Carrying value					Fair value		
	Available-for-sale	Loan and receiv-ables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuks	2,216,342	-	-	-	2,216,342		2,216,342	
Corporate Sukuks	51,017	-	-	-	51,017		51,017	
Financial assets not measured at fair value								
Investments								
Takaful / retakaful receivables	-	474,879	-	-	474,879			
Cash and bank balances	-	-	274,503	-	274,503			
Accrued investment income	-	73,583	-	-	73,583			
Deposits and other receivables	-	7,016	-	-	7,016			
Retakaful recoveries against outstanding claims / benefits	-	826,919	-	-	826,919			
	2,267,359	1,382,397	274,503	-	3,924,259			
Financial liabilities not measured at fair value								
Outstanding claims including IBNR	-	-	-	(1,328,717)	(1,328,717)			
Takaful / retakaful payable	-	-	-	(315,229)	(315,229)			
Other creditors and accruals	-	-	-	(2,555)	(2,555)			
	2,267,359	1,382,397	274,503	(1,646,501)	2,277,758			

32.1 The operator has not disclosed fair values of few of the above mentioned financial assets and financial liabilities because their carrying amount are reasonable approximation of their fair values.

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33 SEGMENT INFORMATION

33.1 Operator's Fund

(Rupees in '000)

	Fire and property damage	Marine, aviation and transport	Motor	Miscella-neous	Total
	For the year ended 31 December 2024				
Wakala fee	336,699	79,456	651,778	74,016	1,141,949
Commission expense	(124,828)	(35,926)	(177,379)	(17,089)	(355,222)
General, administrative and management expenses	(18,102)	(14,908)	(419,073)	(21,975)	(474,058)
Net commission and expenses	193,769	28,622	55,326	34,952	312,669
Modarib share of PTF on investment income					134,361
Investment income					208,719
Direct expenses					(14,693)
Other income					13,445
Profit before taxation					654,501
Taxation					(255,444)
Profit after taxation					399,057
	As at 31 December 2024				
Corporate segment assets	256,800	32,739	374,628	24,302	688,469
Corporate unallocated assets	-	-	-	-	1,515,085
Total assets	256,800	32,739	374,628	24,302	2,203,554
Corporate segment liabilities	250,313	24,731	358,447	90,875	724,366
Corporate unallocated liabilities	-	-	-	-	54,922
Total liabilities	250,313	24,731	358,447	90,875	779,288

	Fire and property damage	Marine, aviation and transport	Motor	Miscella-neous	Total
	For the year ended 31 December 2023				
Wakala fee	250,104	66,781	804,182	43,029	1,164,096
Commission expense	(97,873)	(31,324)	(208,987)	(10,012)	(348,196)
General, administrative and management expenses	(15,368)	(10,193)	(384,654)	(9,791)	(420,006)
Net commission and expenses	136,863	25,264	210,541	23,226	395,894
Modarib's share of PTF on investment income					108,203
Investment income					202,284
Direct expenses					(23,185)
Other income					13,172
Profit before taxation					696,368
Taxation					(294,092)
Profit after taxation					402,276
	As at 31 December 2023				
Corporate segment assets	223,056	24,064	335,880	18,336	601,336
Corporate unallocated assets	-	-	-	-	1,120,091
Total assets	223,056	24,064	335,880	18,336	1,721,427
Corporate segment liabilities	216,735	20,561	381,824	34,395	653,515
Corporate unallocated assets	-	-	-	-	57,890
Total liabilities	216,735	20,561	381,824	34,395	711,405

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33.2 Participants' Takaful Fund

(Rupees in '000)

	Fire and property damage	Marine, aviation and transport	Motor	Miscella-neous	Treaty	Total
	For the year ended 31 December 2024					
Contribution receivable (inclusive of sales tax, federal takaful fee and administrative surcharge)	1,259,002	301,178	2,101,370	269,170	-	3,930,720
Less: Sales tax	163,416	31,702	278,499	31,487	-	505,104
Stamp duty	405	31,548	1,910	107	-	33,970
Federal takaful fee	10,843	2,356	18,030	2,216	-	33,445
Gross written contribution (inclusive of administrative surcharge)	1,084,338	235,572	1,802,931	235,360	-	3,358,201
Gross direct contribution	1,079,705	225,975	1,714,773	221,244	-	3,241,697
Facultative inward contribution	-	-	-	13,752	-	13,752
Administrative surcharge	4,633	9,597	88,158	364	-	102,752
Wakala fee	(358,203)	(82,451)	(676,467)	(82,376)	-	(1,199,497)
Contributions earned	669,926	147,560	1,062,745	137,457	-	2,017,688
Contributions ceded to retakaful	(960,243)	(174,501)	(27,402)	(142,122)	-	(1,304,268)
Net Contribution revenue	(290,317)	(26,941)	1,035,343	(4,665)	-	713,420
Retakaful rebate earned	188,348	40,526	-	24,868	-	253,742
Net underwriting income	(101,969)	13,585	1,035,343	20,203	-	967,162
Takaful Claims	(139,834)	(53,105)	(790,534)	(85,223)	-	(1,068,696)
Takaful Claims recovered from retakaful-	143,377	42,484	-	84,360	-	270,221
Net claims	3,543	(10,621)	(790,534)	(863)	-	(798,475)
Other direct expenses	(71)	(81)	(51,324)	(106)	-	(51,582)
Surplus / (deficit) before investment income	(98,497)	2,883	193,485	19,234	-	117,105
Investment income						496,494
Other income						40,949
Modarib's share of investment income						(134,361)
Surplus transferred to accumulated surplus						520,187
	As at 31 December 2024					
Corporate segment assets	1,518,519	105,770	728,985	246,183	-	2,599,457
Corporate unallocated assets	-	-	-	-	-	3,368,771
Total assets	1,518,519	105,770	728,985	246,183	-	5,968,228
Corporate segment liabilities	1,708,889	274,274	1,620,676	368,564	-	3,972,403
Corporate unallocated liabilities	-	-	-	-	-	74,563
Total liabilities	1,708,889	274,274	1,620,676	368,564	-	4,046,966

Notes to and forming part of the Financial Statements

For the year ended 31 December 2024

(Rupees in '000)

	For the year ended 31 December 2023					
	Fire and property damage	Marine, aviation and transport	Motor	Miscella-neous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal takaful fee and administrative surcharge)	1,011,602	241,372	2,130,466	161,791	-	3,545,231
Less: Sales tax	122,146	24,813	263,045	18,274	-	428,278
Stamp duty	68	15,066	193	15	-	15,342
Federal takaful fee	8,806	1,995	18,488	1,386	-	30,675
Gross written contribution (inclusive of administrative surcharge)	880,582	199,498	1,848,740	142,116	-	3,070,936
Gross direct contribution	875,687	190,953	1,737,726	138,292	-	2,942,658
Facultative inward contribution	-	-	-	3,483	-	3,483
Administrative surcharge	4,895	8,545	111,014	341	-	124,795
Wakala fee	(296,239)	(69,825)	(709,459)	(49,741)	-	(1,125,264)
Contributions earned	470,193	124,020	1,208,695	78,160	-	1,881,068
Contribution ceded to retakaful	(672,254)	(146,720)	(28,350)	(86,985)	-	(934,309)
Net contribution revenue	(202,061)	(22,700)	1,180,345	(8,825)	-	946,759
Retakaful rebate earned	93,879	33,006	-	15,461	-	142,346
Net underwriting income	(108,182)	10,306	1,180,345	6,636	-	1,089,105
Takaful Claims	(648,042)	(20,944)	(1,038,711)	(99,680)	-	(1,807,377)
Takaful Claims recovered from retakaful	601,522	16,756	-	61,457	-	679,735
Net claims	(46,520)	(4,188)	(1,038,711)	(38,223)	-	(1,127,642)
Other direct expenses	(154)	(141)	(75,441)	(109)	-	(75,845)
(Deficit) / surplus before investment income	(154,856)	5,977	66,193	(31,696)	-	(114,382)
Investment income						402,243
Other income						30,570
Modarib share of investment income						(108,203)
Surplus transferred to accumulated surplus						210,228

	As at 31 December 2023					
Corporate segment assets	1,598,785	74,248	585,539	189,297	-	2,447,869
Corporate unallocated assets	-	-	-	-	-	2,616,392
Total assets	1,598,785	74,248	585,539	189,297	-	5,064,261
Corporate segment liabilities	1,540,197	124,631	1,206,486	243,125	-	3,114,439
Corporate unallocated liabilities	-	-	-	-	-	583,731
Total liabilities	1,540,197	124,631	1,206,486	243,125	-	3,698,170

Notes to and forming part of the Financial Statements

For the year ended 31 December 2024

34 STATEMENT OF SOLVENCY

(Rupees in '000)

Assets	**2024**	2023
Investments - Debt securities	**2,984,937**	2,267,359
Current Assets - Others		
Takaful / retakaful receivables	**642,916**	456,941
Amounts due from other insurers/reinsurers	**16,100**	17,938
Salvage recoveries accrued	**39,890**	46,615
Deposits and other receivables	**1,167**	7,016
Retakaful recoveries against outstanding claims	**665,806**	826,919
Accrued investment income	**69,194**	73,583
Deferred wakala fees	**590,994**	533,446
Prepayments	**643,751**	559,941
	2,669,818	2,522,399
Cash and bank	**313,473**	274,503
Total assets	**5,968,228**	5,064,261
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000		
Contribution due since more than three months	**284,328**	218,665
Total of In-admissible assets	**284,328**	218,665
Total admissible assets	**5,683,900**	4,845,596
Total liabilities		
Underwriting provisions		
Outstanding claims (including IBNR)	**1,103,705**	1,328,717
Unearned contribution reserves	**1,663,179**	1,464,614
Unearned retakaful rebate	**120,740**	104,374
Contribution received in advance	**54,652**	10,964
Takaful / retakaful payables	**544,848**	315,229
Payable to OPF	**505,793**	444,797
Other creditors and accruals	**54,049**	29,475
Total liabilities	**4,046,966**	3,698,170
Total net admissible assets	**1,636,934**	1,147,426
Minimum solvency requirement (higher of following):	**318,087**	319,640
Method A - U/s 36(3)(a)	**150,000**	150,000
Method B - U/s 36(3)(b)	**201,769**	189,352
Method C - U/s 36(3)(c)	**318,087**	319,640
Excess in net admisible assets over minimum requirements	**1,318,847**	827,786

Notes to and forming part of the Financial Statements

For the year ended 31 December 2024

35 DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors in its meeting held on 26 February 2025.

TAHER G. SACHAK	HASANALI ABDULLAH	NAJMUL HODA KHAN	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Excecutive Officer	Chairman

Karachi 26 Feburary 2025

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Additional Information

Pattern of Shareholding *(BCR 5.15 (a)(b))*

as at December 31, 2024

Number of shareholders	Shareholdings From	Shareholdings To	Shares held
383	1	100	12,078
312	101	500	84,938
157	501	1000	121,420
267	1001	5000	651,234
100	5001	10000	735,059
55	10001	15000	696,109
30	15001	20000	527,726
26	20001	25000	599,617
16	25001	30000	444,406
9	30001	35000	289,708
14	35001	40000	544,558
7	40001	45000	305,271
8	45001	50000	387,514
6	50001	55000	311,368
7	55001	60000	408,493
3	65001	70000	204,043
10	70001	75000	722,655
13	75001	80000	1,024,569
5	85001	90000	436,413
2	90001	95000	186,467
9	95001	100000	888,400
4	100001	110000	426,857
5	110001	120000	582,306
3	120001	130000	383,425
2	130001	140000	270,984
1	140001	150000	150,000
4	150001	160000	619,514
1	160001	170000	162,162
3	170001	180000	530,684
1	190001	200000	194,336
2	200001	210000	403,387
1	230001	240000	237,600
3	250001	275000	773,183
3	275001	300000	876,013
1	300001	325000	316,800
1	325001	350000	335,309
3	350001	375000	1,094,242
4	375001	400000	1,584,088
1	400001	425000	416,000
1	425001	450000	450,000
1	450001	475000	456,393
1	475001	500000	493,300
1	600001	625000	623,610
1	675001	700000	679,200
1	700001	725000	702,008
1	750001	775000	769,100
1	775001	800000	792,000

Number of shareholders	Shareholdings From	Shareholdings To	Shares held
1	950001	975000	953,073
1	975001	1000000	1,000,000
2	1000001	1100000	2,058,256
3	1200001	1300000	3,718,852
1	1400001	2400000	1,649,533
2	2400001	3400000	6,048,098
1	5400001	6400000	5,455,675
1	7200001	8200000	7,577,361
1	13000001	14000000	13,378,592
1	15000001	16000000	15,086,619
1	22000001	23000000	22,192,613
1	24000001	25000000	24,042,744
1	28000001	29000000	28,876,218
1	42000001	43000000	42,191,152
1510			**200,000,000**

Pattern of Shareholding *(BCR 5.15 (a)(b))*

as at December 31, 2024

Categories of Shareholders		Shares held	
Associated Companies, Undertakings and Related Parties			
Jahangir Siddiqui & Co. Ltd.		42,191,152	
JS Bank Limited		5,455,675	
JS Infocom Limited		679,200	
Jahangir Siddiqui & Sons Limited		97,900	
Jahangir Siddiqui Securities Services Limited		200,987	
JS Lands (Private) Limited		1,227,200	
Energy Infrastructure Holding (Private) Limited		15,086,619	
Trustee - Future Trust		7,577,361	
The Aga Khan University Foundation		162,162	
Trustee EFU General Insurance Limited, Staff Provident Fund		252,851	
Trustees EFU General Ins. Limited, Officer's Pension Fund		68,101	
Trustees EFU General Insurance Limited, Employees Gratuity Fund		128,456	
Trustees EFU Life Assurance Limited, Employees Provident Fund		733	
Trustees EFU Health Insurance, Employees Provident Fund		44,800	
	14	73,173,197	36.59
Directors, CEO & their spouse and minor children			
Saifuddin N. Zoomkawala		316,800	
Hasanali Abdullah		374,958	
Taher G. Sachak		14,046	
Saad Bhimjee		1,000,842	
Tanveer Sultan Moledina		396,181	
Yasmin Hyder		85,008	
Kamran Arshad Inam		2,500	
Lulua Saifuddin Zoomkawala		792,000	
	8	2,982,335	1.49
NIT and ICP	-	-	-
Banks, Development Finance Institutions, Non-Banking Finance Companies	4	1,358,464	0.68
Modarabas and Mutual Funds	6	393,249	0.20
General Public:			
Local	1,432	96,152,670	48.09
Foreign	9	391,705	0.20
Others	37	25,548,380	12.77
Total	1,510	200,000,000	100
Shareholders holding 10% or more voting interest			
Jahangir Siddiqui & Co. Ltd.		42,191,152	21.10
Muneer R. Bhimjee		28,876,218	14.44
Managing Committee of Ebrahim Alibhai Foundation		24,042,744	12.02
Rafique R. Bhimjee		22,192,613	11.10

Glossary

- **Authorised Share Capital -** The maximum value of share that a Company can issue.
- **Bonus Shares -** Free shares given to current shareholders out of profit.
- **Book Value -** The value of an asset as entered in a company's books.
- **Capital Expenditure -** The cost of long-term improvements and fixed assets.
- **Capital Gain -** Portion of the total gain recognised on the sale of investments.
- **Claims -** The amount payable under a contract of insurance arising from occurrence of an insured event.
- **Claims Incurred -** The aggregate of all claims paid during the accounting period together with attributable claims handling expenses, where appropriate, adjusted by the gross claims reserve at the beginning and end of the accounting period.
- **Commission -** Remuneration to an intermediary for services such as selling and servicing an insurer's products.
- **Contribution -** The amount payable by a Participant to the Participants' Takaful Fund under a Takaful Contract for the purpose of mutual protection and assistance.
- **Corporate Social Responsibility -** Is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, and all other members of the public who may also be considered as stakeholders.
- **Deferred Commission -** Expenses which vary with and are primarily related to the acquisition of new insurance contracts and renewal of existing contracts, which are deferred as they relate to a period of risk subsequent to the Balance Sheet date.
- **Deferred Tax -** An accounting concept (also known as future income taxes), meaning a future tax liability or asset in respect of taxable temporary differences.
- **Defined Benefit Plans -** Are post-employment benefit plans.
- **Depreciation -** Is the systematic allocation of the cost of an asset over its useful life.
- **Doubtful Debts -** Is a debt where circumstances have rendered its ultimate recovery uncertain.
- **Earnings per Share -** Amounts of after tax profit or loss attributable to ordinary shareholders of the entity.
- **Equity Method -** Method of accounting whereby the investment is initially recognized at cost and adjusted periodically for the post-acquisition change in the investor's share of net assets of the investee.
- **Exchange Gain / (Loss) -** Difference resulting from translating a given number of units of one currency into another currency at different exchange rates.
- **Facultative Reinsurance -** The reinsurer assumes a share of selected individual risks. The primary insurer can offer an individual risk in reinsurance, which the reinsurer accepts on a case by case basis.
- **Fair Value -** The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing business partners in an arm's length transaction.
- **General Insurance -** All kinds of non-life Insurance i.e., Fire, Marine, Motor and all Other Insurance as defined in the Insurance Ordinance, 2000.
- **General Takaful -** Takaful other than Family Takaful.
- **Gross Premium -** Premium which an insurer is contractually entitled to receive from the insured in relation to contracts of insurance.
- **Group Health Insurance -** A single health policy covering a group of individuals, usually employees of the same company or members of the same association and their dependents.

- **Human Resource Development -** A framework for the expansion of within an organization through the development of both the organization and the individual to achieve performance improvement.
- **Impairment -** The amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount.
- **Incurred but not Reported (IBNR) -** Claim incurred but not reported to the insurer until the financial statements reporting date.
- **Inflation -** A general increase in prices and fall in the purchasing value of money.
- **Insurance Contract -** A contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder for a specified uncertain future event at an agreed consideration.
- **Insurer Financial Strength Rating -** Provides an assessment of the financial strength of an insurance company.
- **Intangible -** An identifiable non-monetary asset without physical substance.
- **Internal Control -** An accounting procedure or system designed to promote efficiency or assure the implementation of a policy or safeguard assets or avoid fraud and error etc.
- **Loss Ratio -** Percentage ratio of claims expenses to premium.
- **Market Share -** The portion of a market controlled by a particular company or product.
- **Market Value -** The highest estimated price that a buyer would pay and a seller would accept for an item in an open and competitive market.
- **Mudaraba -** A Mudaraba is an Investment partnership, whereby the investor (the Rab-ul-Mal) provides capital to another party / entrepreneur (the Mudarib) in order to undertake a business / investment activity. While profits are shared on a pre-agreed ratio, loss of investment is born by the investor only. The mudarib loses its share of the expected income.
- **Mudaraba Based Contract -** An investment Contract based on the principle of Mudaraba.
- **National Exchequer -** The account into which tax funds and other public funds are deposited.
- **Net Asset Value -** The value of all tangible and intangible assets of a company minus its liabilities.
- **Net Premium Revenue -** Gross earned premium less Reinsurance expense.
- **Non-Life Insurance -** Non Life Insurance and General Insurance have the same meaning.
- **Operator -** A Takaful Operator or a Window Takaful Operator, authorized under SECP Takaful Rules, 2012.
- **Operator Fund -** A fund set up by a General Takaful Operator which shall undertake all transactions which the Operator undertakes other than those which pertain to Participant Takaful Funds set up by the Operator.
- **Outstanding Claim -** A type of technical reserve or accounting provision in the financial statements of an insurer to provide for the future liability for claims.
- **Paid-up Capital -** The amount paid or contributed by shareholders in exchange for shares of a company's Stock.
- **Participant -** A Person who participates in a Takaful scheme and to whom a Takaful Contract is issued.
- **Participants' Membership Documents -** The documents detailing the benefits and obligations of a Participant under a Takaful Contract.
- **Participant Takaful Fund (PTF) -** A Separate Waqf Fund set up into which the Participant's Risk related contributions are paid and from which risk related benefits are paid out.
- **Period of Takaful or Policy Period -** The length of time for which the Takaful protection will be effective.
- **Premium -** The amount that has to be paid as consideration for the insurance cover provided by an insure
- **Present Value -** Future amounts that have been discounted to the present.
- **Proxy -** Power of attorney by which the shareholder transfers the voting rights to another shareholder.
- **Qard-e-Hasna -** An interest free loan to the PTF from the Operator's Fund, when the PTF is in deficit and insufficient to meet their all liabilities.
- **Quoted -** Being listed on a Stock Exchange.
- **Registered Office -** The registered office is an address which is registered with the government registrar as the official address of a company.
- **Reinsurance -** A method of insurance arranged by insurers to share the exposure of risks accepted.
- **Reinsurance Commission -** Commission received or receivable in respect of premium paid or payable to a reinsurer.
- **Reinsurance Premium -** The premium payable to the reinsurer in respect of reinsurance contract.
- **Related Party -** Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.
- **Retrocession -** Transfer of risk from a reinsurer to another reinsurer.
- **Revenue Reserves -** Reserve that is normally regarded as available for distribution through the profit and loss account, including general reserves and other specific reserves created out of profit and unappropriated profit.
- **Risk -** Condition in which there is a possibility of loss.
- **Risk Management -** Includes analyzing all exposures to gauge the likelihood of loss and choosing options to better manage or minimize loss.
- **Shariah Advisor -** Shariah Advisor of the Operator working in such capacity appointed by the Operator under Rule 26 of the SECP Takaful Rules, 2012.
- **Statutory Levies -** Fee charged (levied) by a government on a product, income, or activity.
- **Strategic Objective -** A broadly defined objective that an organization must achieve to make its strategy succeed.
- **Subsequent Event -** Non Adjusting - Are events concerning conditions which arose after the balance sheet date, but which may be of such materiality that their disclosure is required to ensure that the financial statements are not misleading.
- **Takaful -** Takaful is an arrangement based on the principles of brotherhood and mutual help wherein participants contribute in a fund to help those who need it most in times of financial difficulties.
- **Takaful Contract -** Any contract of Family Takaful or General Takaful.
- **Tangible -** An asset whose value depends on particular physical properties.
- **Term Finance Certificate -** A debt instrument issued by an entity to raise funds.
- **Underwriting Profit -** This is the profit generated purely from the General Insurance business without taking into account the investment income and other non-technical income and expenses.
- **Unearned Premium -** It represents the portion of premium already entered in the accounts as due but which relates to a period of risk subsequent to the Balance Sheet date.
- **Window Takaful Operator -** A Registered Insurer authorized under SECP Takaful Rules, 2012 to carry on Takaful business as Window Operations in addition to Conventional Insurance Business.
- **Wakala -** Agent-principal relationship, where a person nominates another to act on his behalf.
- **Wakala Based Contract -** A contract based on the principle of Wakala (agency)

Branch Network

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Fax No. 5877194

Quetta (Sub-Office)

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Peshawar Branch

Syed Muhammad Aamir Kazmi
Branch Head
2nd Floor, Mall Tower
35 The Mall
Peshawar.
Phone No. 5608507-8, 5608503-4
Fax No. 5608506

Branch Network of EFU Window Takaful Operations

- WTO Head Office
- Central Division
- SITE Division
- Corporate Division
- Multan Division
- Jinnah Division
- Metropolitan Division
- Port View Branch
- Clifton Division
- Hyderabad Branch
- Tower Branch
- Lahore Division
- Liberty Division
- Rawalpindi Division
- Gujranwala Branch
- Ichhra Branch
- Faisalabad Branch
- Sahiwal Branch
- Peshawar Branch
- Model Branch

GENERAL

Form of Proxy

I / We ____________________

of ____________________

being a member of E F U GENERAL INSURANCE LIMITED hereby appoint

Mr. ____________________

of ____________________

or failing him ____________________

of ____________________

as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the 92nd Annual General Meeting of the Company to be held on Tuesday March 25, 2025 at 11:30 a.m. and at any adjournment thereof.

Signed this __________ day of ______ 2025.

WITNESSES:

1. Signature: ____________________
   Name: ____________________
   Address: ____________________
   ____
   CNIC Or Passport No: ____________________

2. Signature: ____________________
   Name: ____________________
   Address: ____________________
   ____
   CNIC Or Passport No: ____________________

Revenue Stamp

Signature of Member(s)

Shareholder's Folio No. __________
and / or CDC
Participant I.D.No. __________
and Sub Account No. __________

Important:

This form of Proxy, duly completed, must be deposited at the Company's Registered Office at Kamran Centre, 1st Floor, 85 East, Jinnah Avenue, Blue Area, Islamabad, not later than 48 hours before the time appointed for the meeting.

CDC Shareholders and their Proxies are each requested to attach attested photocopy of their Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.

CDC Shareholders or their Proxies are requested to bring with them their Original Computerized National Identity Card or Passport along with the Participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.

EFU GENERAL

پراکسی فارم

میں/ہم ____________________

ساکن ____________________

بحیثیت ممبر ای ایف یو جنرل انشورنس لمیٹڈ بذریعہ ہذا مسمی ____________________

ساکن ____________________

کو یا ان کی عدم دستیابی کی صورت میں مسمی ____________________

ساکن ____________________

کو اپنی/ ہماری جانب سے پراکسی مقرر کردہا/ رہی ہوں تا کہ وہ بروز منگل ۲۵ مارچ ۲۰۲۵ء بوقت ۱۱:۳۰ بجے صبح منعقد ہونے والے ۹۲ واں سالانہ اجلاسِ عام یا اس کے کسی بھی التواء میں میری/ ہماری جگہ شرکت کرے اور ووٹ ڈالے۔

دستخط بروز __________ بتاریخ __________ ۲۰۲۵ء

گواہان:

۱۔ دستخط: ____________________

نام: ____________________

پتہ: ____________________

____

سی این آئی سی یا پاسپورٹ نمبر ____________________

ریونیو اسٹیمپ

ممبر (ممبران) کے دستخط

۲۔ دستخط: ____________________

نام: ____________________

پتہ: ____________________

____

سی این آئی سی یا پاسپورٹ نمبر ____________________

شیئر ہولڈر کا فولیو نمبر اور/ یا سی ڈی سی ____________________

پارٹیسپینٹ کا آئی ڈی نمبر ____________________

اور ذیلی اکاؤنٹ نمبر ____________________

اہم نوٹ:

پراکسی کا یہ فارم جو ہر طرح سے مکمل ہو، لازماً کمپنی کے رجسٹرڈ آفس واقع کامران سینٹر، پہلی منزل، ۸۵ ایسٹ، جناح ایونیو، بلیو ایریا، اسلام آباد میں اجلاس کے طے شدہ وقت سے کم از کم ۴۸ گھنٹے قبل جمع کرادیا جائے۔

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

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

EFU GENERAL

Bank Mandate Form

Date ____________________

Bank Mandate Form For Electronic Credit of Cash Dividend

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information:

(i) Shareholder's detail	
Name of Shareholder	
Folio No. / CDC Account No.	
CNIC No.	
Passport No. (in case of foreign shareholder)	
Cell Number of Shareholder	
Landline Number of Shareholder, if any	
E-mail Address	

(ii) Shareholder's bank detail	
Title of the Bank Account	
IBAN **24 Digits**	
Bank's Name	
Branch Name and Code No.	
Branch Address	

It is stated that the above mentioned information is correct and in case of any change therein, I/we will immediately intimate to my Broker / CDC Participant / CDC Investor Account Services or Share Registrar accordingly.

____

Signature of Shareholder

You are requested to kindly send this Form duly filled in and signed along with legible photocopy of your valid CNIC to your Broker / CDC Participant / CDC Investor Account Service (in case your shareholding is in Book Entry Form) or in case your shareholding is in physical form to our Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S., Shahra-e-Faisal, Karachi-74400, Pakistan.

GENERAL

بینک مینڈیٹ فارم

تاریخ ____________

بینک مینڈیٹ فارم برائے نقد منافع منقسمہ کا الیکٹرونک کریڈٹ

معزز شیئر ہولڈر،

آپ کو بذریعہ ہذا اطلاع دی جاتی ہے کہ کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۲۴۲ کے مطابق نقد کی صورت میں قابل ادائی کوئی بھی منافع منقسمہ صرف بذریعہ الیکٹرونک طریقہ کار براہِ راست استحقاق کے حامل شیئر ہولڈر کی جانب سے نامزد کردہ بینک اکاؤنٹ میں جمع کرادیا جائے گا۔ برائے مہربانی آگاہ رہیں کہ منافع منقسمہ کی ادائیگیوں کیلئے بینک مینڈیٹ فراہم کرنا لازم ہے اوراس قانونی شرط پر عملدرآمد کے ضمن میں اوراپنے بینک اکاؤنٹ میں منافع منقسمہ کی رقم براہِ راست جمع کرانے کی سہولت حاصل کرنے کے لئے آپ سے درخواست ہے کہ درج ذیل معلومات فراہم کریں۔

(i) شیئر ہولڈر کی تفصیل	
شیئر ہولڈر کا نام	
فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر	
سی این آئی سی نمبر	
پاسپورٹ نمبر (غیر ملکی شیئر ہولڈر ہونے کی صورت میں)	
شیئر ہولڈر کا موبائل نمبر	
شیئر ہولڈر کا لینڈ لائن نمبر، اگر کوئی ہو	
ای میل ایڈریس	

(ii) شیئر ہولڈر کے بینک کی تفصیل	
بینک اکاؤنٹ کا ٹائٹل	
آئی بی اے این "۲۴ ہندسوں پر مشتمل"	
بینک کا نام	
برانچ کا نام اور کوڈ نمبر	
برانچ کا پتہ	

یہ واضح کیا جاتا ہے کہ مذکورہ بالا معلومات درست ہیں اوران میں کسی بھی تبدیلی سے میں/ہم فوری طور پر اپنے بروکر/سی ڈی سی پارٹیسپنٹ/سی ڈی سی انویسٹر اکاؤنٹ سروسز یا شیئر رجسٹرار کو لازمی آگاہ کروں گا۔

____

شیئر ہولڈر کے دستخط

آپ سے درخواست ہے کہ اس فارم کو مکمل طور پر بھریں اور دستخط شدہ صورت میں اپنی کارآمد اور واضح سی این آئی سی کی کاپی کے ساتھ اپنے بروکر/سی ڈی سی پارٹیسپنٹ/سی ڈی سی انویسٹر اکاؤنٹ سروس (شیئر ہولڈنگ بک انٹری کی صورت میں) یا اپنی شیئر ہولڈنگ فزیکل ہونے کی صورت میں ہمارے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، ۹۹۔بی، بلاک۔بی، ایس ایم سی ایچ ایس، شاہراہِ فیصل، کراچی۔۷۴۴۰۰، پاکستان کو ارسال کردیں۔

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	Within 40 days - 6 marks	
	Within 50 days - 6 marks (in case of holding company who has listed subsidiary /subsidiaries)	
	Within 60 days - 3 marks	Complied
	(Entities requiring approval from a Regulator before finalization of their financial statements would be	
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		Page No:
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