



**Building a better
working world**

UBL INSURERS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

EY Ford Rhodes
Chartered Accountants
Progressive Place, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

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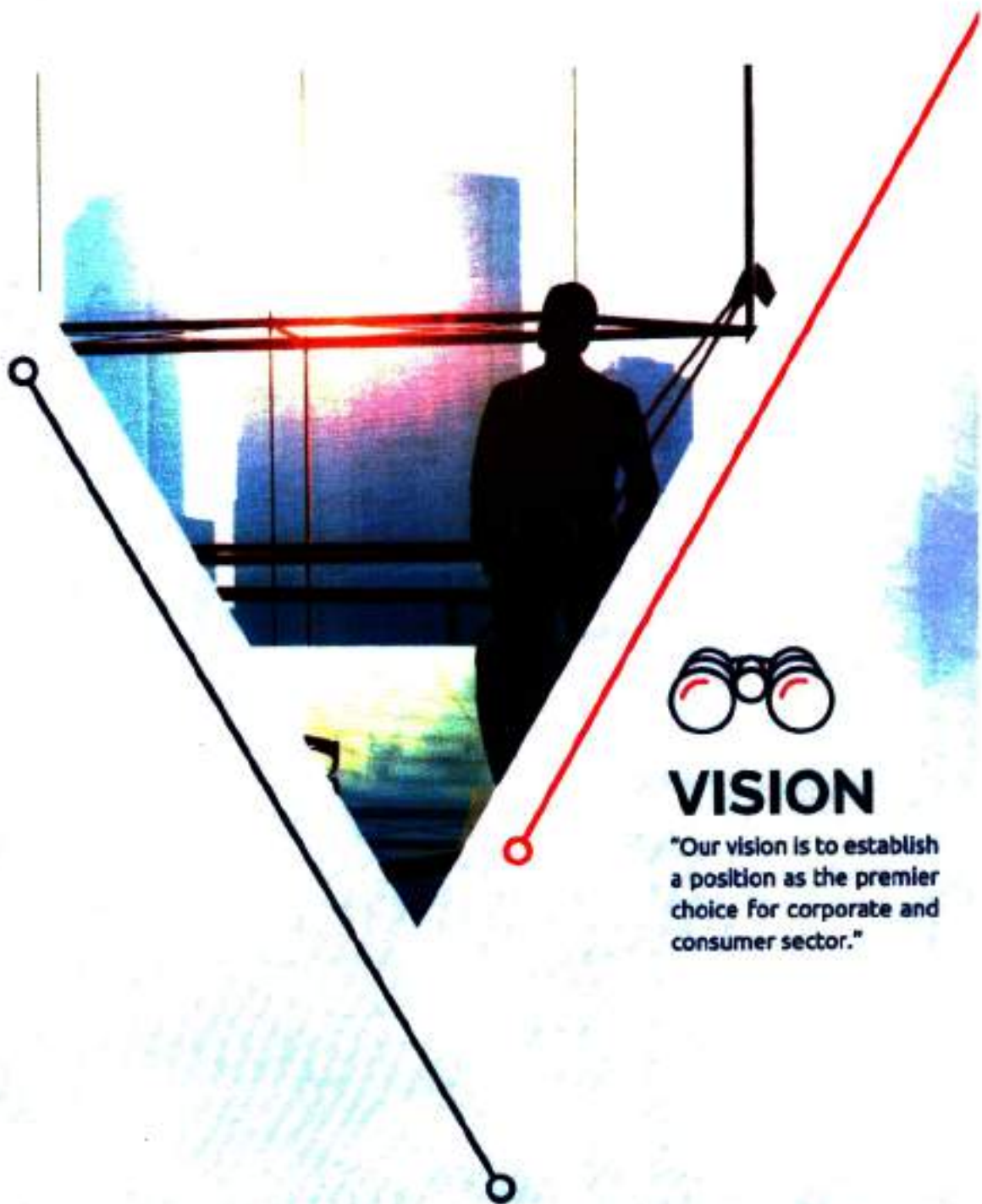
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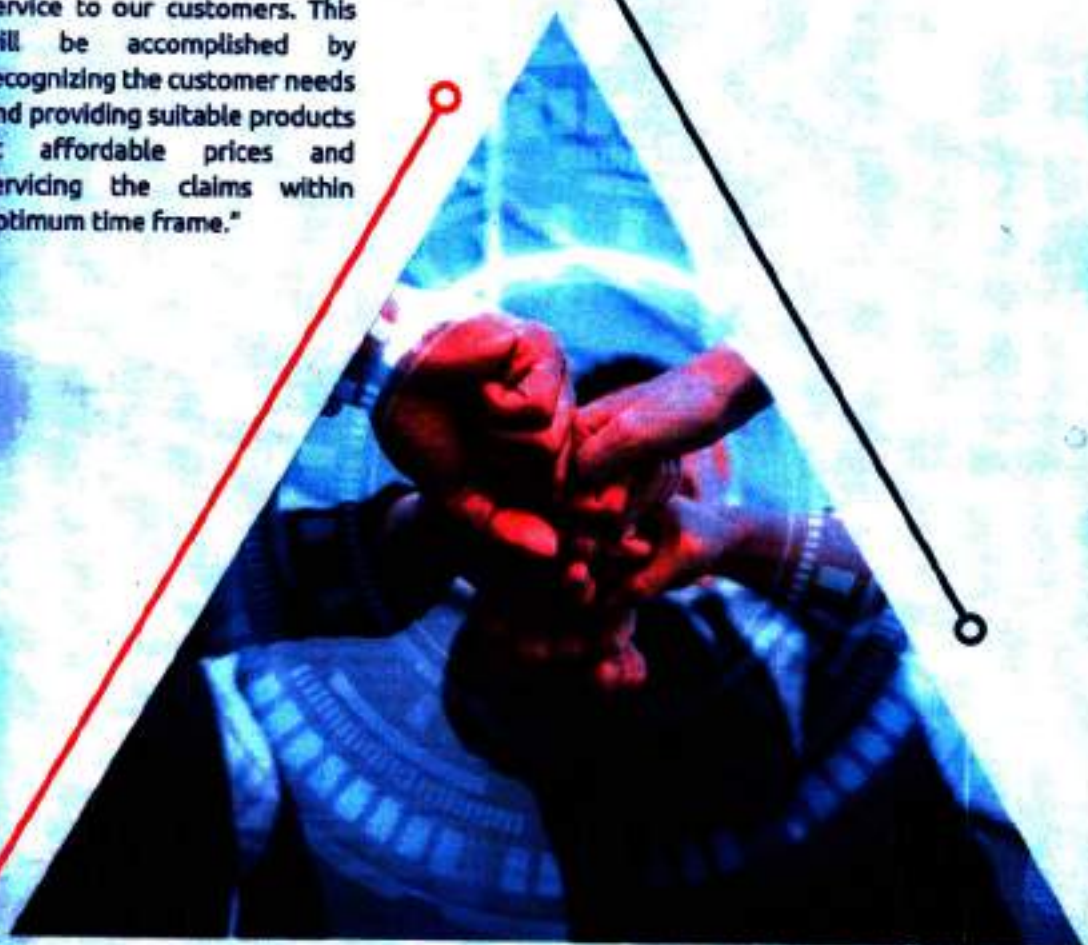
VISION

"Our vision is to establish
a position as the premier
choice for corporate and
consumer sector."



MISSION

"Our mission is to become a reputable general insurer of the country by providing dedicated service to our customers. This will be accomplished by recognizing the customer needs and providing suitable products at affordable prices and servicing the claims within optimum time frame."





VALUES

SERVICE



Our hallmark is the excellence of our service to our external clients and internally to each other.

INTEGRITY



Honesty and integrity consistently guide the conduct of our business and our relationships with those outside of the company and with each other.

COLLABORATION



We value and support a spirit of teamwork, cooperation and encouragement, in an environment in which all employees can grow.

RESPECT



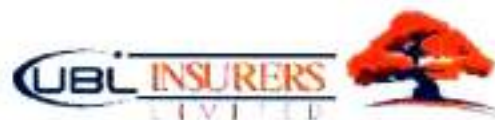
We respect individuality and the strength that flows from the diversity of backgrounds, experience and perspectives.

PROTECTION



We take care of and protect our insured in a hostile legal environment better than any other company.

Corporate Information



Board of Directors:

Syed Manzoor Hussain Zaidi
The Honorable Haider Zameer Choudrey
Rizwan Pervez
Muhammad Rizwan Malik
Saira Shah
Irfan Farooq Memon
Muhammad Danish Khan
Zeeshan Muhammad Raza

Chairman
Director
Director
Director
Director
Director
Director
Chief Executive Officer

Board Audit Committee:

Irfan Farooq Memon
Saira Shah
Muhammad Danish Khan
Abdul Sattar Vaid

Chairman
Member
Member
Secretary

Board Investment Committee:

Muhammad Rizwan Malik
Rizwan Pervez
Zeeshan Raza
Nadeem Raza

Chairman
Member
CEO/Member
Member / Secretary

Board Ethics, Nomination, Human Resource & Remuneration Committee:

Muhammad Danish Khan
The Honorable Haider Zameer Choudrey
Rizwan Pervez
Zeeshan M. Raza
Abdul Sattar Vaid

Chairman
Member
Member
CEO/Member
Secretary

Chief Financial Officer

Nadeem Raza

Company Secretary

Abdul Sattar Vaid

Shariah Advisory Board:

Mufti Imtiaz Alam
Mufti Muhammad Ashraf Alam Siddique
Taj Muhammad

Chairman/Member
Shariah Advisor / Member
Islamic Finance Expert / Member



Corporate Information

**Company Registration No. & NTN No:**

Current Registration # 00000012978/20060607

New CUN Registration # 0057197

NTN # 2798420-6

Rating Agency:

VIS "AA+"

Status of Company:

LSC (Large Sized Company)

Auditors:

EY Ford Rhodes Chartered Accountants

Legal Advisors:

Warsi & Iqbal Associates

Website & Contact:

www.ublinsurers.com

Email: info@ublinsurers.com

UAN 111-845-111

Fax Number +92-21-35314504

Registered Head Office:

126-C, Jami Commercial,

Street no. 14, Phase – VII,

DHA, Karachi.

Postal Code 75500

Regulator:

Securities and Exchange Commission of Pakistan



Directors' Report for the year ended 31 December, 2024

On behalf of the Board of Directors, I present the Nineteenth (19th) annual report of UBL Insurers Limited for the year ended 31 December, 2024.

The financial highlights for the year under review are as follows:

	‘Rupees 000’		
	2024	2023	%
Gross premium written	7,119,516	7,292,850	-2%
Premium earned	7,041,884	6,513,286	8%
Net premium revenue	2,187,466	1,993,150	10%
Net claim expense	(873,794)	(931,579)	-6%
Net commission	(43,620)	(83,359)	-48%
Management expenses	(800,896)	(685,647)	17%
Underwriting results - Profit	469,156	292,565	60%
Investment and other income	676,536	487,428	28%
General & administrative expenses	(187,941)	(162,823)	15%
Profit from window Takaful Operations	190,765	145,062	32%
Profit before tax	1,123,645	737,534	52%

Economic Overview

The Pakistani economy has navigated a tumultuous period, marked by significant challenges in 2023 and early 2024. The devaluation of the currency led to a substantial increase in automobile prices, while high interest rates had a profound impact on the leasing car business, resulting in a decline in sales that directly affected the insurance industry. Furthermore, the interruption in imports had a far-reaching impact on various industries, bringing operations to a halt and consequently affecting the insurance industry, particularly in the Fire and Marine classes of business.

However, as we progress into 2025, the Pakistani economy is demonstrating remarkable resilience in the face of previous challenges. A slowing inflation rate, increased consumer spending, and declining interest rates are all contributing to a favorable economic environment. These interconnected factors underscore the importance of adopting adaptive strategies within the insurance sector to effectively manage risks.

The general insurance industry continues to evolve in response to emerging risks, particularly in the context of climate change and technological advancements. With a projected GDP growth rate of 3% in key markets, the demand for insurance products is expected to rise, reflecting a growing awareness of risk management among businesses and individuals. The digital transformation is also playing a vital role, as insurers invest in innovative technologies to enhance customer experience and streamline operations. Moreover, regulatory changes aimed at promoting transparency are likely to influence market dynamics, fostering a more competitive landscape.

Overall, the outlook for the general insurance industry remains optimistic, driven by a combination of economic recovery, regulatory progress, and a growing focus on sustainability. As the industry continues to adapt and innovate, it will play an increasingly important role in supporting the growth and development of the Pakistani economy.

• Company Performance Review

In the year 2024 company has underwritten gross premium of Rs. 7,120 million (2023: 7,293 million) while net premium revenue increased by 10% to Rs. 2,187 million.

Premium earned recorded an increase of Rs. 529 million (8%) during the year ended December 31, 2024 and stood at Rs. 7,042 million as compared to Rs. 6,513 million as at December 31, 2023.

Net claim expense is decreased by 6% during the year ended December 2024 as compared to last year December 2023. The net claim ratio over net premium revenue is 40% compared to 47% last year.

The underwriting results reported a growth of 60% in profit and close at Rs. 469 million during the year ended 31 December 2024 as compared to a profit of Rs. 293 million for the year ended 31 December 2023.

Investments and other income increased and stands at Rs. 677 million during the year ended December 2024 as compared to Rs. 487 million during the same period in 2023 and an amount of Rs. 0.37 million has been recorded as impairment on listed equity securities.

Profit before tax stands at Rs. 1,124 million for the current year as compared with last year profit of Rs. 738 million.

Portfolio Analysis (Conventional & Takaful)

- **Fire & Property**

Fire and property class of business constitutes 46.4% of the total portfolio. During the year, the Company has underwritten a gross premium of Rs. 4.18 billion (2023: Rs. 4.16 billion). The ratio of net claims to net premium is 21.2% this year as compared to 29.0% last year. The Company reported an underwriting profit of Rs. 99 million as compared to profit of Rs. 1 million in 2023.

- **Marine and transport**

This class of business constitutes 9.3% of the total portfolio. The Company has underwritten a gross premium of Rs. 839 million in current year (2023: Rs. 694 million). The net claims ratio is 17.2% as against 14.5% last year, which resulted in an underwriting profit of Rs. 78 million against Rs. 70 million last year.

- **Motor**

During the year, the Company has underwritten gross premium of Rs. 2.3 billion (2023: Rs. 1.8 billion) which constitutes 26.1% of the total portfolio. The ratio of net claims to net premium for the current year is 51.0% as compared to 53.3% in 2023. The Company reported an underwriting profit of Rs. 349 million as compared to Rs. 322 million in 2023.

- **Health**

This class of business constitutes 7.7% of the total portfolio. The Company has underwritten a gross premium of Rs. 692 million in current year (2022: Rs. 590 million). The net claims ratio is 84.8% as compared to last year 78.7%. This resulted an underwriting profit of Rs. 59 million against underwriting Profit of Rs. 20 million last year.

- **Other Classes**

The other classes of business constitute 10.5% of the total portfolio. The gross premium written was Rs. 944 million (2023: Rs. 1,060 million). The ratio of net claims to net premium is 35.6% as against 49.0% last year. The portfolio showed an underwriting Profit of Rs. 155 million in current year against an underwriting profit of Rs. 21.5 million in last year.

The earning per share for the year 2024 is Rs 5.91 against earning per share of Rs. 3.95 in the year 2023.

- **Window Takaful Operations**

The year under review was the Ninth year for Takaful business and the company was able to successfully grow gross written contribution to Rs. 1,887 million. The participant's Takaful fund reported a surplus before investment income of Rs. 173 million as compared to 56 million in the year 2023. Net investment and other income stand at Rs. 174 million in 2024 against Rs. 111 million for the year 2023. This resulted in achieving a surplus for the year of Rs. 348 million which stood at 178 million in the year 2023.

The Operator's Fund reported the profit before tax of Rs. 191 million in the year 2024 against profit of 145 million in the year 2023.

- **Related Parties Transactions**

The Board of Directors approve Company's transactions with associated companies / related parties at each board meeting. All the transactions executed with related parties are on arm's length basis.

- **Insurer Financial Strength (IFS) Rating**

The company's Financial Strength (IFS) rating stands at AA+ (Double A Plus) with stable outlook by VIS Credit Rating Company Limited for the year 2024.

Compliance with Code of Corporate Governance

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

During the year four (4) meetings of the Board of Directors were held, attendance details of which are as follows:

Name of Directors	Meetings Attended
Syed Zia Ijaz	3
Lord Zameer M. Choudrey, CBE, Si Pk (Resigned as at 2 nd October, 2024)	3
Mr. Rizwan Pervez	3
Ms. Saira Shah	4
Mr. Muhammad Rizwan Malik	4
Mr. Irfan Farooq Memon	3
Mr. Muhammad Danish Khan	3
Mr. Zeeshan Muhammad Raza – Chief Executive Officer	4
Mr. Haider Zameer Choudrey	NILL*

* Mr. Haider Zameer Choudrey appointed in place of Lord Zameer M. Choudrey as on 2nd October, 2024.

Leave of absence was granted to directors who could not attend Board meeting(s).

During the year there is no fee or any compensation paid to any Director. However, Compensation paid to Chief Executive officer are as under;

	Chief Executive	Directors	Total
	-----Rupees in "000"-----		
Fee	-	-	-
Compensation	65,650	-	65,650
Number of person(s)	1	7	8

Board Committees

- **Audit Committee**

The committee consists of three members. During the year 2024, four (04) meetings of the committee were held and attended by the members as under:

Name of Member	Meetings Attended
Mr. Irfan Farooq Memon	-
Muhammad Danish Khan	3
Ms. Saira Shah	-
Lord Zameer M. Choudrey (Resigned)	3
Mr. Rizwan Pervez	3

Board re-constituted the committee in 91st BOD meeting held on 29th October, 2024.

Leave of absence was granted to the members who could not attend Board's Audit Committee meeting(s).

• **Ethics, Nominations, Human Resource & Remuneration Committee**

The committee consists of four members. During the year one (01) meeting of the committee was held and attended by the members as under:

Name of Member	Meetings Attended
Muhammad Danish Khan	-
Mr. Haider Zameer Choudrey	-
Mr. Rizwan Pervez	01
Lord Zameer M. Choudrey (Resigned)	01
Mr. Zeeshan Muhammad Raza	01

Board re-constituted the committee in 91st BOD meeting held on 29th October, 2024.

Leave of absence was granted to the members who could not attend Board's Ethics, Nomination, Human Resource & Remuneration Committee meeting(s).

• **Investment Committee**

The committee consists of four members. During the year 2024, four (04) meetings of the committee were held and attended by the members as under:

Name of Member	Meetings Attended
Mr. Muhammad Rizwan Malik	04
Mr. Rizwan Pervez	03
Lord Zameer M. Choudrey (Resigned)	03
Mr. Zeeshan Muhammad Raza	04
Mr. Nadeem Raza	04

Board re-constituted the committee in 91st BOD meeting held on 29th October, 2024.

Leave of absence was granted to the member who could not attend Board's Investment Committee meetings.

Management Committees in Compliance with Code of Corporate Governance

The Underwriting committee consists of four members. During the year 2024, Three meetings of the committee were held and attended by the members as under:

Name of Member	Meetings Attended
Ms. Saira Shah	03
Mr. Zeeshan Muhammad Raza	03
Mr. Rashid Jameel	03
Mr. Fahad Hussain Khan	03

The Claim committee consists of three members. During the year 2024, Three meetings of the committee were held and attended by the members as under:

Name of Member	Meetings Attended
Ms. Saira Shah	03
Mr. Zeeshan Muhammad Raza	03
Mr. Munawar Ali Siddiqui	03

The Re-Insurance & Co-Insurance committee consists of three members. During the year 2024, Three meetings of the committee were held and attended by the members as under:

Name of Member	Meetings Attended
Muhammad Danish Khan	03
Mr. Zeeshan Muhammad Raza	03
Mr. Rashid Jameel Khan	03

The Risk Management & Compliance committee consists of Four members. During the year 2024, three meetings of the committee were held and attended by the members as under:

Name of Member	Meetings Attended
Mr. Irfan Farooq Memon	03
Mr. Zeeshan Muhammad Raza	03
Mr. Rashid Jameel Khan	03
Mr. Muhammad Anas Qureshi	03

• **Statement of Ethics and Business Practice**

The Board has adopted the statement of ethics and business practices. All employees are informed of this statement and are required to observe these rules of conduct in relation to business and regulations.

• **Future Outlook**

Our strategy for 2025 is to further create a unique and personalized customer experience and to move a way forward by delivering a great deal of innovation quickly to consumers through digitalization. Our Company has been and will continue to invest in the training of its employees to ensure the implementation of the relevant policies and directions of our competent regulators and other law authorities.

• **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 accounts 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) International accounting standards (IAS), International Financial Reporting Standards (IFRS) or any other regulation or law (including but not limited to the Shariah guidelines / principles) as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from 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 on 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 code of corporate governance for insurers, 2016.
- h) No Premium Deficiency Reserve has been recorded during the year.
- i) Claims incurred but not reported has been reported on the bases of actuarial validation as per the SECP's guideline.
- j) During the ninth year of Takaful the Operator's Fund reported a profit after tax of Rs. 116 million which is expected to be further improved in the upcoming years.
- k) The amount of outstanding on account of FED, FIF, EOBI, withholding taxes, Sales taxes, and SECP fees are 137 million. Which are subsequently paid as per the requirement of concerned regulators or bodies.
- l) The key operating and financial data for the last six years is annexed.
- m) The value of investments of provident and gratuity funds based on their unaudited accounts, as on December 31, 2024 were the following.
- n)

Provident Fund	Rs. 178 million
Gratuity Fund	Rs.108 million
- o) The statement of pattern of shareholding in the Company as at 31 December, 2024 is annexed with the report.

No material changes and commitments affecting the financial position of our Company have occurred between the end of financial year to which this balance sheet relates and the date of this report.

The present external auditors Ernst & Young Ford Rhodes, Chartered Accountants, had retired and have offered themselves for re-appointment. The Board of Audit Committee recommends that Ernst & Young Ford Rhodes, Chartered Accountants to be appointed as the statutory auditors for the year 2025.

The Company is a subsidiary of Bestway International Holdings Limited (BIHL) incorporated in London (U.K). The Bestway International Holdings Limited (BIHL) holds 55.6% of the issued share capital of UBL Insurers Limited.

The Directors of the Company would like to express their gratitude to Securities and Exchange Commission of Pakistan, Insurance Association of Pakistan and the panel of Re-insurers for their continued guidance, co-operation and support.

We also thank our valued clients for their continued patronage and support extended to our Company.

The Directors also wish to acknowledge the hard work and dedicated efforts of UBL Insurers team in achieving the goals of the Company.

A blue ink signature of the Chief Executive Officer.

Chief Executive Officer

A blue ink signature of the Chairman of the Board of Directors.

Chairman - Board of Directors

Date: March 11, 2025

Key operating and financial data for the last six years

'Rupees 000'

	2024	2023	2022	2021	2020	2019
Gross premium Written	7,119,516	7,292,850	5,248,055	4,104,343	4,041,493	3,988,703
Net premium revenue	2,187,466	1,993,150	1,839,604	1,793,771	1,841,542	1,769,967
Net claims	(873,794)	(931,579)	(892,633)	(959,119)	(1,127,838)	(646,815)
Premium deficiency (expense) / reversal	-	-	-	-	(3)	18
Management Expenses	(800,896)	(685,647)	(765,187)	(561,782)	(552,257)	(516,562)
Net commission	(43,620)	(83,359)	(142,452)	(191,931)	(107,637)	(158,510)
Underwriting result	469,156	292,565	39,332	80,962	53,807	448,098
Investment income	602,882	382,860	201,176	97,333	102,026	79,661
Exchange gain / (Loss)	(1,366)	27,603	10,527	(1,598)	1,215	2,929
Other Income	75,020	76,965	36,422	31,327	38,373	33,253
General and administrative	(187,941)	(162,823)	(142,994)	(129,818)	(127,013)	(124,743)
Finance costs	(24,871)	(24,698)	(6,637)	(4,765)	(5,114)	(4,970)
Profit before tax from Windows Takaful Operations	190,765	145,062	60,827	28,581	30,244	14,328
Profit before tax	1,123,645	737,534	198,653	102,022	93,538	448,556
Taxation						
– Prior	(775)	(996)	(176)	(1,688)	1,017	(11,811)
– Current	(439,815)	(268,256)	(110,898)	(29,745)	(26,009)	(136,230)
– Deferred	(2,161)	(12,837)	46,027	(4,410)	(1,416)	7,359
Profit after tax	680,894	455,445	133,606	66,179	67,130	307,874

Head Office

126-C, Jami Commercial, Street No.14, Phase-VII, DHA, Karachi, Pakistan. UAN: 111-845-111, Fax: (92-21) 35314504.
Email: info@ublinurers.com, uilcomplain@ublinurers.com

www.ublinurers.com

UBL Insurers Limited
Pattern of Shareholding
As at December 31, 2024

Number of Shareholders	Shareholdings		Total Shares Held	Percentage%
	From	To		
7	1	100	7	0.000
1	2,495,001	2,500,000	2,500,000	2.170
1	14,000,001	14,500,000	14,088,199	12.227
1	30,000,001	35,000,000	34,565,213	30.000
1	60,000,001	65,000,000	64,063,972	55.603
11			115,217,391	100.000

Category of Shareholders
As at December 31, 2024

Categories of shareholders	Number of Shareholders	Shares held	Percentage
Directors, CEO & Children	7	7	0
NIT	0	-	0
Associated Companies, undertaking & related parties	3	112,717,384	97.83
Banks, DFI & NBFIs	0	-	0
Insurance Companies	0	-	0
Modarabas & Mutual Funds	0	-	0
Government of Pakistan	0	-	0
Govt. Owned Entities / Banks	0	-	0
Foreign Companies	0	-	0
Joint Stock Companies	0	-	0
Charitable Trusts	0	-	0
General Public (Local)	1	2,500,000	2.17
General Public (Foreign)	0	-	-
Others	0	-	0
Company Total	11	115,217,391	100

- The aggregate shares held by the following are:

Categories of Shareholders	Shares held	Percentage
Directors		
1) Syed Zia Ijaz	1	-
2) Mr. Haider Zameer Choudrey	1	-
3) Mr. Rizwan Pervez	1	-
4) Ms. Saira Shah	1	-
5) Mr. Muhammad Rizwan Malik	1	-
6) Mr. Irfan Farooq Memon	1	-
7) Mr. Muhammad Danish Khan	1	-
Chief Executive Officer	-	-
Directors/CEO's Spouse	-	-
Executive / Executive's Spouse	-	-
Associated Companies, undertaking and related parties		
Bestway International Holdings Limited (BIHL)	64,063,972	55.603
United Bank Limited	34,565,213	30.000
Bestway Cement Limited	14,088,199	12.227
NIT and ICP	-	-
Banks, DFIs and NBFIs	-	-
Public sector companies and corporations	-	-
Insurance Companies	-	-
Modaraba	-	-
Mutual Funds	-	-
General Public - Individuals		
Local	2,500,000	2.170
	115,217,391	100.000
Shareholders holding 5% or more voting interest		
Bestway International Holdings Limited (BIHL)	64,063,972	55.603
United Bank Limited	34,565,213	30.000
Bestway Cement Limited	14,088,199	12.227

Statement of Compliance with the Code of Corporate Governance for Insurers, 2016

UBL Insurers Limited
For the year ended 31 December 2024

This statement is being presented in compliance with the Code of Corporate Governance for insurers, 2016 for the purpose of establishing a framework of good governance, whereby an insurer is managed in compliance with the best practices of corporate governance.

The insurer has applied the principles contained in the Code in the following manner:

1. The insurer encourages representation of non-executive Directors and Directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Directors *	None
Executive Directors	Mr. Zeeshan Muhammad Raza
Non-Executive Directors	Mr. Zia Ijaz Mr. Haider Zameer Choudrey Mr. Rizwan Pervez Mr. Muhammad Rizwan Malik Mr. Irfan Farooq Memon Mr. Muhammad Danish Khan
Female Director	Ms. Saira shah

**UBL Insurers Limited is a non-listed entity, and clause (iii) of the code, appointment of one third of the total members of the Board as independent Director(s) is required through the S.R.O 1013(I)/2022, on the expiry of the current term, currently the board has no independent director however will be appointed on expiry of current term of board.*

2. The Directors have confirmed that none of them is serving as a Director in more than seven (7) listed companies, including this insurer.
3. All the resident Directors of the insurer are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by a stock exchange.
4. All the casual vacancies of directors filled within 90 days from the date of vacating office.
 - a. Mr. Sajid Hussain resignation accepted on 14th December 2023 and Mr. Irfan Farooq Memon appointed at his place on 9th January 2024.
 - b. Mr. Sharjeel Shahid resignation accepted on 9th January 2024 and Mr. Muhammad Danish Khan appointed at his place on 7th February 2024.
 - c. Mr. Aameer Karachiwalla resignation accepted on 9th January 2024 and Mr. Zia Ijaz appointed at his place on 7th February 2024.

Head Office

126-C, Jami Commercial, Street No.14, Phase-VII, DHA, Karachi, Pakistan. UAN: 111-845-111, Fax: (92-21) 35314504.
 Email: info@ublinurers.com, uilcomplain@ublinurers.com

www.ublinurers.com

- d. Mr. Zameer M. Choudrey resignation accepted on 2nd October 2024 and Mr. Haider Z. Choudrey appointed at his place on 2nd October 2024.
5. The Insurer has prepared a Code of Conduct, which has been disseminated among all the Directors and employees of the insurer.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the insurer. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive Directors and the Key officers, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven (7) days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the insurer. The insurer has adopted and complied with all the necessary aspects of internal controls given in the code.
10. All the directors have been provided appropriate material/guidelines on the orientation course as such they are fully aware of their duties and responsibilities. More than 50% of the directors present are certified under Directors' training program.
11. The Board has approved appointment of Chief Financial Officer, company secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
12. The Directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance for Insurers, 2016 and fully describes the salient matters required to be disclosed.
13. The financial statements of the insurer were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
14. The Directors, Chief Executive Officer and other executives do not hold any interest in the shares of the insurer other than disclosed in the pattern of shareholding.
15. The insurer has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for insurers, 2016.



Head Office

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16. The Board has formed the following Management Committees;

Underwriting Committee

Name of the Member	Category
Ms. Saira Shah	Chairman
Mr. Zeeshan Muhammad Raza	Member
Mr. Rashid Jameel Khan	Member
Mr. Fahad Hussain Khan	Member

Claim Settlement Committee

Name of the Member	Category
Ms. Saira Shah	Chairman
Mr. Zeeshan Muhammad Raza	Member
Mr. Munawar Ali Siddiqui	Member

Reinsurance & Co-insurance Committee

Name of the Member	Category
Muhammad Danish Khan	Chairman
Mr. Zeeshan Muhammad Raza	Member
Mr. Rashid Jameel Khan	Member

Risk Management & Compliance Committee

Name of the Member	Category
Mr. Irfan Farooq Memon	Member
Mr. Zeeshan Muhammad Raza	Member
Mr. Rashid Jameel Khan	Member
Mr. Muhammad Anas Qureshi	Member

17. The Board has formed the following Board Committee;

Ethics, Nominations, Human Resource & Remuneration Committee

Name of the Member	Category
Muhammad Danish Khan	Chairman
Mr. Haider Zameer Choudrey	Member
Mr. Rizwan Pervez	Member
Mr. Zeeshan Muhammad Raza	Member

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Head Office

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Investment Committee

Name of Member	Category
Mr. Muhammad Rizwan Malik	Chairman
Mr. Rizwan Pervez	Member
Mr. Zeeshan Muhammad Raza	Member
Mr. Nadeem Raza	Member

18. The Board has formed an Audit Committee. It comprises of three members, of whom all are non-executive Directors. The Chairman of the Committee is a non-executive Director. The composition of the Audit Committee is as follows:

Audit Committee

Name of Member	Category
Mr. Irfan Farooq Memon	Chairman
Muhammad Danish Khan	Member
Ms. Saira Shah	Member

19. The terms of references of the Committees have been formed and advised to the Committees for compliance. The frequency of meetings of the Committees were as follows:

Ethics, Human Resource, Remuneration & Nomination Committee;	Half yearly
Investment Committee;	Quarterly
Audit Committee	Quarterly
Underwriting Committee;	Quarterly
Claim Settlement Committee;	Quarterly
Reinsurance & Co-insurance Committee; and	Quarterly
Risk Management & Compliance Committee	Quarterly

20. The Board has outsourced the internal audit function to BDO Ebrahim & Co. Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the insurer and they (or their representative) are involved in the internal audit function on a regular basis.

21. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code of Corporate Governance for insurers, 2016. The Appointed Actuary of the insurer also meets the conditions as laid down in the said code. Moreover the persons heading the underwriting, claim, and reinsurance, risk management and grievance functions / departments possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000.



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Name of the Person	Designation
Mr. Zeeshan Muhammad Raza	Chief Executive Officer
Mr. Nadeem Raza	Chief Financial Officer
Mr. Abdul Sattar Vaid	Company Secretary
Mr. Ehsan-Ul-Haq	Head of Internal Audit
Mr. Munawar Ali Siddiqui	Head of Grievance Dept / Non-Motor Claims
Mr. M. Amin Najmuddin	Head of Motor Claims
Mr. Ashfaq Sharif	Head of Reinsurance
Ms. Sidra Nasir	Head of Risk Management
Mr. Fahad Hussain Khan	Head of Non-Motor Underwriting
Mr. Aseem Akbar	Head of Motor Underwriting
Mr. Muhammad Anas Qureshi	Compliance Officer
Akhtar & Hasan (Pvt) Ltd	Actuary

22. The statutory auditors of the insurer have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 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 insurer 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.

23. The statutory auditors or the persons associated with them have not been appointed to provide other services and the auditors have confirmed that they have observed IFAC guidelines in this regard.

24. The Actuarial function is outsourced to an Actuarial firm, which does not hold any shares in the Company.

25. The Board ensures that the Appointed Actuary complies with the requirements set out for him / her in the Code of Corporate Governance for Insurers, 2016.

26. The Board ensures that the investment policy of the insurer has been drawn up in accordance with the provisions of the Code of Corporate Governance for Insurers, 2016

27. The Board ensures that the risk management system of the insurer is in place as per the requirements of the Code of Corporate Governance for Insurers, 2016.

28. The insurer has set up a risk management function / department, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016.

29. The Board ensures that as part of the risk management system, the insurer gets itself rated from VIS which is being used by its risk management function / department and the respective Committee as a risk monitoring tool. The rating assigned by the said rating agency on December 19, 2023 is AA+ (Double A Plus) with stable outlook.



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30. The Board has set up a grievance department / function, which fully complies with the requirements of the Code of Corporate Governance for Insurers, 2016.

31. The Board has not appointed independent director, which is required preferably but not mandatory, which fully complies with the requirements of the Code of Corporate Governance for Insurers, 2016.

32. We confirm that the material principles contained in the Code of Corporate Governance have been complied.

33. The company has not obtained any exemptions from SECP in respect of any of the requirements of the Code



Zeeshan Muhammad Raza
Chief Executive officer

Dated: March 11, 2025

Independent Auditor's Review Report

To the members of UBL Insurers Limited

Review Report on the Statement of Compliance with Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance prepared by the Board of Directors of **UBL Insurers Limited** (the Company) for the year ended **31 December 2024** in accordance with the requirements of Code of Corporate Governance for Insurers, 2016 (the Code).

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 that 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

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.



Chartered Accountants

Place: Karachi

Date: 27 March 2025

UDIN Number: CR202410120tSuONYPHx

INDEPENDENT AUDITOR'S REPORT

To the members of UBL Insurers Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **UBL Insurers Limited** (the "Company"), which comprise the statement of financial position as at **31 December 2024**, and the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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 statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform 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, total 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 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.

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 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.

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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 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 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 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 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 judgement 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.
- 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 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.
- 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.

Report on Other Legal and Regulatory Requirement

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 statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XIX of 2017), and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.



Chartered Accountants

Karachi

Date: 27 March 2025

UDIN Number: AR202410120q7u4bA5kx

UBL INSURERS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	2024 ----- (Rupees in '000) -----	2023
Assets			
Property and equipment	5	84,308	91,812
Right-of-use-assets	6	146,275	131,786
Intangible assets	7	174	355
Investments			
Equity securities / mutual funds	8	204,797	122,724
Debt securities	9	3,479,954	2,781,232
Loans and other receivables	10	153,256	131,173
Insurance / reinsurance receivables	11	1,789,251	1,646,548
Reinsurance recoveries against outstanding claims		3,604,674	2,677,254
Salvage recoveries accrued		71,064	205,009
Deferred commission expense / acquisition cost		445,621	421,276
Deferred taxation	14	-	43,754
Taxation - payment less provisions	33	-	-
Prepayments	15	1,677,333	1,895,732
Cash and bank	16	282,871	341,400
		11,939,576	10,290,055
Total assets of Window Takaful Operations	23	776,260	535,164
Total Assets		<u>12,715,836</u>	<u>10,825,219</u>
Equity and liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary Share Capital	17	1,152,174	1,152,174
Discount on issue of right shares		(352,174)	(352,174)
Reserves	18	80,623	4,608
Unappropriated profit		1,982,852	1,483,716
Total Equity		<u>2,863,475</u>	<u>2,288,324</u>
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	25	4,167,505	3,324,856
Unearned premium reserves	24	2,573,687	2,496,055
Premium deficiency reserves		-	-
Unearned reinsurance commission	26	439,222	440,107
Retirement benefit obligations	13	1,996	2,463
Lease liabilities	19	178,689	156,640
Insurance / reinsurance payables	20	1,399,592	1,182,950
Deferred taxation	14	4,273	-
Taxation - payment less provisions	33	58,644	72,636
Other creditors and accruals	21	607,170	551,329
		9,430,778	8,237,036
Total liabilities of Window Takaful Operations	23	421,583	299,859
Total Liabilities		<u>9,852,361</u>	<u>8,536,895</u>
Total Equity and Liabilities		<u>12,715,836</u>	<u>10,825,219</u>
Contingencies and commitments	22		

The annexed notes 1 to 44 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman




UBL INSURERS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 ---- (Rupees in '000) ----	2023 ---- (Rupees in '000) ----
Net insurance premium	24	2,187,468	1,993,150
Net insurance claims	25	(873,794)	(931,579)
Premium deficiency reversal / (expense)		-	-
Net commission and other acquisition costs	26	(43,620)	(83,359)
Insurance claims and acquisition expenses		(917,414)	(1,014,938)
Management expenses	27	(800,896)	(685,647)
Underwriting results		469,156	292,565
Investment income	28	602,882	382,860
Other income	29	73,654	104,568
Other expenses	30	(187,941)	(162,823)
Results of operating activities		957,751	817,170
Finance costs	31	(24,871)	(24,698)
Profit from Window Takaful Operations - Operator's Fund	23	190,765	145,062
Profit before tax		1,123,645	737,534
Income tax expense	32	(442,751)	(282,089)
Profit after tax		680,894	455,445
Earnings per share - Rupees	34	5.91	3.95

The annexed notes 1 to 44 form an integral part of these financial statements.


 Chief Executive Officer


 Director


 Director



 Chairman




UBL INSURERS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 ---- (Rupees in '000) ----	2023 ---- (Rupees in '000) ----
Profit after tax	680,894	455,445
Other comprehensive income		
Item that may be reclassified to profit and loss account in subsequent years		
Change in fair value on available-for-sale investments during the year	141,697	25,196
Related tax impact	(46,679)	(4,436)
Reclassification adjustments relating to available-for-sale investments disposed during the year	(22,008)	(13,010)
	73,010	7,750
Change in fair value on available for sale investment from Window Takaful Operations	4,926	645
Related tax impact	(1,921)	(252)
	3,005	393
Item that will never be reclassified to profit and loss account in subsequent years		
Re-measurement gain on defined benefit obligation	467	2,645
Related tax impact	(182)	(726)
	285	1,919
Net other comprehensive income for the year	76,300	10,062
Total comprehensive income for the year	<u>757,194</u>	<u>465,507</u>

The annexed notes 1 to 44 form an integral part of these financial statements.


 Chief Executive Officer


 Director


 Director



 Chairman

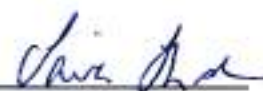


UBL INSURERS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

Attributable to equity holders of the Company				
Ordinary Share Capital	Capital Reserve	Revenue Reserve		Total
	Discount on issue of right share	Available-for- sale Investment revaluation reserve	Unappropriat ed profit	
(Rupees in '000)				
1,152,174	(352,174)	(3,535)	1,059,754	1,856,219
-	-	-	455,445	455,445
-	-	-	(33,402)	(33,402)
-	-	8,143	1,919	10,062
-	-	8,143	423,962	432,105
1,152,174	(352,174)	4,608	1,483,716	2,288,324
-	-	-	680,894	680,894
-	-	-	(182,043)	(182,043)
-	-	76,015	285	76,300
-	-	76,015	499,136	575,151
1,152,174	(352,174)	80,623	1,982,852	2,863,475

The annexed notes 1 to 44 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman



UBL INSURERS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		(Rupees in '000)	
Operating Cash Flows			
(a) Underwriting activities			
Insurance premium received		8,879,623	7,212,408
Reinsurance premium paid		(4,524,282)	(4,721,419)
Claims paid		(2,773,995)	(2,651,888)
Reinsurance and other recoveries received		1,949,375	1,815,217
Commission paid		(1,372,393)	(1,072,095)
Commission received		1,351,897	1,143,258
Management expenses paid		(715,393)	(562,812)
Net cash inflow from underwriting activities		794,832	1,162,887
(b) Other operating activities			
Income tax paid		(381,178)	(143,719)
General expenses paid		(172,036)	(141,797)
Loan advanced		(9,194)	(11,639)
Loan repayments received		10,513	11,308
Payment against unclaimed insurance benefits		(96)	(7,982)
Net cash outflow from other operating activities		(551,991)	(293,828)
Total cash inflow from all operating activities		242,841	869,059
Investment activities			
Profit / return received		333,936	188,010
Dividend received		6,812	7,599
Payment for investments		(4,097,768)	(2,598,238)
Proceeds from investments		3,418,752	1,744,894
Proceeds from sale of property and equipment		2,094	1,475
Fixed capital expenditure		(18,923)	(18,432)
Total cash outflow from investing activities		(355,097)	(672,690)
Financing activities			
Dividend paid		(182,043)	(40,762)
Principal portion of lease liability paid		(39,563)	(31,881)
Interest paid		(24,871)	(24,698)
Total cash outflow from financing activities		(246,477)	(97,341)
Net cash inflow / (outflow) from all activities		(358,733)	89,028
Cash and cash equivalents at beginning of the year		641,604	542,576
Cash and cash equivalents at end of the year	16	282,871	641,604
Reconciliation to profit and loss account			
Operating cash flows		242,841	869,059
Depreciation expense		(73,440)	(69,831)
Financial charges expense		(24,871)	(24,698)
Profit on disposal of investments		22,008	13,010
Profit on disposal of property and equipment and right of use asset		1,049	540
Dividend income		6,812	7,599
Profit from window takaful operations		190,765	145,062
Increase in assets other than cash		1,159,876	1,897,439
Increase in liabilities other than borrowings		(1,647,682)	(2,666,473)
Amortisation expense		(181)	(652)
Provision for impairment against listed equity securities		(373)	(1,082)
Income tax expense		(442,751)	(282,089)
Interest on government securities / term finance certificates / sukuk		574,435	363,333
Exchange (loss) / gain		(1,366)	27,603
Return on bank balances		69,815	75,352
Other income		4,156	1,073
Profit after taxation		680,894	455,445

The annexed notes 1 to 44 form an integral part of these financial statements.

Chief Executive Officer

Director

Director

Chairman

UBL INSURERS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

UBL Insurers Limited ("the Company"), a subsidiary of Bestway International Holdings Limited, was incorporated as an unlisted public limited company on June 29, 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Company is situated at 126-C, Jami Commercial Street Number 14, D.H.A., Phase VII, Karachi. The Company currently operates a network of 27 (2023: 27) branches in various cities. The Company received Certificate of Registration under Section 6 of the Insurance Ordinance, 2000 on January 05, 2007. The objects of the Company include providing general insurance services (in spheres of Fire, Marine, Aviation and Transport, Motor, Health, Bankers Blanket and Miscellaneous) and general takaful services.

The Company was granted authorisation on December 29, 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operations in respect of general takaful products by the Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on January 1, 2016.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB) as are notified under Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulation, 2019.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, Takaful Rules, 2012, and General Takaful Accounting Regulation, 2019 shall prevail.

2.1.1 Total assets, total liabilities and profit of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in these financial statements in accordance with the requirements of Circular 25 of 2015 dated 9 July 2015.

2.1.2 A separate set of financial statements of the general Window Takaful Operations has been reported which is annexed to these financial statements as per the requirements of the SECP Takaful Rules, 2012.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention basis except for available-for-sale investments that have been measured at fair value and the obligations under employee benefits that have been measured at fair value of plan assets less the present value of defined benefit obligation and right-of-use assets and their related liability which are measured at present values.

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

2.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current year

2.4.1 There are certain amendments that are mandatory for the Company's accounting periods beginning on January 1, 2024 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore, have not been stated in these financial statements.

Signature

2.5 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods beginning on or after January 01, 2025:

Amendments	Effective date (annual period beginning on or after)
- Lack of exchangeability – Amendments to IAS 21	January 1, 2025
- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 1, 2026
- Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
- Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7	January 1, 2026
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

The Company expects that such improvements / amendments to the standards (except IFRS 17) will not have any material impact on the Company's financial statements in the period of initial application.

SECP vide its SRO 1715 dated 21 November 2023 directed the application of IFRS 17 for the period commencing from January 01, 2026.

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features ("DPF"). The key objectives of IFRS 17 are comparable recognition and measurement of contracts in the scope of the standard, the recognition of insurance service results based on the services provided to the policyholder and provision of disclosures that will enable the users of the financial statements to assess the impact of these contracts on the financial position, financial results and cash flows of the entity. The standard distinguishes between the sources of profit and quality of earnings between insurance service results and insurance finance income and expense (reflecting the time value of money and financial risk). The company has not yet determined the quantitative potential impact of the standard.

The Company has taken a benefit of temporary exemption of applying IFRS 9 "Financial Instrument" with IFRS 17 "Insurance Contracts" as allowed under IFRS. However, This standard will be applied along with the application of IFRS 17.

The company has taken a benefit of temporary exemption of applying IFRS 9 "Financial Instrument" with IFRS 17 "Insurance Contracts" as allowed under IFRS.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	Effective date (period beginning on or after)
- IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 1, 2024
- IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027

There are certain other new amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2025, but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies as stated below have been applied consistently to all years presented in these financial statements.

3.1 Property and equipment

These are stated at cost less accumulated depreciation and any accumulated impairment losses, if any.

Depreciation on additions is charged on a straight line method from the month the asset is available for use and on disposals upto the month preceding the month of disposal.

3.2 Insurance contracts

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

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

a) Fire and property

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

b) Marine, aviation and transport

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

c) Motor

Motor insurance is to provide protection against losses incurred as a result of traffic accidents and against liability that could be incurred in an accident.

d) Bankers' blanket

Bankers' blanket insurance covers losses as a result of dishonest or fraudulent acts by officers and employees of the bank, including on premises coverage of cash, coverage of cash during transit and coverage of forged cheques.

e) Health

Health insurance includes coverage of in-patient-hospital, out-patient-department, medical and other related expenses of disease, sickness or accidental injury incurred during the period of insurance.

f) Miscellaneous

Miscellaneous insurance includes various types of coverage mainly burglary, loss of cash in safe and cash in transit, engineering losses, personal accident, money and other coverage.

3.2.1 Premium

Premium received / receivable under a policy / cover note is recognized as written from the date of attachment of the risk to the policy / cover note to which it relates. Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. The portion of premium written relating to the unexpired period of coverage is recognized as unearned premium by the Company. This liability is calculated by applying 1/24 method as specified in the Insurance Rules, 2017.

3.2.2 Unearned premium reserve

Unearned premium reserve represents the portion of premium written relating to the unexpired period of coverage at the reporting date and is recognized as a liability by the Company. This liability is calculated by applying the 1/24th method as specified in the Insurance Rules, 2017.

3.2.3 Receivables and payables related to insurance contracts

Receivables related to insurance contracts are known as premium due but unpaid. These are recognized when due and at cost, which is the fair value of the consideration to be received less provision for impairment, if any. Premiums received in advance is recognized as liability till the time of issuance of insurance contract there against.

If there is an objective evidence that any receivable due but unpaid is impaired, the Company reduces the carrying amount of that insurance receivable and recognizes the provision in the profit and loss account.

3.3 Commission

3.3.1 Deferred commission expense / acquisition cost

Commission expense incurred in obtaining and recording policies is deferred and recognized in the profit and loss account as an expense in accordance with the pattern of recognition of premium revenue.

3.3.2 Commission income

Commission income from reinsurers is recognized at the time of issuance of the underlying insurance policy by the Company. This income is deferred and brought to statement of comprehensive income as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission. Profit commission, if any, which the Company may be entitled to under the terms of reinsurance, is recognized on accrual basis.

For facultative acceptance the basis of recognizing commission and determining the unearned commission reserve is the same as for the direct policies.

3.4 Premium deficiency reserve

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

For this purpose, loss ratios for each class are estimated based on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, premium deficiency is determined. Further actuarial valuation has been carried out to determine the amount of premium deficiency reserve in respect of Accident and Health insurance as required by Insurance Rules issued by Securities and Exchange Commission of Pakistan on February 9, 2017. Based on the advice of actuary, no provision for premium deficiency reserve is required for any class.

3.5 Reinsurance contracts held

These are contracts entered into by the Company with reinsurers for compensation of losses suffered on insurance contracts issued. These reinsurance contracts include both facultative and treaty arrangements contracts and are classified in same categories of insurance contracts for the purpose of these financial statements. The Company recognizes the entitled benefits under contracts as various reinsurance assets and liabilities.

Reinsurance assets represent balances due from reinsurance companies and reinsurance recoveries against outstanding claims. Amounts due from reinsurance companies are carried at cost less any provision for impairment. Cost represents the fair value of the consideration to be received. Reinsurance recoveries against outstanding claims are measured at the amount expected to be received based on reinsurance treaties.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contract are not offset against expenses or income from related insurance assets.

Reinsurance liabilities represent balances due to reinsurance companies. Due to reinsurance companies are carried at cost which is the fair value of the consideration to be paid.

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

3.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents consists of cash in hand, stamps in hand, bank deposits, term deposits and market treasury bill having original maturity of three months or less.

3.7 Investments

3.7.1 Investment income

- Interest / mark-up on bank balances, term deposits and government securities is recognized on an accrual basis using the effective interest method.
- Gain or loss on sale of investments is accounted for in the profit and loss account in the period to which it relates.
- Dividend income is recognized when the Company's right to receive the dividend is established.

3.7.2 Classification and measurement

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction cost, except for investments at fair value through profit or loss in which case transaction costs are charged to the profit and loss account. These are classified into the following categories:

- Held to maturity
- Available for sale

3.7.3 Held to maturity

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity and are initially measured at cost being the fair value of the consideration given and include transaction cost. At subsequent reporting dates, these are measured at amortized cost using the effective yield method.

3.7.4 Available for sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. Subsequent to initial recognition, these are stated at market value. The unrealized gains / losses on available for sale investments are recognized in other comprehensive income and recycled to profit and loss on disposal.

Provision for diminution in the values of securities is made after considering impairment, if any, in their value and is taken to profit and loss account. Impairment is booked when there is an objective evidence of significant or prolonged decline in the value of such securities.

3.8 Reinsurance expense

Premium Ceded to reinsurers is recognized as an expense. For reinsurance contracts operating on a proportionate basis, on attachment of the underlying policies reinsured; and for reinsurance contracts operating on a non-proportionate basis, on inception of the reinsurance contract.

The portion of reinsurance premium ceded not yet recognized as an expense is recognized as a prepayment. The prepaid portion of premium ceded is recognized as an asset. Such asset is calculated by applying the one by twenty-fourth method, whereby the liability shall equal 1/24 of the premium ceded relating to reinsurance contract commencing in the first month of the insurer's financial year, 3/24 of the premiums ceded relating to policies commencing in the second month of the insurer's financial years, and so on.

3.9 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in other comprehensive income or below equity, in which case it is recognized in other comprehensive income or below equity.

3.9.1 Current

Provision for current taxation is the higher of the amount computed on taxable income at the current tax rate after taking into account tax credits / rebates, if any, and the minimum tax computed at the prescribed rate on turnover. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalized during the current year for such years.

3.9.2 Deferred

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 purposes and the amounts used for taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted at the financial statement date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.10 Staff retirement benefits

3.10.1 Defined benefit plan

The Company operates an approved funded gratuity fund for all permanent employees who have completed minimum 3 years of service under the scheme. Contributions are made to the scheme on the basis of independent actuarial recommendations using "Projected Unit Credit Method". Remeasurement of the defined benefit liability / (asset), which comprises actuarial gain and losses are recognized immediately in other comprehensive income. The Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the net defined benefit liability / (asset), taking into account and change in the net defined benefit liability / (asset) during the year as a result of contribution and benefit payments. Net interest expense, current service cost and other expense related to defined benefit plans are recognized in profit and loss account.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognized immediately in the profit and loss account. The Company recognizes gain and loss on the settlement of a defined benefit plan when the settlement occurs.

3.10.2 Defined contribution plan

The Company operates a recognized provident fund scheme for all its eligible employees. Equal contributions are made by the Company and the employees at the rate of 8.33% of basic salary.

3.11 Right of Use Assets

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability. The right-of-use asset is depreciated using the straight line method from the commencement date to the earlier of end of the useful life of right-of-use asset or end of the lease term. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

3.11.1 Liabilities against leases for right of use assets

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 incremental borrowing rate of the Company. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

3.12 Dividend distribution

Dividends, if any, declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognized in the financial statements in the year in which such dividends are declared and transfers are made.

3.13 Management and other expenses

Management and other expenses are allocated to the underwriting business represent directly attributable expenses and indirect expenses allocated to the various classes of business on the basis of gross premium written. Expenses not allocable to the underwriting business are charged as other expenses.

Expenses allocated to the takaful business represent directly attributable expenses. Expenses not directly attributable to takaful business are allocated between the conventional business and takaful business of the Operator on the basis of reasonable and supportable information available for determining such allocation.

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3.14 Claims expense

General insurance claims include all claims occurring during the year, whether reported or not, related internal and external 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.

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

The provision for Incurred But Not Reported (IBNR) claims is determined by the Company as required under circular No. 9 of 2016 issued by the SECP. As per the SECP circular No. 9 of 2016, a Company shall estimate IBNR claims reserve based on the prescribed method provided in the guidelines. Guidelines also allows the use of any other alternative method of determining IBNR, if found more suitable for the risk class, provided that the amount estimated under the alternative method shall not be less than the amount calculated under prescribed method. The prescribed method for estimating IBNR claim reserve is the chain ladder method based on paid claims hereinafter called 'Incurred But Not Paid' or 'IBNP'. The Basic Chain Ladder (BCL) method uses a run off triangle to estimate the development factors for each accident period which are further used to estimate the ultimate paid claims. Data from settlement registers is used in the BCL models. Lags are determined to be the difference between the 'date of loss' and 'date of claim payment'. Monthly lags are used since it reflects the claim development pattern within a given year and the back testing supports the same. Once IBNP has been determined using BCL, the outstanding claims are deducted to arrive at IBNR on paid basis.

Under alternative method IBNR is determined on reported basis. IBNR (reported basis) is much similar to IBNR (paid basis) but is calculated using a different methodology. It does not use either IBNP or outstanding claims to estimate IBNR rather, is determined using BCL method. Development factors are determined for each accident period to estimate the ultimately reported claims directly. Intimation registers are used in the BCL model where lags are calculated as the difference between the 'date of loss' and 'date of intimation'.

The analysis is carried out separately for each class of business and results determined through this alternative method are compared to the results of prescribed method and higher of the two are set as the final reserve.

3.15 Salvage recoveries accrued

Salvage is recognized at the same time as the claims to which they relate. Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims. The allowance is the amount that can reasonably be recovered from the disposal of the salvage.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates / judgments and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgment or complexity, or areas where assumption and estimates are significant to the financial statements, or judgment was exercised in application of accounting policies, are as follows:

- Provision for outstanding claims including IBNR (note 3.14)
- Unearned premium reserve (note 3.2.2)
- Premium deficiency reserve (note 3.4)
- Defined benefit plan (note 3.10.1)
- Classification and measurement of investments (note 3.7.2)
- Useful lives of assets and methods of depreciation (note 3.1 & 5.1)
- Provision for current and deferred tax (note 3.9.1 & 3.9.2)
- Insurance / reinsurance receivables and payables (note 3.2.3)
- Lease liability and right-of-use asset (note 3.11.1)
- Allocation of management and other expenses (note 3.13)

5 PROPERTY AND EQUIPMENT

		2024	2023
	Note	----- (Rupees in '000) -----	
Operating fixed assets	5.1	<u>84,306</u>	<u>91,812</u>

5.1 Operating fixed assets

2024							
Cost			Accumulated Depreciation			Written down value as at December 31, 2024	Depreciation rate
As at January 1, 2024	Additions / (disposals)	As at December 31, 2024	As at January 1, 2024	For the year / (on disposals)	As at December 31, 2024		
(Rupees in '000)							%
32,279	1,428 (761)	32,946	16,206	2,493 (400)	18,389	14,557	10
31,222	6,533 (1,491)	36,264	20,267	4,323 (1,462)	23,128	13,136	20
26,533	9,050 (3,018)	32,565	17,886	4,862 (2,583)	19,965	12,600	25
72,789	630 (1,056)	72,363	34,491	10,338 (950)	43,679	28,484	20
2,900	395 (378)	2,917	1,736	736 (360)	2,112	805	33
46,933	887 (252)	47,568	30,168	2,831 (155)	32,844	14,724	10
212,656	18,923 (6,956)	224,623	120,844	25,383 (5,910)	140,317	84,306	

2023								
Cost			Accumulated Depreciation			Written down value as at December 31, 2023	Depreciation rate	
As at January 1, 2023	Additions / (disposals)	As at December 31, 2023	As at January 1, 2023	For the year / (on disposals)	As at December 31, 2023			
(Rupees in '000)							%	
30,339	2,533 (593)	32,279	14,406	2,437 (547)	16,296	15,983	10	
27,156	5,214 (1,148)	31,222	17,525	3,775 (1,033)	20,267	10,955	20	
24,375	4,313 (2,155)	26,533	15,608	4,298 (2,018)	17,886	8,647	25	
75,225	- (2,436)	72,789	24,766	11,562 (1,827)	34,491	38,296	20	
2,749	351 (200)	2,900	1,188	722 (174)	1,736	1,164	33	
44,528	4,021 (1,618)	46,933	28,742	3,042 (1,816)	30,168	16,765	10	
204,372	16,433 (8,148)	212,656	102,225	25,834 (7,215)	120,844	91,812		

5.1.1 Disposal of fixed assets

Fixed Assets	2024				Particulars of purchaser
	Cost	Book value	Sale proceeds	Mode of sale	
(Rupees in '000)					
Office Equipment	1,491	29	421	BID	Various
Computer Hardware	3,018	435	456	BID	Various
Furniture & Fixture	761	361	305	BID	Various
Motor vehicles	1,056	106	770	BID	Various
Office Premises	252	97	89	BID	Various
Mobile phones	378	18	53	BID	Various
	6,956	1,046	2,095		

5.1.2 Disposal of fixed assets

Particulars of assets	Category	Cost	Net book value	Sale proceeds	Mode of disposal	Particulars of Buyer
(Rupees in '000)						

Disposals having book value exceeding Rs. 50,000 individually

Car	Motor Vehicle	1,056	106	770	Bid	M/s Toyota Motors Faisalabad
Office premises	Office premises	203	70	89	Claim	M/s IGI Insurance Limited
Furniture & Fixture	Furniture & Fixture	150	70	65	Bid	Various
Computer and accessories	Computer and accessories	676	234	143	Bid	Various
		<u>2,085</u>	<u>480</u>	<u>1,067</u>		

5.2 The cost and accumulated depreciation of fully depreciated property and equipment still in use amounts to Rs. 55.657 million (2023: Rs. 50.009 million).

6 RIGHT-OF-USE-ASSETS

	2024	2023
(Rupees in '000)		
Buildings		
Opening cost	212,678	102,538
Addition	63,532	113,953
Disposal	(28,517)	(3,813)
Closing cost	<u>247,694</u>	<u>212,678</u>
Accumulated Depreciation opening	80,892	40,908
Depreciation for the year	48,057	43,797
Depreciation for disposals	(27,530)	(3,813)
Accumulated Depreciation closing	<u>101,419</u>	<u>80,892</u>
Written Down Value	<u>146,275</u>	<u>131,786</u>

7 INTANGIBLE ASSETS

	Cost			Amortisation			Written down value as at December 31	Amortisation period
	As at January 1	Additions / (disposals)	As at December 31	As at January 1	For the year / (on disposals)	As at December 31		
	(Rupees in '000)							
Computer software								
2024	19,204	-	19,204	18,849	181	19,030	174	4 years
		-			-			
2023	18,917	287	19,204	18,197	652	18,849	355	4 years

7.1 Fully amortized intangible assets still in use amounted Rs. 18.917 million (2023: Rs. 16.625 million).

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8 INVESTMENTS IN EQUITY SECURITIES

Note	2024			2023		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Available-for-sale	(Rupees in '000)					
Listed shares						
Saif Power Limited	18,877	(11,939)	6,938	18,877	(11,566)	7,311
Dolmen City REIT	14,901	(309)	14,592	14,901	(309)	14,592
Kot Addu Power Company Limited	17,519	(13,671)	3,848	17,519	(13,671)	3,848
	51,297	(25,919)	25,378	51,297	(25,546)	25,751
Surplus / (deficit) on revaluation			14,616			5,689
			39,994			31,440
Mutual Funds						
Mcb Cash Management Optimizer	91,265	-	91,265	-	-	-
Pakistan Income Enhancement Fund	65,760	-	65,760	9,997	-	9,997
MCB Pakistan Sovereign Fund	-	-	-	80,000	-	80,000
	157,025		157,025	89,997		89,997
Surplus / (deficit) on revaluation			7,778			1,287
			164,803			91,284
Total investment in equity securities			204,797			122,724

8.1 Provision for impairment

Opening provision	25,546	24,464
Charge for the year	373	1,082
Closing provision	25,919	25,546

9 INVESTMENTS DEBT SECURITIES

Note	2024			2023		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Available-for-Sale	(Rupees in '000)					
Term finance certificate	60,000	-	50,000	50,000	-	50,000
Government Securities						
Market treasury bills	942,715	-	942,715	1,133,316	-	1,133,316
Pakistan investment bonds	1,782,699	-	1,782,699	1,016,686	-	1,016,686
	2,725,414	-	2,725,414	2,152,002	-	2,152,002
Surplus / (Deficit) on revaluation	-	-	104,205	-	-	(66)
Total investment - available for sale	2,725,414	-	2,829,620	2,202,002	-	2,201,936
Held-to-maturity						
Government Securities						
Pakistan investment bonds	600,334	-	600,334	579,296	-	579,296
Total investment - held-to-maturity	600,334	-	600,334	579,296	-	579,296
Total investment - debt securities	3,325,748	-	3,429,954	2,781,298	-	2,781,232

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9.1 Term Finance Certificate (Available for sale)

	No. of Certificates		Face Value ---(Rupees)---	Value of Certificates	
	2024	2023		2024 ----- (Rupees in '000) -----	2023
Habib Bank Limited	500	500	100,000	50,000	50,000

9.1.1 Term Finance Certificate (Available for sale)

Face value (Rupees in '000)	Effective yield	Profit payment	Type of security	Maturity date	2024 ----- (Rupees in '000) -----	2023
50,000	13.81%	Quarterly	Term Finance Certificate	Perpetual	50,000	50,000

9.2 Government Securities (Available for sale)

Face value (Rupees in '000)	Effective yield	Profit payment	Type of security	Maturity date	2024 (Rupees in '000)
1,000,000	20.89%	On Maturity	Treasury bills	2-May-25	981,786
100,000	14.77%	Semi-annually	5 Years PIB	17-Nov-27	98,220
128,000	12.64%	Semi-annually	10 Years PIB	10-Dec-30	105,195
575,500	19.53%	Semi-annually	3 Years PIB	4-Jul-26	573,959
150,000	16.87%	Semi-annually	3 Years PIB	4-Jul-26	149,598
750,000	15.37%	Semi-annually	5 Years PIB	18-Apr-29	729,750
204,900	15.82%	Semi-annually	3 Years PIB	15-Feb-27	211,111
					<u>2,829,620</u>

Face value (Rupees in '000)	Effective yield	Profit payment	Type of security	Maturity date	2023 (Rupees in '000)
130,000	16.88%	On Maturity	Treasury bills	25-Jan-24	128,222
180,000	16.96%	On Maturity	Treasury bills	21-Mar-24	171,982
490,000	16.97%	On Maturity	Treasury bills	26-Dec-24	404,973
500,000	16.55%	On Maturity	Treasury bills	17-Oct-24	428,139
200,000	12.97%	Semi-annually	3 Years PIB	5-Aug-24	193,391
100,000	17.10%	Semi-annually	5 Years PIB	17-Nov-27	96,169
128,000	12.64%	Semi-annually	10 Years PIB	10-Dec-30	101,102
575,500	19.53%	Semi-annually	3 Years PIB	4-Jul-26	492,553
150,000		Semi-annually	3 Years PIB	4-Jul-26	135,471
					<u>2,152,002</u>

9.3 Pakistan investment bonds (Held to Maturity)

Face value (Rupees in '000)	Effective yield	Profit payment	Type of security	Maturity date	2024 (Rupees in '000)
188,000	11.10%	Semi-annually	5 Years PIB	15-Oct-25	183,061
199,000	11.07%	Semi-annually	5 Years PIB	15-Oct-25	193,817
250,000	12.94%	Semi-annually	5 Years PIB	29-Apr-27	223,457
					<u>600,334</u>

Face value (Rupees in '000)	Effective yield	Profit payment	Type of security	Maturity date	2023 (Rupees in '000)
188,000	11.10%	Semi-annually	5 Years PIB	15-Oct-25	177,320
199,000	11.07%	Semi-annually	5 Years PIB	15-Oct-25	187,790
250,000	12.94%	Semi-annually	5 Years PIB	29-Apr-27	214,186
					<u>579,296</u>

- 9.3.1 PIBs having face value of Rs. 188 million (amortized cost of Rs.183.061 million) [2023: Face Value Rs. 188 million (amortized cost of Rs. 177.320 million)] are deposited with the State Bank of Pakistan in accordance with the requirements of circular no. 15 of 2008 dated July 7, 2008 issued by the Securities and Exchange Commission of Pakistan and clause (a) of sub-section 2 of section 29 of the Insurance Ordinance, 2000.

10 LOANS AND OTHER RECEIVABLES

Considered good

	2024	2023
	---- (Rupees in '000) ----	
Accrued investment income	89,251	61,416
Security deposits	26,450	26,450
Receivable from window takaful operations	15,097	6,283
Loans to employees	2,160	3,479
Other receivables	20,298	33,545
	<u>153,256</u>	<u>131,173</u>

11 INSURANCE / REINSURANCE RECEIVABLES

Unsecured and considered good

Due from insurance contract holders	1,430,409	1,517,611
Provision for impairment of receivables from insurance contract holders	(11,036)	(33,194)
	<u>1,419,373</u>	<u>1,484,417</u>
Due from other insurers / reinsurers	394,053	190,627
Provision for impairment of due from other insurers / reinsurers	(24,175)	(28,496)
	<u>369,878</u>	<u>162,131</u>
	<u>1,789,251</u>	<u>1,646,548</u>

- 11.1 The Company performs aging analysis of its receivable from insurance contract holders, other insurers and reinsurers and also takes into account historical experience, to estimate the amount of provision against these receivables.

- 12 The Company has entered co-insurance and re-insurance arrangements with various other insurance and domestic re-insurance companies. As of December 31, 2024, the aggregate net balances due to other insurers and domestic re-insurers arising from such arrangements amounts to Rs. 230.539 million and Rs. 398.332 million respectively. (Refer notes 11 & 20).

Under the above arrangements, the receivable and payable balances originate mainly due to premiums collected or claims settled by 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 occur between the respective insurance companies in due course of business, however, the position of outstanding balances due to/from other co-insurers at a given point in time is not confirmed or reconciled with other co-insurers due to high volume of transactions and inconsistent accounting practices for classification of co-insurance balances among the insurance companies.

In the year 2022, the SECP advised the insurance sector to exchange outstanding balance information under co-insurance and re-insurance arrangements with other insurance companies operating in Pakistan as part of the annual audit process. Pursuant to that, the insurance companies through the forum of Insurance Association of Pakistan (IAP), informed the SECP that the reconciliation of balances among the insurance companies is a time-consuming exercise as it requires standardization of accounting practices within the insurance sector as a pre-requisite for such reconciliations to complete.

Notwithstanding the above developments regarding the confirmation and reconciliations of balance positions between the insurance companies, the Company believes that the current balances of co-insurers and re-insurers reflected in the records of the Company are based on the underlying contracts and transactions supported by appropriate evidence and corroborated through confirmation of balances from several co-insurance companies.

13 RETIREMENT BENEFIT OBLIGATIONS

Defined benefit plan - funded gratuity scheme

The Company offers an approved gratuity fund for all employees. Annual contributions are made to the fund on the basis of actuarial recommendations. The gratuity is governed under the Trust Deed, the Rules of the Fund, the Income Tax Ordinance, 2001, the Income Tax Rules, 2002 and the applicable local regulations. An actuarial valuation is carried out every year to determine the liability of the Company in respect of the benefit. The latest valuation of the scheme was carried out as at December 31, 2024 by Akhtar & Hasan (Private) Limited using the Projected Unit Credit Method. Provision has been made in the financial statements to cover the related obligation in accordance with the actuarial recommendations.

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The Company faces the following risks on account of gratuity fund:

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what we assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities.

Mortality Risk

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

Withdrawal Risk

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

	2024	2023
	----- (Rupees in '000) -----	
Details of Employees Valued		
Total number of employees	252	260
Total monthly salary	14,787	12,811
Reconciliation for Net Defined Benefit Liability		
Balance Sheet liability, as at January 01, 2024 / January 01, 2023	2,462	5,108
Gratuity cost recognized in P&L for the year	12,523	11,576
Net contribution to Gratuity Fund	(12,523)	(11,576)
Total amount of re-measurements recognized in OCI during the year	(466)	(2,646)
Balance Sheet liability, as at December 31, 2024 / December 31, 2023	1,996	2,462
Balance Sheet Reconciliation		
Fair value of plan assets	(116,466)	(90,249)
Present value of defined benefit obligations	118,463	92,712
Funded status	1,997	2,463
Unrecognized net actuarial loss / (gain)	-	-
Recognized liability	1,997	2,463
Movement in fair value of plan assets		
Fair value as at January 01, 2024 / January 01, 2023	90,249	77,616
Expected return on plan assets	14,596	11,138
Actuarial (loss) / gain	3,093	1,534
Employer contributions	12,523	11,576
Benefits paid	(3,995)	(11,615)
Fair value as at December 31, 2024 / December 31, 2023	116,466	90,249
Movement in the defined benefit obligations		
Obligation as at January 01, 2024 / January 01, 2023	92,712	82,724
Service cost	12,168	10,884
Interest cost	14,951	11,831
Actuarial gains	2,627	(1,112)
Benefits paid	(3,995)	(11,615)
Obligation as at December 31, 2024 / December 31, 2023	118,463	92,712
Charge to the profit and loss account		
Current Service cost	12,168	10,884
Interest cost	14,951	11,831
Expected return on plan assets	(14,596)	(11,138)
Expense	12,523	11,577
Actual return on plan assets	17,889	12,672

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	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Remeasurements recognized in the statement of comprehensive income during the year		
Actuarial loss / (gain) from changes in financial assumptions	(3,093)	(1,534)
Experience adjustments	4,606	(1,583)
Return on plan assets, excluding interest income	(1,978)	471
	<u>(465)</u>	<u>(2,646)</u>

	2024	2023
Principal actuarial assumptions are as follows:		
Discount rate and expected return on plan assets	12.25%	15.50%
Future salary increases	11.25%	14.50%
Mortality rates	SLIC (2001-05)	SLIC (2001-05)
Rates of Employee turnover	Moderate	Moderate

The expected charge for retirement benefit obligations for the year 2025 amounts to Rs. 13.98 million.

	2024	2023	2022	2021	2020
Comparison for five years:					
As at December 31					
Fair value of plan assets	(116,466)	(90,249)	(77,616)	(86,568)	(56,953)
Defined benefit obligations	<u>118,463</u>	<u>92,712</u>	<u>82,724</u>	<u>69,607</u>	<u>63,791</u>
Deficit	<u>1,997</u>	<u>2,463</u>	<u>5,108</u>	<u>3,039</u>	<u>8,828</u>

Experience adjustments

Gain / (loss) on plan assets (as percentage of plan assets)	4.0%	-1.8%	1.5%	-8.9%	0.5%
Gain / (loss) on plan assets (as percentage of plan obligations)	3.9%	5.0%	5.6%	6.6%	7.2%

Sensitivity Analysis on Significant Actuarial Assumptions: Actuarial Liability

	Change in assumption	2024		2023	
		Increase / (decrease) in present value of defined benefit obligation		Increase / (decrease) in present value of defined benefit obligation	
		(%)	(Rupees in '000)	(%)	(Rupees in '000)
Discount rate	+1%	-7.16%	(8,484)	-7.50%	(6,957)
Discount rate	-1%	8.13%	9,631	8.54%	7,915
Salary increases rate	+1%	8.81%	10,205	9.01%	8,353
Salary increases rate	-1%	-7.70%	(9,123)	-8.03%	(7,447)

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

Plan assets comprise of the following:

	2024		2023	
	(Rupees in '000)	%	(Rupees in '000)	%
Debt	85,429	80.24%	83,708	92.75%
Mutual Funds	8,709	8.18%	9,728	10.78%
Cash and cash equivalent - net of current liabilities	12,328	11.58%	(3,185)	-3.53%
Fair value of plan assets	<u>106,466</u>	<u>100.00%</u>	<u>90,249</u>	<u>100.00%</u>

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Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

	Less than a year	Between 1-2 Years	Between 2-5 years	Over 5 years	Total
	(Rupees in '000)				
2024					
Gratuity	7,428	7,557	78,049	109,157	200,189
2023					
Gratuity	4,398	8,650	30,251	155,708	199,007

14 DEFERRED TAXATION

Deferred taxation comprises deductible temporary differences relating to following:

Note	2024	2023
	(Rupees in '000)	
Deferred debits arising in respect of:		
- staff retirement benefits	778	960
- impairment against listed equity securities	10,209	9,963
- lease liability	69,689	61,089
- provision for bad debts	19,110	24,059
- accelerated depreciation	2,362	1,775
Deferred credit arising in respect of:		
- Surplus on revaluation	(49,374)	(2,695)
- Right of use assets	(57,047)	(51,397)
	<u>(4,273)</u>	<u>43,754</u>

14.1 Movement in deferred tax assets is as follows:

Opening deferred tax asset	43,754	61,320
(Reversal) / charge to the profit and loss account		
- impairment against listed equity securities	246	1,890
- lease liability	8,600	36,580
- provision for bad debts	(5,694)	(23,126)
- accelerated depreciation	587	1,572
- Right of use assets	(5,650)	(31,059)
Arising from takaful operator fund		
- provision for bad debts	745	1,739
Charged / (reversal) to other comprehensive income		
- staff retirement benefits	(182)	(726)
- Deficit on revaluation	(48,679)	(4,436)
Closing deferred tax asset	<u>(4,273)</u>	<u>43,754</u>

15 PREPAYMENTS

Prepaid reinsurance premium ceded	24	1,644,208	1,663,276
Prepaid rent		-	984
Prepaid tracker monitoring charges		28,281	29,274
Prepaid miscellaneous expenses		4,844	2,198
		<u>1,677,333</u>	<u>1,695,732</u>

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	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
16 CASH AND BANK			
Cash and cash equivalents			
- Cash in hand		1,635	1,565
- Policy stamps in hand		4,225	1,687
		<u>5,860</u>	<u>3,252</u>
Cash at bank			
- Current accounts	16.1	83,854	67,686
- Savings accounts	16.2 & 16.3	193,157	270,462
		<u>277,011</u>	<u>338,148</u>
		<u>282,871</u>	<u>341,400</u>

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Cash and bank balances	282,871	341,400
Short term investments with 3 months or less original maturity	-	300,204
	<u>282,871</u>	<u>641,604</u>

16.1 This includes balance with a related party amounting to Rs. 4.856 million (2023: Rs. 3.729 million).

16.2 This includes balance with related parties amounting to Rs. 99.324 million (2023: Rs. 41.654 million).

16.3 These carry profit rates ranging between 6.60% to 13.50% (2023: 5.50% to 20.50%) per annum.

17 SHARE CAPITAL

17.1 Authorized capital

2024 (Number of shares)	2023 (Number of shares)		2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
<u>150,000,000</u>	<u>150,000,000</u>	Ordinary shares of Rs. 10 each	<u>1,500,000</u>	<u>1,500,000</u>

17.2 Issued, subscribed and paid-up capital

2024 (Number of shares)	2023 (Number of shares)		2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
<u>115,217,391</u>	<u>115,217,391</u>	Ordinary shares of Rs. 10 each fully paid in cash	<u>1,152,174</u>	<u>1,152,174</u>

17.3 Major shareholders of the Company are:

Number of shares held 2024	2023	Name of Shareholder	Percentage of Shareholding 2024	2023
64,063,972	64,063,972	Bestway International Holdings Limited	55.6	55.6
34,565,214	34,565,214	United Bank Limited	30.0	30.0
14,088,199	14,088,199	Bestway Cement Limited	12.2	12.2

18 RESERVES

Revaluation reserves - Available-for-sale

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Listed Shares	8	22,394	6,976
Government Securities	9	104,205	(66)
		<u>126,599</u>	<u>6,910</u>
Related deferred tax liability		(49,374)	(2,695)
		<u>77,225</u>	<u>4,215</u>
Revaluation reserves - WTO		4,926	393
		<u>82,151</u>	<u>4,608</u>

19 LEASE LIABILITIES

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Current		57,819	41,672
Non-current		120,869	114,968
		<u>178,688</u>	<u>156,640</u>

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19.1 Interest expense on lease liability amounted to Rs. 24.87 million (2023: Rs. 24.70 million).

19.2 Total lease payment made during the year amounted to Rs. 39.56 million (2023: Rs. 31.88 million).

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
19.3 Amounts recognized in profit or loss account			
Interest expense on lease liabilities		24,871	24,698
Expenses relating to short-term leases (included in management and other expenses)		2,567	5,979
Total amount recognized in profit or loss		<u>27,438</u>	<u>30,677</u>

20 INSURANCE / REINSURANCE PAYABLES

Due to foreign reinsurers	832,971	648,882
Due to local reinsurers	434,866	321,894
Due to Co-insurers	98,861	195,622
Due to insurance contract holders	32,894	26,552
	<u>1,399,592</u>	<u>1,192,950</u>

20.1 Details of insurance / reinsurance payables disclosure are stated in note number 11.

21 OTHER CREDITORS AND ACCRUALS

Agents commission payable		321,277	298,153
Federal excise duty / sales Tax		93,858	69,235
Federal insurance fee		4,951	3,993
Accrued expenses		108,964	99,865
Unclaimed insurance benefits	21.1	49,554	49,458
Cash margin against insurance policies		18,820	18,745
Others		11,746	11,880
		<u>607,170</u>	<u>551,329</u>

21.1 This represents outstanding claims in respect of which cheques have been issued by the Company for claim settlement but the same have not been encashed by the claimant. The following is the ageing as required by SECP circular No. 11 dated May 19, 2014:

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
More than 6 months	<u>49,554</u>	<u>49,458</u>
1 to 6 months	<u>138,821</u>	<u>88,742</u>

Claims not encashed

2024 (Age-wise Breakup)						2023 (Age-wise Breakup)					
1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months	Total	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months	Total
(Rupees in '000)						(Rupees in '000)					
<u>138,821</u>	<u>2,636</u>	<u>5,664</u>	<u>7,824</u>	<u>33,430</u>	<u>188,375</u>	<u>88,742</u>	<u>6,722</u>	<u>8,859</u>	<u>7,003</u>	<u>28,874</u>	<u>138,200</u>

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22 CONTINGENCIES AND COMMITMENTS

- 22.1 Certain policyholders of the Company have filed cases against the Company which are pending adjudication at different levels. The management is of the view that decision for payment / non-payment of claims and the amount of claim determined was on the merits of each individual case. The management is confident that these cases will be decided in their favour and accordingly no provision has been recognized in these financial statements. However, as advised by the legal advisor, if the instant matters are decided in favor of policyholders, then UBL Insurers stands exposed to Rs. 21.44 million and damages if the Court grant and/or allow.
- 22.2 During the year 2023 the additional commissioner inland revenue has passed an order u/s 122 (5A) and has demanded the tax amounting to Rs. 35.7 million determined u/s 113 of the Income Tax Ordinance, 2001, the company has filed an appeal before commissioner appeals against impugned order and is of view that the case will be decided in the favor of Company.

23 WINDOW TAKAFUL OPERATIONS**Assets**

Cash and bank

Investments

Current assets - other

Total assets**Total liabilities - current****Profit before taxation Operator's fund**

2024 2023
----- (Rupees in '000) -----

5,468	24,219
380,809	227,113
390,183	283,832
<u>776,260</u>	<u>535,164</u>
<u>421,583</u>	<u>299,859</u>
<u>190,765</u>	<u>145,062</u>

Details of total assets, total liabilities and segment disclosure of window takaful operations are stated in the annexed financial statements for the year ended December 31, 2024.

24 NET INSURANCE PREMIUM

Written Gross Premium

Add: Unearned premium reserve opening

Less: Unearned premium reserve closing

Premium earned

Less:

Reinsurance premium ceded

Add: Prepaid reinsurance premium opening

Less: Prepaid reinsurance premium closing

Reinsurance expense

Note 2024 2023
----- (Rupees in '000) -----

7,119,516	7,292,850
2,496,055	1,716,491
(2,573,687)	(2,496,055)
<u>7,041,884</u>	<u>6,513,286</u>
<u>4,835,350</u>	<u>5,164,232</u>
1,663,276	1,019,180
(1,644,208)	(1,663,276)
<u>4,854,418</u>	<u>4,520,136</u>
<u>2,187,466</u>	<u>1,993,150</u>

25 NET INSURANCE CLAIMS EXPENSE

Claims paid

Add: Outstanding claims including IBNR closing

Less: Outstanding claims including IBNR opening

Claim expense

Less: Reinsurance and other recoveries received

Add: Reinsurance and other recoveries in

respect of outstanding claims - opening

Less: Reinsurance and other recoveries in

respect of outstanding claims - closing

Reinsurance and other recoveries revenue

25.1

2,773,995	2,651,668
4,167,505	3,324,856
(3,324,856)	(2,534,041)
<u>3,616,644</u>	<u>3,442,483</u>
<u>(1,940,375)</u>	<u>(1,815,217)</u>
2,882,263	2,186,576
(3,675,738)	(2,882,263)
<u>(2,742,850)</u>	<u>(2,510,904)</u>
<u>873,794</u>	<u>931,579</u>



25.1 Claim Development

The following table shows the development of claims over a period of time on gross basis.

Analysis on gross basis

Accident year	2020	2021	2022	2023	2024
(Rupees in '000)					
Estimate of ultimate claims cost:					
At end of accident year	13,992,165	2,323,168	3,111,926	2,568,489	3,342,939
One year later	14,976,153	2,311,531	4,036,988	3,047,181	-
Two years later	14,670,789	2,303,378	3,812,004	-	-
Three years later	14,610,138	2,310,301	-	-	-
Four years later	14,498,409	-	-	-	-
Current estimate of cumulative claims	14,498,409	2,310,301	3,812,004	3,047,181	3,342,939
Cumulative payments made to date	(14,219,728)	(2,186,978)	(2,562,075)	(2,259,483)	(1,615,065)
Liability recognized in the statement of financial position	278,681	123,323	1,249,929	787,698	1,727,874

Note

26 NET COMMISSION EXPENSE / ACQUISITION COSTS

2024 2023
----- (Rupees in '000) -----

Commission paid or payable	1,419,862	1,441,954
Add: Deferred commission expense opening	421,276	205,939
Less: Deferred commission expense closing	(445,621)	(421,276)
Net Commission	1,395,517	1,226,617
Less: Commission received or recoverable	(1,351,012)	(1,348,429)
Add: Unearned reinsurance commission closing	439,222	440,107
Less: Unearned reinsurance commission opening	(440,107)	(234,936)
Commission from reinsurers	(1,351,897)	(1,143,258)
	43,620	83,359

27 MANAGEMENT EXPENSES

Employee benefit cost	27.1	521,892	482,802
Traveling expense		6,545	6,053
Advertisements and sales promotion		(285)	465
Printing and stationery		21,101	18,847
Depreciation		50,520	48,645
Rent, rates and taxes		3,588	5,547
Legal and professional charges - business related		9,278	3,608
Electricity, gas and water		25,181	20,789
Entertainment		8,803	6,466
Office repairs and maintenance		14,414	12,815
Bank charges		4,880	5,217
Postages, telegrams and telephone		7,230	6,350
Annual supervision fee - SECP		11,332	11,609
Service charges		17,312	12,871
Tracker charges		67,858	84,011
Bad and doubtful debts		(12,689)	(76,025)
Miscellaneous		43,935	35,577
		600,896	685,647

27.1 Employee benefit cost

Salaries, allowances and other benefits		501,061	348,510
Charges for post employment benefit	27.1.1	20,831	21,011
		521,892	369,521

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27.1.1 The total amount is Rs. 26.35 (2023: Rs. 23.99) million out of which Rs. 5.52 (2023: Rs. 2.98) million has allocated to UBL Insurers Limited - Window Takaful Operations.

28	INVESTMENT INCOME	Note	2024	2023
			----- (Rupees in '000) -----	
	Available-for-sale			
	Income from equity securities			
	Dividend income		6,812	7,599
	Income from debt securities			
	Return on term finance certificates		10,777	11,216
	Return on treasury bills		213,216	73,314
	Return on Pakistan investment bonds		281,589	97,956
			512,394	190,085
	- Net realized gains on investments		22,008	13,010
			534,402	203,095
	Less: Impairment in value of available-for-sale securities			
	- Equity Securities		(373)	(1,082)
			534,029	202,013
	Held to maturity			
	Income from debt securities			
	Return on Pakistan investment bonds		68,853	87,147
	Return on treasury bills		-	92,125
	Return on sukuk		-	1,576
			68,853	180,847
	Total investment income		602,882	382,860
29	OTHER INCOME			
	Return on bank balances		69,815	75,352
	Gain on sale of fixed assets		1,049	540
	Exchange gain / (loss)		(1,366)	27,603
	State cheque		3,241	1,049
	Miscellaneous income		915	24
			73,654	104,568
30	OTHER EXPENSES			
	Legal and professional fee other than business related		3,092	2,175
	Auditors' remuneration	30.1	3,178	2,970
	Depreciation expense		22,921	20,988
	Amortization		181	652
	Communication		3,956	7,190
	Employee benefit cost		139,453	106,239
	Miscellaneous		15,160	22,609
			187,941	162,823
30.1	Auditors' remuneration			
	Audit fee		1,240	1,127
	Half yearly review fee		442	402
	Certifications		1,298	1,171
	Out of pocket expenses		198	270
			3,178	2,970
31	FINANCE COST			
	Mark-up on lease liability		24,871	24,698

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32	TAXATION	Note	2024	2023
			----- (Rupees in '000) -----	----- (Rupees in '000) -----
	For the year			
	Current		439,815	268,256
	Deferred		2,161	12,837
			<u>441,976</u>	<u>281,093</u>
	For the prior year			
	Current		775	996
			<u>442,751</u>	<u>282,089</u>
32.1	Relationship between tax expense and accounting profit			
	Profit before taxation for the year		<u>1,123,645</u>	<u>737,534</u>
	Tax at the applicable rate of 29% (2023: 29%)		325,857	213,885
	Super Tax at the applicable rate of 10% (2023: 4%)		112,365	73,753
	Tax effect of change in tax rates		-	(9,903)
	Tax effect of permanent difference		135	1,432
	Tax effect of prior year		775	996
	Others		3,619	1,926
			<u>442,750</u>	<u>282,089</u>

- 32.2 The assessment of the Company up to and including tax year 2024 have been deemed to be completed under section 120 of the Income Tax Ordinance, 2001 (the Ordinance) which is subject to audit under section 177 of the Ordinance.

33	TAXATION - PAYMENTS LESS PROVISION	2024	2023
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
	Balance as at January 1,	(72,636)	(2,850)
	Tax paid including deducted at source	381,178	143,719
	Provision for taxation - Takaful	73,404	55,747
	Provision for taxation	<u>(440,590)</u>	<u>(269,252)</u>
	Balance as at December 31,	<u>(58,644)</u>	<u>(72,636)</u>

34 EARNINGS PER SHARE

The Company's earnings per share has been calculated based on the following:

	2024	2023
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Profit after tax for the year	<u>680,894</u>	<u>455,445</u>
	(Number of shares)	(Number of shares)
Weighted average number of ordinary shares of Rs. 10 each	<u>115,217,391</u>	<u>115,217,391</u>
	(Rupees)	(Rupees)
Earnings per share - basic and diluted	<u>5.91</u>	<u>3.95</u>

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

35 COMPENSATION OF DIRECTORS AND EXECUTIVES

The aggregate amount charged to in the financial statements, including all benefits, to the Chief Executive, Directors and Executives / Key Management Personnel of the Company are as follows:



	Chief executive		Directors		Executives / key management personnel		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
(Rupees in '000)								
Fees	-	-	-	-	-	-	-	-
Managerial remuneration	20,571	14,487	-	-	156,396	124,801	176,970	139,288
Bonus	23,050	21,000	-	-	33,486	25,929	56,536	46,929
House rent allowance	9,257	6,519	-	-	70,379	56,160	79,836	62,679
Utilities	4,114	2,897	-	-	38,565	30,734	42,679	33,631
Medical	2,057	1,449	-	-	15,996	15,159	18,053	16,608
Retirement benefits	3,000	2,113	-	-	13,437	12,145	16,437	14,268
Fuel Allowance	1,514	1,548	-	-	51,989	52,092	53,503	53,640
Cell allowance	72	72	-	-	3,067	3,116	3,139	3,166
Car maintenance allowance	1,440	648	-	-	78,156	47,709	79,596	48,357
Driver Salary	-	-	-	-	1,560	2,121	1,560	2,121
Guard Salary	502	423	-	-	-	-	502	423
Others	72	80	-	-	946	789	1,016	869
	65,650	51,236	-	-	463,979	370,755	529,629	421,991
Number of persons	1	1	7	7	139	110	147	116

Executives mean employees, other than the Chief Executive and Directors, whose basic salary exceeds five hundred thousand rupees in a financial year. Company has provided driver to Chief Executive Officer who is appointed on third party payroll. In addition, Company maintained vehicles are provided to the Chief Executive officers and other executive employees.

No fee or compensation was paid to any director of The Company for the meetings attended by them.

36 TRANSACTIONS WITH RELATED PARTIES

- 36.1 Related parties comprise of directors, major shareholders, key management personnel, holding company, associated companies, 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 are as follows:

	2024	2023
	(Rupees in '000)	
Transactions during the year with related parties		
Associated companies		
Premium underwritten	709,728	600,831
Insurance claims paid	420,750	540,922
Bank charges	1,684	2,026
Profit on bank accounts	33,865	25,428
Commission paid	14,848	-
Commission expense	41,038	7,884
Others		
Premium underwritten	9,409	9,740
Insurance claims paid	824	1,439
Profit on bank accounts	23	34
Management and other expenses	150,714	102,432
Employees' funds		
Contribution to the provident fund	13,828	12,422
Contribution to the gratuity fund	12,523	11,977
Balances with related parties		
Associated companies		
Bank balances	104,182	45,358
Premium due but unpaid	92,693	18,288
Accrued PLS profit	1,751	-
Claim outstanding	337,755	341,161
Commission outstanding	47,518	21,326
Internal audit fee payable	503	503
Others		
Bank balances	-	500
Premium due but unpaid	513	2,948
Claim outstanding	11,779	8,358
Receivable from UBL Insurers Limited - PTF	1,548	1,448
Receivable from UBL Insurers Limited - OPF	13,549	4,835

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- 36.2 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

S. No	Name of related party	Basis of association / relationship
1	United Bank Limited	Associate
2	Bestway Cement Limited	Associate
3	Bestway Packaging	Common Directorship
4	Khushhali Microfinance Bank Limited	Common Directorship
5	UBL Fund Managers	Subsidiary of Associate Company
6	Bestway Renewable Technologies Limited	Others
7	Bestway Consultancy Services (Private) Limited And Foundation	Others
8	UBL Insurers Limited Employees Provident Fund	Others
9	UBL Insurers Limited Employees Gratuity Fund	Others
10	UBL Insurers Limited - Participant's Takaful Fund (PTF)	Others

37 SEGMENT INFORMATION

	2024						
	Fire & property	Marine, aviation & transport	Motor	Bankers blanket	Health	Miscellaneous	2024 Aggregate
(Rupees in '000)							
Premium receivable (Inclusive of Federal excise duty and Federal insurance fee and Administrative surcharge)	4,412,679	800,771	1,907,605	126,980	97,783	891,586	8,237,416
Less: Federal excise duty / sales tax	(585,813)	(90,342)	(247,149)	(15,625)	(19,282)	(108,604)	(1,046,716)
Less: Federal insurance fee	(37,625)	(7,085)	(16,794)	(1,103)	(777)	(7,802)	(71,185)
Gross written premium (Inclusive of Administrative surcharge)	3,809,241	703,344	1,643,662	110,252	77,724	775,293	7,119,516
Gross direct premium	3,734,492	688,428	1,583,097	110,193	77,480	766,686	6,960,374
Facultative inward premium	59,582	-	-	-	-	-	59,582
Administrative surcharge	15,167	14,916	60,565	59	244	8,606	99,569
Insurance premium earned	3,761,054	712,514	1,431,130	110,071	250,177	776,938	7,041,884
Insurance premium ceded to reinsurers	(3,289,991)	(305,489)	(339,145)	(93,015)	(218,583)	(598,895)	(4,854,418)
Net insurance premium	461,063	406,025	1,091,985	17,056	31,294	180,043	2,187,486
Commission income	930,202	66,921	75,476	26,014	65,600	187,682	1,351,897
Net underwriting income	1,391,265	472,946	1,167,463	43,070	96,894	367,725	3,539,363
Insurance claims	(1,603,968)	(346,771)	(853,313)	3,007	(375,274)	(340,328)	(3,616,844)
Insurance claims recovered from reinsurers	1,506,781	276,509	438,479	20,283	254,445	246,352	2,742,850
Net claims	(97,174)	(70,262)	(514,843)	23,290	(120,829)	(93,976)	(873,794)
Commission expenses	(814,321)	(271,783)	(154,383)	4,386	(51,671)	(107,758)	(1,395,517)
Management expenses	(390,262)	(72,058)	(236,253)	(11,285)	(11,598)	(79,430)	(800,896)
Premium deficiency reserve	-	-	-	-	-	-	-
Net insurance claims and expenses	(1,301,757)	(414,103)	(905,479)	16,391	(184,098)	(281,162)	(3,070,207)
Underwriting result	89,508	58,843	261,984	59,461	(87,204)	86,563	469,158
Investment income							802,882
Other income							73,654
Other expenses							(187,941)
Result of operating activities							957,751
Finance costs							(24,871)
Profit from Window takaful operations - net off tax							190,765
Profit before tax							1,123,645
Segment assets	4,067,253	754,677	1,763,622	118,298	83,397	831,677	7,639,125
Unallocated assets							5,076,711
							12,715,836
Segment liabilities	4,762,561	879,367	2,055,013	137,844	97,178	969,322	8,901,283
Unallocated liabilities							951,078
							9,852,361
Depreciation and amortisation	39,391	7,273	16,997	1,140	604	8,017	73,621
Unallocated capital expenditure	-	-	-	-	-	-	18,923

	2023						2023 Aggregate
	Fire & property	Marine, aviation & transport	Motor	Bankers blanket	Health	Miscellaneous	
	(Rupees in '000)						
Premium receivable (Inclusive of Federal excise duty and Federal insurance fee and Administrative surcharge)	4,421,990	674,042	1,431,872	122,798	614,569	1,032,238	8,287,506
Less: Federal excise duty / sales tax	(630,879)	(69,493)	(178,440)	(15,766)	(18,317)	(118,558)	(931,472)
Less: Federal insurance fee	(38,313)	(6,037)	(12,736)	(1,063)	(5,905)	(9,130)	(73,184)
Gross written premium (Inclusive of Administrative surcharge)	3,852,798	598,511	1,240,696	105,948	590,347	904,551	7,292,850
Gross direct premium	3,800,581	585,102	1,194,779	105,901	589,985	896,393	7,172,701
Facultative inward premium	37,114	-	-	-	-	-	37,114
Administrative surcharge	15,124	13,409	45,917	45	382	8,158	83,035
Insurance premium earned	3,272,371	585,987	1,181,352	105,815	541,847	826,914	6,513,266
Insurance premium ceded to reinsurers	(2,973,387)	(274,618)	(186,841)	(87,127)	(327,591)	(890,582)	(4,620,138)
Net insurance premium	298,974	311,368	1,014,511	18,688	214,256	135,352	1,993,150
Commission income	834,729	50,418	29,026	20,334	84,380	144,370	1,143,256
Net underwriting income	1,133,703	361,786	1,043,537	39,022	278,636	279,722	3,136,406
Insurance claims	(1,105,550)	(377,851)	(737,615)	(24,277)	(522,915)	(674,275)	(3,442,483)
Insurance claims recovered from reinsurers	1,014,058	335,014	185,552	(5,858)	354,351	827,587	2,510,904
Net claims	(91,492)	(42,837)	(552,063)	(29,935)	(168,564)	(48,688)	(931,579)
Commission expenses	(740,767)	(210,255)	(90,315)	1,911	(39,626)	(147,565)	(1,226,617)
Management expenses	(316,798)	(49,212)	(186,037)	(8,711)	(50,513)	(74,376)	(685,647)
Reversal of premium deficiency reserve	-	-	-	-	-	-	-
Net insurance claims and expenses	(1,149,057)	(302,304)	(628,415)	(36,735)	(258,703)	(268,629)	(2,843,843)
Underwriting result	(15,354)	59,484	215,122	2,287	19,933	11,093	282,505
Investment income							382,860
Other income							104,568
Other expenses							(162,623)
Result of operating activities							817,170
Finance costs							(24,698)
Profit from Window takaful operations - net off tax							145,062
Profit before tax							737,534
Segment assets	3,542,331	530,282	1,140,718	97,409	542,775	831,580	6,705,175
Unallocated assets							4,120,044
							10,825,219
Segment liabilities	4,095,431	638,203	1,318,829	112,816	827,524	681,516	7,782,121
Unallocated liabilities							784,774
							8,536,895
Depreciation and amortisation	37,131	6,786	11,957	1,021	5,669	8,717	70,283
Unallocated capital expenditure	-	-	-	-	-	-	16,716

	Held to Maturity	Available for Sale	Total
	(Rupees in '000)		
38 MOVEMENT IN INVESTMENT			
At beginning of previous year	1,135,353	692,379	1,827,732
Additions	1,865,645	4,049,521	5,915,166
Disposal (sale and redemptions)	(2,532,800)	(2,528,895)	(5,061,695)
Fair value net gains (excluding net realized gains)	-	12,186	12,186
Amortization of discount	111,098	100,551	211,649
Impairment losses	-	(1,082)	(1,082)
At beginning of current year	579,296	2,324,660	2,903,956
Additions	-	4,097,768	4,097,768
Disposal (sale and redemptions)	-	(3,718,956)	(3,718,956)
Fair value net gains (excluding net realized gains)	-	119,689	119,689
Amortization of discount	21,038	261,630	282,668
Impairment losses	-	(373)	(373)
At end of current year	600,334	3,084,417	3,684,752

39 MANAGEMENT OF INSURANCE AND FINANCIAL RISK

The Company issues contracts that transfer insurance risk or financial risk or both. This section summarizes these risks and the way the Company manages them.

39.1 Insurance risk management

Insurance risk

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of compensation to the insured. Generally most insurance contracts carry the insurance risk for a period of one year (refer note 3.2).

The Company accepts insurance through issuance of general insurance contracts. For these general insurance contracts the most significant risks arise from fire, atmospheric disturbance, earthquakes, transit, theft, third party liabilities and other catastrophes. For health insurance contracts significant risks arise from epidemics.

The Company's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. Adequate reinsurance is arranged to mitigate the effect of the potential loss to the Company from individual to large or catastrophic insured events. Further, the Company adopts strict claim review policies including active management and prompt pursuing of the claims and regular detailed review of claim handling procedures.

(a) Frequency and severity of claims

Risk associated with general insurance contracts includes the reasonable possibility of significant loss as well as the frequent occurrence of the insured events. This has been managed by having in place underwriting strategy, reinsurance arrangements and proactive claim handling procedures.

The reinsurance arrangements against major risk exposure include excess of loss, quota share, surplus arrangements and catastrophic coverage. The objective of having such arrangements is to mitigate adverse impacts of severe losses on Company's net retentions.

Concentration of risk

To optimize benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risk with reference to the geographical location, the most important of which is risk survey.

Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated with the commercial/ industrial/ residential occupation of the insured. Details regarding the fire separation/ segregation with respect to the manufacturing process, storage, utilities, etc. are extracted from the layout plan of the insured facility. Such details form part of the reports which are made available to the underwriters/ reinsurance personnel for their evaluation. Reference is made to the standard construction specification as laid down by IAP (Insurance Association of Pakistan). For instance, the presence of perfect party walls, double fire proof iron doors, physical separation between the building within a insured's premises. It is basically the property contained within an area which is separated by another property by sufficient distance to confine insured damage from uncontrolled fire and explosion under the most adverse conditions to that one area.

The ability to manage catastrophic risk is tied managing the density of risk within a particular area. For catastrophic aggregates, the system assigns precise geographic CRESTA (Catastrophe Risk Evaluating and standardizing Target Accumulations) codes with reference to the accumulation of sum insured in force at any particular location against natural perils.

A number of proportional and non-proportional reinsurance arrangements are in place to protect the net account. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional treaty, any loss over and above the said limit would be recovered from the non-proportional treaty which is very much in line with the risk management philosophy of the Company.

The Company monitors concentration of insurance 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:

Class	2024				2023			
	Gross claims liabilities	Net claims liabilities	Gross premium liabilities	Net premium liabilities	Gross claims liabilities	Net claims liabilities	Gross premium liabilities	Net premium liabilities
	%				%			
Fire and property	45.88%	14.32%	55.17%	21.58%	32.02%	7.61%	54.98%	19.82%
Marine and transport	7.10%	12.08%	1.25%	1.12%	8.66%	3.18%	1.66%	3.05%
Motor	9.00%	44.68%	30.67%	66.17%	9.81%	53.67%	23.11%	59.64%
Banker's blanket	5.73%	10.08%	0.18%	0.08%	8.40%	17.90%	0.18%	0.09%
Health	0.97%	3.02%	2.47%	2.07%	3.70%	9.57%	9.46%	8.44%
Other classes	31.32%	15.82%	10.28%	8.98%	37.41%	8.08%	10.64%	8.96%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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.

For marine risks, complete underwriting details such as sums covered mode of transport (air / inland transit), vessel identification, sailing dates, origin and destination of the shipments, per carry limits, accumulation of sum covered on a single voyage etc. are taken into consideration.

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 insurers monitors concentration of insurance risks primarily by class of business. The table below sets out the concentration of the gross exposure by class of business:

Class	Maximum gross risk exposure	
	2024	2023
	(Rupees in '000)	
Fire and property	2,821,018,546	2,546,115,091
Marine, aviation and transport	1,185,164,871	912,730,885
Motor	115,598,980	80,338,177
Banker's blanket	31,795,347	22,723,347
Health	5,853,820	31,484,624
Miscellaneous	299,907,042	368,650,935

The Company minimizes its exposure to significant losses by obtaining reinsurance from a number of reinsurers, who are dispersed over several geographical regions.

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(b) Uncertainty in the estimation of future claim payments

Claims on general insurance contracts are payable on a claim occurrence basis. The Company is liable for all insured events as per terms and condition of the insurance contract.

An estimated amount of the claim is recorded immediately on the intimation to the Company. The estimation of the amount is based on management judgment or preliminary assessment by the independent surveyor appointed for the purpose. The initial estimates include expected settlement cost of the claims. Provision for IBNR is recorded based on the advice of the actuary.

There are several variable factors which affect the amount and timing of recognized claim liabilities. The Company takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be different from initial recognized amount. Similarly, the provision for claims incurred but not reported is based on historic reporting pattern of the claims other than exceptional losses. Hence, actual amount of incurred but not reported claims may differ from the amounts estimated.

(c) Key assumptions

The principal assumption underlying the liability estimation of IBNR and Premium Deficiency Reserves is that the Company's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc.

Actuarial valuation is carried out for the determination of IBNR which is based on a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation as required / allowed by the SECP circular 9 of 2016.

The actuarial valuation as at December 31, 2024 has been carried out by independent firm of actuaries for determination of IBNR for each class of business. The actuarial valuation is based on a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation as required / allowed by the circular 9 of 2016. IBNR is determined by using Chain Ladder Method for all classes of business. The claim outstanding and claims paid till date are deducted from the ultimate claim payments for that particular year to derive an IBNR estimate for that year. Any negative values are ignored. The total for each accident year shall be the total IBNR as at the end of reporting year for that risk class. IBNR triangles are made on a yearly basis for each class of business except for motor and health, the IBNR triangle for which are made on quarterly and monthly basis respectively. The methods used, and the estimates made, are reviewed regularly.

The Company determines adequacy of liability of premium deficiency by carrying out analysis of its loss ratio of expired periods of the contracts. For this purpose average loss ratio of last three years inclusive of claim settlement cost but excluding major exceptional claims are taken into consideration to determine ultimate loss ratio to be applied on unearned premium.

(d) Changes in assumptions

The Company did not change its assumptions for the insurance contracts as disclosed above in (b) and (c).

(e) Sensitivity analysis

The insurance claim liabilities are sensitive to the incidence of insured events and severity / size of claims. The impact of 10% increase / decrease in incidence of insured events on underwriting results and shareholder's equity is as follows:

Average claim cost

	Underwriting results		Shareholder's equity	
	2024	2023	2024	2023
----- (Rupees in '000) -----				
Fire and property	9,717	9,149	5,928	5,581
Marine and transport	7,028	4,284	4,286	2,613
Motor	51,484	55,206	31,405	33,676
Health Insurance	12,083	16,856	7,371	10,282
Banker's blanket	(2,329)	2,994	(1,421)	1,826
Others	9,398	4,669	5,733	2,848
	<u>87,380</u>	<u>93,159</u>	<u>53,302</u>	<u>56,826</u>

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39.2 Financial risk management

The Operator has exposure to the following risks from its use of financial instruments:

- Financial risk
- Credit risk
- Liquidity risk
- Market risk

39.2.1 Financial risk

Maturity profile of financial assets and liabilities:

2024							
Profit rate % per annum	Profit / mark-up bearing financial instruments			Non profit / mark-up bearing financial instruments			Total
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
(Rupees in '000)							
Financial assets							
Cash and bank	8.60 - 13.50	193,157	-	193,157	89,714	-	282,871
Investments	7.50- 20.89	1,338,653	2,141,291	3,479,954	204,797	-	3,684,751
Loans and other receivables		-	-	-	126,808	26,450	153,258
Insurance / reinsurance receivables		-	-	-	1,789,251	-	1,789,251
Reinsurance recoveries against outstanding claims		-	-	-	3,604,674	-	3,604,674
Salvage recoveries accrued		-	-	-	71,064	-	71,064
Total assets - Window Takaful Operations		4,602	344,252	348,854	335,994	335,994	684,848
		1,538,422	2,485,542	4,021,965	6,222,300	26,450	10,270,715
Financial liabilities							
Outstanding claims including IBNR		-	-	-	4,167,505	-	4,167,505
Insurance / reinsurance payables		-	-	-	1,399,592	-	1,399,592
Other creditors and accruals		-	-	-	508,361	-	508,361
Lease Liability	8.48 - 24.74	57,819	120,869	178,688	-	-	178,688
Total liabilities - Window Takaful Operations		-	-	-	97,767	97,767	97,767
		57,819	120,869	178,688	6,173,225	-	6,351,913
Interest rate risk sensitivity gap		1,478,603	2,364,673	3,843,276			
Cumulative interest rate risk sensitivity gap		1,478,603	3,843,276				

2023								
Profit rate % per annum	Profit / mark-up bearing financial instruments			Non profit / mark-up bearing financial instruments			Total	
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total		
(Rupees in '000)								
Financial assets								
Cash and bank	5.50 - 20.50	270,462	-	270,462	70,938	-	70,938	341,400
Investments	7.00- 22.97	1,865,850	885,382	2,751,232	122,724	-	122,724	2,903,956
Loans and other receivables		-	-	-	104,723	26,450	131,173	131,173
Insurance / reinsurance receivables		-	-	-	1,646,548	-	1,646,548	1,646,548
Reinsurance recoveries against outstanding claims		-	-	-	2,677,254	-	2,677,254	2,677,254
Salvage recoveries accrued		-	-	-	205,009	-	205,009	205,009
Total assets - Window Takaful Operations		192,816	58,468	251,284	217,825	-	217,825	469,109
		2,359,128	943,850	3,302,978	5,045,021	26,450	5,071,471	8,374,449
Financial liabilities								
Outstanding claims including IBNR		-	-	-	3,324,856	-	3,324,856	3,324,856
Insurance / reinsurance payables		-	-	-	1,192,950	-	1,192,950	1,192,950
Other creditors and accruals		-	-	-	478,101	-	478,101	478,101
Lease Liability	8.48 - 24.74	41,672	114,968	156,640	-	-	-	156,640
Total liabilities - Window Takaful Operations		-	-	-	74,310	-	74,310	74,310
		41,672	114,968	156,640	5,070,217	-	5,070,217	5,226,857
Interest rate risk sensitivity gap		2,317,456	828,882	3,146,338				
Cumulative interest rate risk sensitivity gap		2,317,456	3,146,336					

a) **Sensitivity analysis- Interest rate risk**a.1) **Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate financial assets at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account and equity of the Company.

a.2) **Cash flow sensitivity analysis for variable rate instruments**

The Company is exposed to cash flow interest rate risk in respect of its balances with saving account with banks, investments in Pakistan investment bonds, term finance certificates and sukuk certificates. A change of 100 basis points in interest rates at the year end would not have material impact on profit for the year and equity of the Company.

b) **Sensitivity analysis - Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign 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 Company's investment in equity securities and mutual funds are susceptible to market price risk arising from uncertainties about the future value of investment securities. In case of 5% decrease / increase in the market price of listed securities on December 31, 2024, with all other variables held constant, total comprehensive income for the year and net assets would be lower/higher by Rs. 10.24 million (2023: Rs. 6.14 million). The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity market.

39.3 **Credit risk**

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

39.3.1 **Exposure to credit risk and credit exposure of the financial statements**

Credit risk of the Company arises principally from the balances with banks, loans to employees, investments (except for investment in government securities, units of mutual funds and listed equity shares), premium due but unpaid, amount due from other insurers / reinsurers, reinsurance and other recoveries against outstanding claims and sundry receivable. To reduce the credit risk the management continuously reviews and monitors the credit exposure towards the policyholders and other insurers / reinsurers and makes provision against those balances considered doubtful of recovery.

In summary, compared to the amount included in statement of assets and liabilities, the maximum exposure to credit risk as follows:

	Note	2024		2023	
		Balance as per the financial statement	Maximum exposure	Balance as per the financial statement	Maximum exposure
----- (Rupees in '000) -----					
Cash and bank	16	282,871	277,011	341,400	338,148
Investments	8, 9 & 10	3,684,751	254,797	2,903,956	172,724
Loans and other receivables	10	153,256	153,256	131,173	131,173
Insurance / reinsurance receivables	11	1,789,251	1,789,251	1,646,548	1,646,548
Reinsurance recoveries against outstanding claims		3,604,674	3,604,674	2,677,254	2,677,254
Salvage recoveries accrued		71,064	71,064	205,009	205,009
Total assets of Window Takaful Operations	23	684,848	(Rupees in '000)	469,109	303,036
		10,270,715	6,150,053	8,374,449	5,473,892

Differences in the balances as per financial statements and maximum exposure in cash and bank and investments is due to cash in hand, policy stamps in hand, investments in government securities and equity securities of Rs. 3,774.94 million (2023 Rs. 2,900.56 million) which are not exposed to credit risk.

Bank balances represent low credit risk as they are placed with reputed financial institutions with strong credit ratings. The credit quality of bank balances can be assessed with reference to external credit ratings as follows:

	Rating		Rating Agency	2024	2023
	Short term	Long term		(Rupees in '000)	
United Bank Limited	A1+	AAA	VIS	104,182	45,359
FINCA Microfinance Bank Limited	A2	A-	VIS	-	12
Khushhali Microfinance Bank Limited	A2	A-	VIS	-	500
Telenor Microfinance Bank Limited	A1	A	PACRA	-	557
Bank Al-Habib Limited	A1+	AAA	PACRA	9,775	3,095
Bank Alfalah Limited	A1+	AAA	PACRA	129,734	244,928
Faysal Bank Limited	A1+	AA	VIS	16,820	18,745
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	14,488	24,942
Bank Makramah Limited	Unrated			12	10
				<u>277,011</u>	<u>338,148</u>

Government securities are unrated while term finance certificates of Habib Bank Limited have long term credit rating of AA+.

Concentration of credit risk

Concentration of credit risk arises when a number of counterparties have similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. The Company manages concentration of credit risk through diversification of activities among individuals, groups and

The Company enters into re-insurance / co-insurance arrangements with re-insurers / other insurers having sound credit ratings accorded by reputed credit rating agencies. Further, the company is required to comply with the requirements of circular no. 2 / 2023 dated March 03, 2023 issued by the SECP which requires insurance company to place At least 60% of the total reinsurance treaty arrangement for each class of insurance business with foreign reinsurers having at least "A" or above rating, and maximum upto 40% of the total reinsurance treaty arrangement for each class of insurance business with foreign reinsurers having at least "BBB" rating, furthermore maximum upto 10% of the total reinsurance treaty arrangement for each class of insurance business, having at least "B" rating by "Standard & Poor's" or an equivalent rating by any other reputed agency. An analysis of all reinsurance assets net of provision for doubtful balances recognized by the rating of the entity from which it is due is as follows:

	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Prepaid reinsurance premium ceded	2024	2023
	(Rupees in '000)				
A or above (including PRCL)	<u>369,878</u>	<u>3,604,674</u>	<u>1,644,208</u>	<u>5,618,760</u>	<u>4,502,661</u>

39.3.2 Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting its financial obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due under normal circumstances. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure adequate liquidity is maintained.

The following are the contractual maturities of financial liabilities:

Non-Derivative Financial liabilities	Carrying Amount	
	2024	2023
	(Rupees in '000)	
Outstanding claims including IBNR	4,167,505	3,324,856
Insurance / reinsurance payables	1,399,592	1,192,950
Other creditors and accruals	508,361	478,101
Lease Liabilities	178,689	156,640
Total Liabilities of Window Takatuf Operations - Operator's Fund	<u>97,767</u>	<u>74,310</u>
	<u>6,351,914</u>	<u>5,226,857</u>

The carrying amounts represent contractual cash flows maturing within one year except for non-current portion of lease liability amounting to Rs. 120.869 million.

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39.3.3 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 interest rate risk, foreign currency risk and other price risk. The Company manages the market risk exposures by following internal risk management policies. Refer 39.2.1(a) and 39.2.1(b) for discussion on interest rate risk and price risk.

39.3.4 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 exchange rates. The Company, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistani Rupees.

39.4 Capital Management Policies And Procedures

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions.

The Company currently meets the minimum paid-up capital requirement i.e., Rs. 500 million as required by the Securities and Exchange Commission of Pakistan.

The Company currently has solvency margin in excess of minimum regulatory requirement as required under the insurance rules, 2017.

40 FAIR VALUE OF FINANCIAL INSTRUMENTS

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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

40.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Valuation techniques used in determination of fair values within level 2

Items	Valuation approach and input used
Term Finance Certificate	Fair values of TFCs are determined using the MUFAP rates.
Mutual funds	Units of mutual funds are valued using the net asset value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).
Government Securities	The fair value of Pakistan investment bonds and treasury bills are derived using PKRV rates. The PKRV rates are announced by FMA (Financial Market Association) through Reuters.

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2024								
Fair value through profit or loss	Available-for-sale	Held to maturity	Loans and Other Receivable	Other financial liabilities	Total	Fair value		
						Level 1	Level 2	Level 3

(Rupees in '000)

On balance sheet financial instruments

Financial assets measured at fair value

- Investments

Ordinary shares of quoted companies

Mutual funds

Government securities

Debt securities

Financial assets not measured at fair value

Government securities

Debt securities

Cash and Bank *

Loans and other receivables *

Salvage recoveries accrued *

Insurance / reinsurance receivables *

Reinsurance recoveries against

outstanding claims *

Total Assets of Windows Takaful

Operations

Investments - Mutual Funds

Investments - Term Deposits

Investments - debt securities

Other than Investments *

Financial liabilities not measured at fair value

Outstanding claims including IBNR *

Insurance / reinsurance payables *

Other creditors and accruals *

Lease liability *

Total liabilities of Window Takaful

Operations

2023								
Fair value through profit or loss	Available-for-sale	Held to maturity	Loans and Other Receivable	Other financial liabilities	Total	Fair value		
						Level 1	Level 2	Level 3

(Rupees in '000)

On balance sheet financial instruments

Financial assets measured at fair value

- Investments

Ordinary shares of quoted companies

Mutual funds

Government securities

Debt securities

Financial assets not measured at fair value

Government securities

Debt securities

Cash and Bank *

Loans and other receivables *

Salvage recoveries accrued *

Insurance / reinsurance receivables *

Reinsurance recoveries against

outstanding claims *

Total Assets of Windows Takaful

Operations

Investments - Mutual Funds

Debt securities

Investments - Term Deposits

Investments - debt securities

Other than Investments *

Financial liabilities not measured at fair value

Outstanding claims including IBNR *

Insurance / reinsurance payables *

Other creditors and accruals *

Lease liability *

Total liabilities of Window Takaful

Operations

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

41 PROVIDENT FUND

The following is based on un-audited financial statements for the year ended December 31, 2024 and audited financial statement for the year ended December 31, 2023.

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Size of the fund - net assets	198,075	158,095
Cost of investments	178,123	151,458
Percentage of investments made	89.93%	95.80%
Fair value of investments	183,550	150,687

The investments in collective investment schemes, listed equity and listed debt securities out of provident fund / trust have been made in accordance with the provisions of section 218 of the Act and the Rules formulated for this purpose.

41.1 The breakup-value of fair value of investments is as follows:

	2024 ----- Percentage -----	2023 ----- Percentage -----	2024 ----- (Rupees) -----	2023 ----- (Rupees) -----
Bank balances	16.34%	3.02%	29,995	4,554
Pakistan investment bonds	37.71%	38.61%	69,210	58,179
Market treasury bills	0.00%	6.58%	-	9,910
Mutual Funds	8.52%	10.32%	15,644	15,544
Term deposits	37.43%	41.48%	68,700	62,500
	<u>100.00%</u>	<u>100.00%</u>	<u>183,550</u>	<u>150,687</u>

42 NUMBER OF EMPLOYEES

	2024 ----- (Number) -----	2023 ----- (Number) -----
At December 31	321	311
Average during the year	<u>313</u>	<u>310</u>

43 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in their meeting held on 11-MAR-2025


44 GENERAL


44.1 Non adjusting event after balance sheet date

The Board of Directors of the Company in their meeting held on 11-MAR, 2025 has proposed a final cash dividend of Rs. _____ per share amounting to Rs. _____ million (2024: Rs. 1.88 per share amounting to Rs. 182.4 million) for the year ended December 31, 2024. The approval of the Members of the Company for the dividend shall be obtained at the Annual General Meeting to be held on 25-APR-25. The financial statements for the year ended December 31, 2024 do not include the effect of the proposed final dividend which will be accounted for in the year ending December 31, 2025.

44.2 Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

44.3 Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. No significant rearrangements or reclassifications have been made in these financial statements during the current year.


 Chief Executive Officer


 Director


 Director


 Chairman



**Building a better
working world**

**UBL INSURERS LIMITED
WINDOW TAKAFUL OPERATIONS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

EY Foris Rhodes
Chartered Accountants
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Shariah Supervisory Board's Report to the Board of Directors
For the year ended 31 December 2024

The Company, UBL Insurers Limited commenced Window Takaful Operations on January 1, 2016. By the grace of Almighty Allah and sincere efforts of Management, the year under review was the ninth successful year of Window Takaful Operations.

We acknowledge that as Shariah Supervisory Board members of Takaful Operator, it is our responsibility to provide Shariah guidelines and develop framework for assurance that the financial arrangements, contracts and transactions undertaken by the Takaful Operator with its participants and stakeholders are in compliance with the requirements of Shariah rules and principles. It is the responsibility of the Takaful Operator to ensure that the rules, principles and guidelines set by the Shariah Supervisory Board are fully complied with, and that all policies and services being offered are duly approved by the Shariah Supervisory Board.

The Takaful Operator's activities and operations are periodically checked and monitored by Shariah Supervisory Board. In order to have an independent assessment of the Shariah Governance and Compliance environment of the Takaful operations under taken by the Operator and the conformity of Takaful operations with Shariah rules and principles an external Shariah audit was conducted. Further, internal Shariah audit via BDO Ebrahim & Co. and Shariah Compliance review through Internal Shariah Compliance Officer were conducted as well. Based on their reports and statement of compliance with the Shariah Principles submitted by the Operator/Management to the Board of Directors, we hereby present our report as follows:

- i. transactions undertaken by the Takaful Operator were in accordance with guidelines issued by Shariah Advisory Board as well as requirements of Takaful Rules, 2012;
- ii. the investments have been done from the Participant's Takaful Fund and Operator's Fund into Shariah Compliant avenues as per Shariah Guidelines for Investment already approved by Shariah Advisory Board;
- iii. during the year, zero non-shariah income was reported;
- iv. takaful membership issuance process is improved and after due screening process takaful membership is issued to avoid issuance of takaful membership to non-shariah compliant business;
- v. transactions and activities of Window Takaful Operations are in accordance with the Shariah principles in respect of the Participants Takaful Fund (Waqf Fund) and Operator's Fund (OF);
- vi. training sessions were held in across Pakistan on awareness of Takaful for Managerial and Business Development Staff and facilitated by Chairman – Shariah Supervisory Board;

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Email: info@ublinurers.com

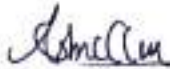
| www.ublinurers.com |

We are grateful to the Board of Directors of UBL Insurers Limited, Management, and all relevant departments who cooperated with the Shariah Compliance function and provided every possible support to ensure Shariah Compliance in our Takaful practices.

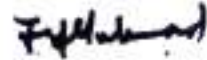
While concluding; in our opinion and to the best of our knowledge that over all the financial arrangements, products, services and transactions entered into by the Operator and the PTF/Waqf, as the case may be, for the year ended December 31, 2024 are in compliance with the requirements of the Shariah rules and guidelines and Allah knows the best. However, the following are recommended:

- To leverage the growing operations and network, we urge the Operator/management to arrange Takaful training sessions more frequently;
- The Operator/management should take concrete measures to play pivotal role in sound and transparent growth of Takaful countrywide.

May Allah bless us with the best Tawfeeq and bestow us with success in this world and in the world hereafter, and forgive us for our mistakes A'ameen.



Mufti Muhammad Ashraf Alam Siddique
Shariah Advisor & Member
Shariah Supervisory Board



Taj Muhammad
Islamic Finance Expert & Member
Shariah Supervisory Board



Mufti Imtiaz Alam
Chairman & Member
Shariah Supervisory Board

March 03, 2025

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Statement of Compliance with the Shariah Rules and Principles

The financial arrangements, contracts and transactions, entered into by UBL Insurers Limited - Window Takaful Operations (the Operator) for the year ended 31 December 2024 are in compliance with the Takaful Rules, 2012 and the Shariah Rules and Principles as determined by the Shariah Advisory Board of the Operator, (Shariah Rules and Principles).

Further, we confirm that:

- The Operator has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisory Board 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 Advisory Board and Board of Directors have been implemented;
- The Operator has imparted trainings / orientations and ensured availability of all manuals / agreements approved by Shariah Advisory Board / Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff, management;
- All the products and policies have been approved by Shariah Advisory Board 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 Advisory Board; and
- The assets and liabilities of Window Takaful Operations (Participant Takaful Fund and Operator's fund) are segregated from its other assets and liabilities, at all times in accordance with provisions of the Takaful Rules, 2012

This has been duly confirmed by the Shariah Advisory Board of the Operator.

A handwritten signature in black ink, appearing to read 'Nadeem Raza'.

Nadeem Raza
Chief Financial Officer

A handwritten signature in blue ink, appearing to read 'Zeeshan Muhammad Raza'.

Zeeshan Muhammad Raza
Chief Executive Officer

Date: February 06, 2025

Head Office:

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Shariah Compliance Report

For the year ended December 31, 2024

In my opinion and to the best of my knowledge, the financial arrangements, contracts and transactions, entered into by Window Takaful Operations of the UBL Insurers Limited for the period from 01 January 2024 to 31 December 2024 are in compliance with the Takaful Rules, 2012 and in line with Shariah Guidelines and policies made by Shariah Supervisory Board.

Further, I confirm that:

- The Company has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Supervisory Board 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, have been implemented;
- The Company has imparted trainings / orientations and ensured availability of all manuals / agreements approved by Shariah Supervisory Board to maintain the adequate level of awareness, capacity and sensitization of the staff and management;
- During the year, zero non-shariah income was realized;
- Takaful membership issuance process is improved and after due screening process takaful membership is issued to avoid issuance of takaful membership to non-shariah compliant business;
- All the products and policies have been approved by Shariah Supervisory Board 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 Supervisory Board; and
- The assets and liabilities of Window Takaful Operations (Participant 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.

I'm grateful to the Shariah Supervisory Board, Management, and all relevant departments who cooperated and provided every possible support to ensure best Shariah Compliance practices are followed.



Zain Akhtar
Shariah Compliance Officer

Dated: February 01, 2025

Head Office:

126-C, Jami Commercial, Street No. 14, Phase-VII, DHA, Karachi-Pakistan. UAN: 111-845-111 Fax: (92-21) 35314504.

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Independent Reasonable Assurance Report to the Board of Directors on the Statement of Management's Assessment of Compliance with the Takaful Rules, 2012

Scope

We have been engaged by UBL Insurers Limited (the Operator) to perform a 'reasonable assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the management's assessment of compliance of the Window Takaful Operations (Takaful Operations) of the Operator, as set out in the annexed Statement of Compliance (the Statement) prepared by the management for the year ended 31 December 2024 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Annual Report of Operator, and accordingly, we do not express an opinion on this information.

Criteria applied by the management

In preparing the Subject Matter, the management applied the criteria in accordance with the Takaful Rules, 2012 (Criteria).

The Management's responsibilities

The management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express an opinion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with the Operator on 18 July 2024. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.



We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our Independence and Quality Management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we 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.

Description of procedures performed

- We checked that all the products and policies have been approved by Shariah Advisor and observed that the Operator has developed and implemented all the policies and procedures in accordance with The Takaful Rules, 2012 and Shariah Rules and Principles as determined by Shariah Advisor.
- We checked that 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.
- We reviewed training certificates and attendance sheets to evaluate that the Operator has imparted necessary trainings and orientations to maintain the adequate level of awareness, capacity, and sensitization of the staff and management.
- We have designed and performed following verification procedures (including but not limited to) on various financial arrangements, based on judgmental and systematic samples with regard to the compliance with Takaful Rules, 2012 and Shariah Rules and Principles:
 - We obtained details of investments made and checked that all investments made in Shariah Compliant stocks as determined by Shariah Advisor.
 - We inquired regarding other investments like fixed deposits to confirm that all such contracts are executed with Islamic Financial Institutions.
 - We reviewed re-takaful and co-takaful parties along with arrangements / contracts entered into by Window Takaful Operations to assess compliance with Shariah Advisor guidelines and Takaful Rules, 2012.
 - We re-calculated Operator's profit share and Wakalah fee income to confirm that approved percentage are applied on income from investments and contribution respectively.

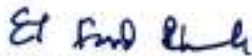
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The procedures selected by us for the engagement depended on our judgment, including the assessment of the risks of the Operator's material non-compliance with the Takaful Rules 2012, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Operator's compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances but not for the purpose of expressing a conclusion as to the effectiveness of the Operator's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with the Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with the Takaful Rules, 2012 will be met. Further, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

In performing our audit procedures necessary guidance on Shari'ah matters was provided by the internal Shari'ah experts.

Opinion

In our opinion, the Statement of Compliance of the Takaful Operations of the Operator as of 31 December 2024 is presented, in all material respects, in accordance with Takaful Rules, 2012.



Chartered Accountants

Engagement Partner: Omer Chughtai

Date: 27 March 2025

Karachi



EY Ford Rhodes
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To the members of UBL Insurers Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of UBL Insurers Limited - Window Takaful Operations (the Operator), which comprise the statement of financial position of OPF and PTF as at 31 December 2024, and 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 for the year then ended, and notes to the 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 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 conform 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 loss, 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 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.

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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 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 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.

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 judgement 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.
- 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.
- 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.

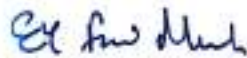
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirement

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 of OPF and PTF, the profit and loss account, the statement of comprehensive income, the statement of changes operator's fund and participants' takatuf fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XIX of 2017), and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Operator's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai



Chartered Accountants

Karachi

Date: 27 March 2025

UDIN Number: AR202410120A0ux6RoGc

UBL INSURERS LIMITED - WINDOW TAKAFUL OPERATIONS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

		Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	Note	2024	2023	2024	2023
		(Rupees in '000)			
Assets					
Investments					
Equity securities / mutual funds	5	36,357	-	98,474	93,847
Debt securities	6	344,252	175,113	1,187,602	472,848
Term Deposits	13	-	52,000	-	300,000
Loan and other receivable	7	13,240	8,725	34,348	30,571
Takaful / retakaful receivables	8	-	-	547,024	393,918
Salvage recoveries accrued		-	-	-	-
Deferred taxation	11	-	1,487	-	-
Deferred wakala fee		-	-	-	-
Receivable from PTF	10	255,531	209,052	178,831	138,938
Taxation - payment less provisions		-	-	87,874	41,910
Retakaful recoveries against outstanding claims / Benefits		-	-	319,779	228,957
Deferred commission expense	20	91,037	64,193	-	-
Prepayments	12	375	375	308,720	156,644
Cash and bank	13	5,468	24,219	52,761	40,651
Total assets		776,260	535,164	2,816,413	1,898,282
Equity and Liabilities					
Reserves attributable to the OPF					
Statutory reserve		50,000	50,000	-	-
Revaluation reserve		3,398	393	-	-
Accumulated profit		301,279	184,812	-	-
Total Reserves attributable to the OPF		354,677	235,205	-	-
Participants' Takaful Fund					
Seed money		-	-	500	500
Revaluation reserve		-	-	26,455	2,925
Accumulated surplus		-	-	889,162	541,495
Balance of Participants' Takaful Fund		-	-	916,117	544,921
Liabilities					
PTF Underwriting Provisions					
Outstanding claims including IBNR	19	-	-	574,113	377,202
Unearned contribution reserves	17	-	-	670,147	420,019
Reserve for unearned retakaful rebate	18	-	-	82,314	39,276
		-	-	1,326,574	836,497
Unearned wakala fees		179,831	138,938	-	-
Takaful / retakaful payables	14	-	-	254,733	273,118
Other creditors and accruals	15	98,277	75,215	28,798	28,945
Salvage accrued		-	-	4,660	5,751
Deferred taxation		1,428	-	-	-
Taxation - provision less payment		142,047	65,706	-	-
Payable to OPF	10	-	-	285,531	209,052
Total liabilities		421,583	299,859	1,900,296	1,353,261
Total Equity and Liabilities		776,260	535,164	2,816,413	1,898,282
Contingencies and Commitments					
	16				

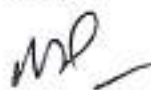
The annexed notes 1 to 33 form an integral part of these financial statements.


 Chief Executive Officer


 Director


 Director



 Chairman



UBL INSURERS LIMITED - WINDOW TAKAFUL OPERATIONS
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 ------(Rupees in '000)-----	2023
Participants' Takaful Fund - (PTF)			
Contributions earned	17	1,199,133	673,640
Less: Contributions ceded to retakaful	17	(688,551)	(414,335)
Net contributions revenue		510,582	259,305
Re-takaful rebate earned	18	151,445	104,912
Net underwriting income		662,027	364,217
Net claims - reported / settled			
- IBNR		(485,852)	(274,931)
	19	(17,668)	(13,183)
		(503,520)	(288,114)
Other direct expenses		(15,852)	(20,557)
Surplus before investment income			
Investment income		172,655	55,738
Other income	22	206,145	128,055
Less: Moderator's share of investment income	23	10,859	10,352
Provisions for doubtful contributions (net of Wakala fee)		(43,401)	(27,890)
		1,408	11,107
Surplus transferred to accumulated surplus		<u>347,867</u>	<u>177,600</u>
Operator's Fund - (OPF)			
Wakala fee		437,454	330,746
Commission expense	20	(188,490)	(143,008)
General administrative and management expenses	21	(127,020)	(87,555)
		<u>121,944</u>	<u>100,173</u>
Moderator's share of PTF investment income			
Investment income		43,401	27,690
Direct expenses	22	54,147	36,474
Other income	24	(31,875)	(21,751)
	23	3,148	2,476
Profit before taxation		<u>190,765</u>	<u>145,052</u>
Taxation	25	(74,398)	(56,180)
Profit after taxation		<u>116,367</u>	<u>88,872</u>

The annexed notes 1 to 33 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman

UBL INSURERS LIMITED - WINDOW TAKAFUL OPERATIONS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Participants' Takaful Fund - (PTF)		
Surplus for the year	347,667	177,600
Other comprehensive loss:		
<i>Items that will be reclassified to profit and loss subsequently</i>		
Reclassification adjustment for net gain on sale of available-for-sale investments included in the profit and loss account	30,438	3,096
Other comprehensive income for the year	30,438	3,096
Reclassification adjustments relating to available-for-sale investments disposed during the year	(6,909)	(170)
Total comprehensive income for the year	371,196	180,526
Operator's Fund - (OPF)		
Profit after tax	116,367	88,882
Other comprehensive loss:		
<i>Items that will be reclassified to profit and loss subsequently</i>		
Change in fair value on available-for-sale investments during the year	6,097	645
Related tax impact	(1,521)	(252)
Other comprehensive income for the year	3,176	393
Reclassification adjustments relating to available-for-sale investments disposed during the year	(171)	-
Total comprehensive income for the year	119,372	89,275

The annexed notes 1 to 33 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman



UBL INSURERS LIMITED - WINDOW TAKAFUL OPERATIONS
STATEMENT OF CHANGES IN OPERATOR'S FUND AND PARTICIPANTS' TAKAFUL FUND
AS AT DECEMBER 31, 2024

	Attributable to Operator's Fund			Total
	Statutory Reserve	Available-for-sale Investment revaluation reserve	Accumulated profit	
	(Rupees in '000)			
Balance as at January 1, 2023	50,000	-	96,030	146,030
Profit for the year	-	-	88,852	88,852
Other Comprehensive Income for the year	-	393	-	393
Balance as at December 31, 2023	50,000	393	184,912	235,305
Profit for the year	-	-	116,367	116,367
Other comprehensive income for the year	-	3,005	-	3,005
Balance as at December 31, 2024	50,000	3,398	301,279	354,677

	Attributable to Participants of PTP			Total
	Seed money	Available-for-sale Investment revaluation reserve	Accumulated surplus	
	(Rupees in '000)			
Balance as at January 1, 2023	500	-	363,895	364,395
Surplus for the year	-	-	177,600	177,600
Surplus distribution to participants	-	-	-	-
Other Comprehensive Income for the year	-	2,926	-	2,926
Balance as at December 31, 2023	500	2,926	541,495	544,921
Surplus for the year	-	-	347,667	347,667
Surplus distribution to participants	-	-	-	-
Other comprehensive income for the year	-	23,529	-	23,529
Balance as at December 31, 2024	500	26,455	889,162	916,117

The annexed notes 1 to 33 form an integral part of these financial statements.


Chief Executive Officer


Director


Director

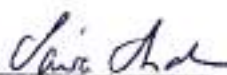

Chairman

UBL INSURERS LIMITED - WINDOW TAKAFUL OPERATIONS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	2024	2023	2024	2023
(Rupees in '000)				
Operating cash flows				
(a) Takaful activities				
Contributions received	-	-	1,660,383	1,036,100
Retakaful contribution paid	-	-	(764,292)	(482,782)
Claims / benefits paid	-	-	(962,474)	(424,435)
Retakaful and other recoveries received	-	-	583,952	172,834
Commissions paid	(202,333)	(141,017)	-	-
Retakaful rebate received	-	-	234,484	111,357
Wakala fees received	409,818	262,500	-	-
Wakala fees paid	-	-	(409,818)	(262,500)
Modarib share received	35,000	-	-	-
Modarib share paid	-	-	-	-
Net cash inflow from takaful activities	245,485	121,483	263,215	163,674
(b) Other operating activities				
Income tax paid	(17,063)	(7,093)	(45,964)	(20,850)
General and other expenses paid	(150,894)	(111,596)	(14,563)	(35,351)
Net cash outflow from other operating activities	(167,957)	(118,678)	(60,527)	(56,201)
Total cash inflow from all operating activities	77,528	2,804	202,688	97,373
(c) Investment activities				
Profit / return received	53,884	32,210	165,093	106,748
Dividend received	354	2,106	8,906	11,869
Payment for investments	(833,358)	(158,250)	(3,489,723)	(544,886)
Proceeds from investments	630,831	115,099	2,815,188	423,206
Total cash outflow on investing activities	(148,279)	(8,835)	(480,578)	(103,163)
(d) Financing activities				
Qard e Hasna	-	-	-	-
Surplus paid	-	-	-	-
Total cash inflow / (outflow) from financing activities	-	-	-	-
Net cash (outflow) / inflow from all activities	(70,751)	(7,031)	(287,890)	(5,790)
Cash and cash equivalents at the beginning of the period	76,219	83,250	340,651	348,441
Cash and cash equivalents at the end of the period	5,468	76,219	52,761	340,651
Reconciliation to profit and loss account				
Operating cash flows	77,528	2,804	202,688	97,373
Dividend income	183	2,106	8,906	11,869
Other investment income	53,884	34,368	197,240	116,196
Other income	3,148	2,478	10,659	10,382
Decrease in unearned contribution	-	-	(250,128)	(32,337)
Taxation	(74,398)	(56,180)	-	-
Increase in assets other than cash	134,264	139,355	518,306	170,467
Increase in liabilities other than borrowings	(121,724)	(63,737)	(296,802)	(168,660)
Modarib's share of investment income	43,401	27,690	(43,401)	(27,690)
Profit after taxation	116,365	88,662	347,667	177,600
Surplus in PTF	-	-	-	-
Profit after tax attributable to OPF	116,367	88,662	347,667	177,600
	116,367	88,662	347,667	177,600

The annexed notes 1 to 33 form an integral part of these financial statements.


 Chief Executive Officer


 Director


 Director


 Chairman

UBL INSURERS LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Insurers Limited - Window Takaful Operations ("the Operator"), a subsidiary of Bestway International Holdings Limited, was incorporated as an unlisted public limited company on June 29, 2006 under the repealed Companies Ordinance, 1984 (now Companies Act 2017). The registered office of the Company is situated at 126-C, Jami Commercial Street Number 14, D.H.A., Phase VII, Karachi. The Company currently operates a network of 27 (2023: 27) branches in various cities. The Company received Certificate of Registration under Section 6 of the Insurance Ordinance, 2000 on January 05, 2007. The objects of the Operator include providing general takaful services (in spheres of Fire, Marine, Aviation and Transport, Motor, Bankers Blanket and other).

The Operator was granted authorisation on December 29, 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operations in respect of general takaful products by the Securities and Exchange Commission of Pakistan (SECP) and subsequently the Operator commenced Window Takaful Operations on January 1, 2016.

The Operator transferred statutory reserve of Rs. 50 million for the Window Takaful Operations as per the requirement of circular 8 of 2014. For the purpose of carrying on the takaful business, the Operator has formed a Waqf / Participant Takaful Fund (PTF) on January 1, 2016 under the waqf deed. The Waqf deed governs the relationship of Operator and participants for management of takaful operations.

2. BASIS OF PREPARATION & STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with 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 Standard Board (IASB) as are notified under Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019 shall prevail.

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

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except available-for-sale investments that have been measured at fair value.

2.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Operator operates. The financial statements are presented in Pakistani Rupees, which is the Operator's functional and presentation currency.

2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are effective in the current year

- 2.3.1** There are certain amendments that are mandatory for the Operator's accounting periods beginning on January 1, 2024 but are considered not to be relevant or do not have any significant effect on the Operator's operations and therefore, have not been stated in these financial statements.

2.4 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods beginning on or after January 01, 2025:

**UBL INSURERS LIMITED -
WINDOW TAKAFUL OPERATIONS**

Following IFRS as notified under the Companies Act, 2017 and the amendments thereto will be effective for future accounting periods and not early adopted.

Amendments	Effective date (annual periods beginning on or after)
- Lack of exchangeability – Amendments to IAS 21	January 1, 2025
- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
- Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
- Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7	January 1, 2026
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendment to IFRS 10 and IAS 28	Not yet finalized

The Company expects that such improvements / amendments to the standards (except IFRS 17) will not have any material impact on the Company's financial statements in the period of initial application.

SECP vide its SRO 1715 dated 21 November 2023 directed the application of IFRS 17 for the period commencing from January 01, 2026.

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features ("DPF"). The key objectives of IFRS 17 are comparable recognition and measurement of contracts in the scope of the standard, the recognition of insurance service results based on the services provided to the policyholder and provision of disclosures that will enable the users of the financial statements to assess the impact of these contracts on the financial position, financial results and cash flows of the entity. The standard distinguishes between the sources of profit and quality of earnings between insurance service results and insurance finance income and expense (reflecting the time value of money and financial risk). The company has not yet determined the quantitative potential impact of the standard.

The Company has taken a benefit of temporary exemption of applying IFRS 9 "Financial Instrument" with IFRS 17 "Insurance Contracts" as allowed under IFRS. However, This standard will be applied along with the application of IFRS 17.

The company has taken a benefit of temporary exemption of applying IFRS 9 "Financial Instrument" with IFRS 17 "Insurance Contracts" as allowed under IFRS.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	Effective date (annual periods beginning on or after)
- IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 1, 2024
- IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027

There are certain other new amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2025, but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

3.1 Takaful contracts

The takaful contracts are based on the principles of wakala. The takaful contracts so agreed usually inspire concept of tabarru (to donate for benefit of others) and mutual sharing of losses with the overall objective of eliminating the element of uncertainty.

Contracts under which the Participants' Takaful Fund (PTF) accepts significant takaful risk from another party (the participant) by agreeing to compensate the participant if a specified uncertain future event (the takaful event) adversely affects the participant are classified as takaful contracts. Takaful risk is significant if a takaful event could cause the PTF to pay significant benefits due to the happening of the takaful event compared to its non-happening. Once a contract has been classified as a takaful contract, it remains a takaful contract for the remainder of its lifetime, even if the takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

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The PTF underwrites non-life takaful contracts that can be categorized into following main categories:

a) Fire and property damage

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

b) Marine, Aviation and Transport

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

c) Motor

Motor takaful is to provide protection against losses incurred as a result of traffic accidents and against liability that could be incurred in an accident.

d) Bankers Blanket

Bankers' blanket takaful covers losses as a result of dishonest or fraudulent acts by officers and employees of the bank, including on premises coverage of cash, coverage of cash during transit and coverage of forged cheques.

e) Miscellaneous

Miscellaneous takaful includes various types of coverage mainly burglary, loss of cash in safe and cash in transit, engineering losses, accident and health, money and other coverage.

These contracts are normally one year takaful contracts except marine and some contracts of fire and property and other class. Normally all marine takaful contracts and some fire and property contracts have three months period. In miscellaneous, some engineering takaful contracts have more than one year period whereas normally travel takaful contracts expire within one month time.

3.1.1 Retakaful contracts held

These are contracts entered into by the Operator with retakaful for compensation of losses suffered on takaful contracts issued. These retakaful contracts include both facultative and treaty arrangements contracts and are classified in same categories of takaful contracts for the purpose of these financial statements. The PTF recognizes the entitled benefits under contracts as various retakaful assets and liabilities.

Retakaful assets represent balances due from retakaful companies and retakaful recoveries against outstanding claims. Due from retakaful companies are carried at cost less any provision for impairment. Cost represents the fair value of the consideration to be received. Retakaful recoveries against outstanding claims are measured at the amount expected to be received.

Retakaful assets are not offset against related takaful liabilities. Income or expenses from retakaful contract are not offset against expenses or income from related takaful assets.

Retakaful liabilities represent balances due to retakaful companies. Due to retakaful companies are carried at cost which is the fair value of the consideration to be paid.

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

3.2 Deferred commission expense / acquisition cost

Commission expense incurred in obtaining and recording policies is deferred and recognized in the profit and loss account as an expense in accordance with the pattern of recognition of contribution revenue.

3.3 Reserve for unearned contribution

Reserve for unearned contribution represents the portion of contribution written relating to the unexpired period of coverage at the reporting date and is recognized as a liability by the Operator. This liability is calculated by applying the 1/24th method as specified in the General Takaful Accounting Regulations, 2019.

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3.4 Contribution deficiency reserve

The Operator maintains a provision in respect of contribution deficiency for the class of business where the unearned contribution liability is not adequate to meet the expected future liability, after retakaful, from claims and other supplementary expenses expected to be incurred after the date of statement of financial position in respect of the unexpired policies in that class of business as at the reporting date. The movement in the contribution deficiency reserve is recorded as an expense / income in the profit and loss account for the year.

For this purpose, loss ratios for each class are estimated based on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, contribution deficiency is determined.

3.5 Amount due to / from retakaful operators

Amounts due to / from retakaful operators are recognized when due, and carried at cost less provision for impairment, if any. Cost is the fair value of the consideration to be received / paid in the future for services rendered / received.

3.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand, stamps in hand, bank deposits and term deposits having original maturity of less than three months.

3.7 Revenue recognition**3.7.1 Contribution**

Contribution Receivable under a policy / cover note issued is recognized as written from date of attachment of risk to the policy / cover note and over the period of takaful from inception to expiry. Contribution is recognized as revenue evenly over the period of the policy.

The unearned portion of Contribution income is recognized as a liability. Such liability is calculated by applying the one by twenty-fourth method, whereby the liability shall equal 1/24 of the Contribution relating to policies commencing in the first month of the takaful operator financial year, 3/24 of the Contributions relating to policies commencing in the second month of the takaful operator financial year, and so on.

For facultative acceptance, the basis of recognizing Contribution and determining the unearned Contribution reserve is the same as for the direct policies.

3.7.2 Wakala and modarib fee**Wakala Fee**

The Takaful operator manages the general takaful operations for the participants and charges 30% (2023: 30%) of gross contribution on fire & property damage, marine, aviation & transport, bankers blanket and miscellaneous and 35% (2023: 35%) of gross contribution on motor and 10% (2023: Nil) of gross contribution on Health as wakala fees against the services given to Participants' Takaful Fund. Wakala fee under a policy is recognized by applying the one by twenty-fourth method, whereby the liability shall equal 1/24 of the Contribution relating to policies commencing in the first month of the takaful operator financial year, 3/24 of the Contributions relating to policies commencing in the second month of the takaful operator financial year, and so on.

Modarib Fee

The Operator also manages the participants' investment as Modarib and charges 20% (2023: 20%) of the investment income earned by the PTF as Modarib fee. It is recognized on the same basis on which the related revenue is recognized.

3.7.3 Rebate from retakaful operators

Re-takaful rebate from retakaful is recognized at the date from attachment of risk to the policy / cover note and over the period of takaful from inception to expiry. Re-takaful rebate is recognized as revenue evenly over the period of the policy of issuance of the underlying takaful.



The unearned portion of Re-takaful rebate is recognized as a liability. Such liability is calculated by applying the one by twenty-fourth method, whereby the liability shall equal 1/24 of the Contribution relating to policies commencing in the first month of the takaful operator financial year, 3/24 of the Contributions relating to policies commencing in the second month of the takaful operator financial year, and so on.

For facultative acceptance, the basis of recognizing commission and determining the unearned commission reserve is the same as for the direct policies.

3.7.4 Investment income

- Unrealized appreciation or diminution on revaluation of investments classified as available-for-sale is included in the statement of comprehensive income 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 recognized on an accrual basis using the effective interest method.
- Premium or discount on debt securities classified as held to maturity is amortized using effective interest method and taken to the profit and loss account.
- Dividend income is recognized when the right to receive the dividend is established.

3.8 Investments

3.8.1 Classification and impairment of investments

The Operator invests in Shariah compliant financial instruments only. All investments are initially recognized at cost, being the fair value of the consideration given and include transaction cost, except for investments classified as fair value through profit or loss in which case transaction costs are charged to the profit and loss account. All regular way purchase and sale of investments are accounted for using trade date accounting. Currently, the financial assets of the OPF and PTF are classified into the following categories:

a) Held to maturity

These are investments with fixed or determinable payments and fixed maturities. The Operator classifies these debt securities under "held-to-maturity" (where the Operator has intention and ability to hold till maturity) category.

These investments are subsequently measured and carried at amortized cost. Premium or discount on debt securities classified as held to maturity is amortized using effective interest method and taken to the profit and loss account.

b) Available for sale

Surplus / (deficit) arising on revaluation of quoted securities which are classified as available for sale investments is taken to a separate account which is shown in the statement of changes in equity as revaluation surplus. The surplus / (deficit) arising on these securities is taken to the profit and loss account when actually realized upon disposal.

Provision for diminution in the values of securities is made after considering impairment, if any, in their value and is taken to profit and loss account. Impairment is booked when there is an objective evidence of significant or prolonged decline in the value of such securities.

Unquoted investments are recorded at cost less accumulated impairment losses, if any.

3.9 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in other comprehensive income or below equity, in which case it is recognized in other comprehensive income or below equity.

3.9.1 Current

Provision for current taxation is the higher of the amount computed on taxable income at the current tax rate after taking into account tax credits / rebates, if any, and the minimum tax computed at the prescribed rate on turnover. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalized during the current year for such years.

3.9.2 Deferred

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 purposes and the amounts used for taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted at the financial statement date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.10 Allocation of management expenses

Expenses allocated to the takaful business represent directly attributable expenses. Expenses not directly attributable to takaful business are allocated between the conventional business and takaful business of the Operator on the basis of reasonable and supportable information available for determining such allocation.

3.11 Retakaful expense

Contribution Ceded to re-takaful operators is recognized as an expense. For retakaful contracts operating on a proportional basis, on attachment of the underlying policies retakaful; and for retakaful contracts operating on a non-proportional basis, on inception of the retakaful contract.

The portion of retakaful Contribution ceded not yet recognized as an expense is recognized as a prepayment. The prepaid portion of Contribution ceded is recognized as an asset. Such asset is calculated by applying the one by twenty-fourth method, whereby the liability shall equal 1/24 of the Contribution ceded relating to retakaful contract commencing in the first month of the takaful operators financial year, 3/24 of the Contributions ceded relating to policies commencing in the second month of the takaful operator financial year, and so on.

3.12 Receivable and Payable related to takaful contracts

Receivables related to takaful contracts are known as Due from takaful contract holders. These are recognised at cost, which is the fair value of the consideration to be received less provision for impairment, if any. Contributions received in advance is recognised as liability till the time of issuance of takaful contract there against.

Provision for impairment and write-off is estimated on a systematic basis after analyzing the receivables as per their aging.

3.13 Claims expense

General takaful claims include all claims occurring during the year, whether reported or not, related internal and external 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.

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

The provision for Incurred But Not Reported (IBNR) claims is determined by the Operator as required under circular No. 9 of 2016 issued by the SECP. As per the SECP circular No. 9 of 2016, an Operator shall estimate IBNR claims reserve based on the prescribed method provided in the guidelines. Guidelines also allows the use of any other alternative method of determining IBNR, if found more suitable for the risk class, provided that the amount estimated under the alternative method shall not be less than the amount calculated under prescribed method. The prescribed method for estimating IBNR claim reserve is the chain ladder method based on paid claims hereinafter called 'Incurred But Not Paid' or 'IBNP'. The Basic Chain Ladder (BCL) method uses a run off triangle to estimate the development factors for each accident period which are further used to estimate the ultimate paid claims. Data from settlement registers is used in the BCL models. Legs are determined to be the difference between the 'date of loss' and 'date of claim payment'. Monthly legs are used since it reflects the claim development pattern within a given year and the back testing supports the same. Once IBNP has been determined using BCL, the outstanding claims are deducted to arrive at IBNR on paid basis.

Under alternative method IBNR is determined on reported basis. IBNR (reported basis) is much similar to IBNR (paid basis) but is calculated using a different methodology. It does not use either IBNP or outstanding claims to estimate IBNR rather, is determined using BCL method. Development factors are determined for each accident period to estimate the ultimately reported claims directly. Intimation registers are used in the BCL model where legs are calculated as the difference between the 'date of loss' and 'date of intimation'.

The analysis is carried out separately for each class of business and results determined through this alternative method are compared to the results of prescribed method and higher of the two are set as the final reserve.

3.14 Retakaful recoveries against outstanding claims

Re-takaful recoveries against outstanding claims are recognized as assets at the same time as the claims which give rise to the right of recovery are recognized as liability and are measured at the amount expected to be recovered.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Operator's accounting policies. The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates / judgments and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgment or complexity, or areas where assumption and estimates are significant to the financial statements, or judgment was exercised in application of accounting policies, are as follows:

- Provision for outstanding claims including IBNR (note 3.13)
- Reserve for unearned contribution (note 3.3)
- Contribution deficiency reserve (note 3.4)
- Classification and impairment of investments (note 3.8)
- Provision for current and deferred tax (note 3.9)
- Takaful / retakaful receivables (note 3.12)
- Deferred commission expense (note 3.2)
- Allocation of management expenses (note 3.10)

5 INVESTMENTS

5.1 INVESTMENTS IN EQUITY SECURITIES / MUTUAL FUNDS

Particulars	2024			2023		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value

(Rupees in '000)

Available-for-Sale						
Operator's fund (OPF)						
NBP Islamic Daily Dividend Fund	3	-	3	-	-	-
NBP Islamic Mahana Andari Fund	1	-	1	-	-	-
Ahamez Islamic Income Fund	35,000	-	35,000	-	-	-
Ahamez Islamic Money Market Fund	2	-	2	-	-	-
Ahamez Islamic Daily Dividend Fund	3	-	3	-	-	-
	35,009	-	35,009	-	-	-
Surplus on revaluation			1,349			-
Carrying Value (OPF)			36,357			-

Particulars	2024			2023		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value

(Rupees in '000)

Participants' fund (PTF)						
NBP Islamic Daily Dividend Fund	50,117	-	50,117	28,540	-	28,540
NBP Islamic Money Market Fund	11,000	-	11,000	-	-	-
Ahamez Cash Management Optimizer	22,968	-	22,968	-	-	-
Ahamez Islamic Income Fund	12,646	-	12,646	35,000	-	35,000
Ahamez Islamic Money Market Fund	7	-	7	29,631	-	29,631
Ahamez Islamic Daily Dividend Fund	4	-	4	-	-	-
	96,742	-	96,742	93,171	-	93,171
Surplus on revaluation			1,732			676
Carrying Value (PTF)			98,474			93,847

6 INVESTMENTS IN DEBT SECURITIES

6.1 Operator's fund

	2024			2023		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
(Rupees in '000)						
Held-to-maturity						
GOP Ijara Sukuk	49,493	-	49,493	49,428	-	49,428
Sukuk - Meezan Bank Limited	9,036	-	9,036	9,040	-	9,040
Total investment - held-to-maturity	58,529	-	58,529	58,468	-	58,468
Available-for-Sale						
GOP Ijara Sukuk	281,500	-	281,500	116,000	-	116,000
Surplus on revaluation	-	-	4,223	-	-	645
Total investment - available for sale	281,500	-	285,723	116,000	-	116,645
Total investment - debt securities	340,029	-	344,252	174,468	-	175,113

6.2 Operator's fund

6.2.1 Government Securities (Available for sale)

Face value	Effective yield	Profit payment	Type of security	Maturity date	2024
(Rupees in '000)					
281,500	13.58%	Semi-annually	GOP Ijara Sukuk	26-Oct-27	285,723
Face value	Effective yield	Profit payment	Type of security	Maturity date	2023
(Rupees in '000)					
86,000	22.07%	Semi-annually	GOP Ijara Sukuk	26-Jun-24	86,645
30,000	22.84%	Semi-annually	GOP Ijara Sukuk	20-Sep-24	30,000

6.2.2 Government Securities (Held-to-maturity)

Face value	Effective yield	Profit payment	Type of security	Maturity date	2024
(Rupees in '000)					
50,000	12.83%	Semi-annually	GOP Ijara Sukuk	27-Apr-27	49,493
Face value	Effective yield	Profit payment	Type of security	Maturity date	2023
(Rupees in '000)					
50,000	12.83%	Semi-annually	GOP Ijara Sukuk	27-Apr-27	49,428

6.2.3 Sukuk - Meezan Bank Limited (Held-to-maturity)

Face value	Effective yield	Profit payment	Type of security	Maturity date	2024
(Rupees in '000)					
9,000	12.77%	Semi-annually	Sukuk	9-Jan-30	9,036
Face value	Effective yield	Profit payment	Type of security	Maturity date	2023
(Rupees in '000)					
9,000	23.73%	Semi-annually	Sukuk	9-Jan-30	9,040

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6.3 Participants' Fund

	2024			2023		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
(Rupees in '000)						
Held-to-maturity						
Sukuk - Meezan Bank Ltd	31,126	-	31,126	31,139	-	31,139
GOP Ijara Sukuk	59,599	-	59,599	59,459	-	59,459
Total investment - held-to-maturity	90,725	-	90,725	90,598	-	90,598
Available-for-Sale						
GOP Ijara Sukuk	1,072,154	-	1,072,154	380,000	-	380,000
Surplus on revaluation			24,723			2,250
Total investment - available for sale	1,072,154	-	1,096,878	380,000	-	382,250
Total investment - debt securities	1,162,879	-	1,187,602	470,598	-	472,848

6.4 Participants' Fund

6.4.1 Government Securities (Available for sale)

Face value	Effective yield	Profit payment	Type of security	Maturity date	2024
(Rupees in '000)					
618,500	13.59%	Semi-annually	GOP Ijara Sukuk	26-Oct-27	627,778
500,000	15.00%	On Maturity	GOP Ijara Sukuk	18-Sep-25	469,100
Face value	Effective yield	Profit payment	Type of security	Maturity date	2023
(Rupees in '000)					
300,000	22.63%	Semi-annually	GOP Ijara Sukuk	26-Jun-24	302,250
80,000	22.84%	Semi-annually	GOP Ijara Sukuk	20-Sep-24	80,000

6.4.2 Government Securities (Held-to-maturity)

Face value	Effective yield	Profit payment	Type of security	Maturity date	2024
(Rupees in '000)					
10,000	11.33%	Semi-annually	GOP Ijara Sukuk	29-Jul-25	9,993
50,000	12.89%	Semi-annually	GOP Ijara Sukuk	27-Apr-27	49,606
Face value	Effective yield	Profit payment	Type of security	Maturity date	2023
(Rupees in '000)					
10,000	22.80%	Semi-annually	GOP Ijara Sukuk	29-Jul-25	9,983
50,000	12.89%	Semi-annually	GOP Ijara Sukuk	27-Apr-27	49,476

6.4.3 Sukuk - Meezan Bank Limited (Held-to-maturity)

Face value	Effective yield	Profit payment	Type of security	Maturity date	2024
(Rupees in '000)					
31,000	12.77%	Semi-annually	Sukuk	9-Jan-30	31,126
Face value	Effective yield	Profit payment	Type of security	Maturity date	2023
(Rupees in '000)					
31,000	23.73%	Semi-annually	Sukuk	9-Jan-30	31,139

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7 LOANS AND OTHER RECEIVABLES

Accrued investment income
Other receivables

OPF		PTF	
2024	2023	2024	2023
(Rupees in '000)			
13,180	8,638	34,118	30,301
51	88	232	270
13,240	8,725	34,348	30,571

8 TAKAFUL / RETAKAFUL RECEIVABLES - PTF

Unsecured and considered good

Due from takaful participants holders

Provision for impairment of receivables from takaful participants holders

Note 2024 2023
(Rupees in '000)

463,438	353,655
(2,799)	(9,564)
460,639	344,091

Due from other insurers/retakaful operators

Provision for impairment of due from other other takaful / retakaful

9

80,851	51,283
(4,266)	(1,458)
86,385	49,825
547,024	393,916

8.1 The Operator performs aging analysis of its receivable from insurance contract holders, other insurers and reinsurers and also takes into account historical experience, to estimate the amount of provision against these receivables.

9 The Company has entered co-takaful and re-takaful arrangements with various other co-takaful and domestic re-takaful operators. As of 31 December 2024, the aggregate net balances due to other takaful and domestic re-takaful operators arising from such arrangements amounts to Rs. 44,955 million and Rs. 72,914 million respectively. (Refer notes 8 & 14)

Under the above arrangements, the receivable and payable balances originate mainly due to premiums collected or claims settled by lead insurer on behalf of other co-takaful operators and in case of re-takaful operators, the contribution ceded to and claims recoverable from the re-takaful under the respective contracts. As per the prevailing industry practices, settlements of balances under co-takaful arrangements occur between the respective takaful operators in due course of business, however, the position of outstanding balances due to/from other co-takaful operators at a given point in time is not confirmed or reconciled with other co-takaful due to high volume of transactions and inconsistent accounting practices for classification of co-takaful balances among the takaful operators.

In the year 2022, the SECP advised the Takaful sector to exchange outstanding balance information under co-takaful and re-takaful arrangements with other takaful operators operating in Pakistan as part of the annual audit process. Pursuant to that, the takaful operators through the forum of Insurance Association of Pakistan (IAP), informed the SECP that the reconciliation of balances among the takaful operators is a time-consuming exercise as it requires standardization of accounting practices within the takaful sector as a pre-requisite for such reconciliations to complete.

Notwithstanding the above developments regarding the confirmation and reconciliations of balance positions between the takaful operators/companies, the Company believes that the current balances of co-takaful and re-takaful reflected in the records of the Company are based on the underlying contracts and transactions supported by appropriate evidence and corroborated through confirmation of the balances from several co-insurer companies.

10 RECEIVABLE FROM PTF / PAYABLE TO OPF

Wakala fee
Modariba fee

OPF		PTF	
2024	2023	2024	2023
(Rupees in '000)			
247,854	176,776	247,884	176,776
37,677	32,276	37,677	32,276
285,531	209,052	285,531	209,052

Note

11 DEFERRED TAXATION

Deferred debits arising in respect of provision on wakala fee
Deferred credit arising in respect of surplus on revaluation

11.1

OPF	
2024	2023
(Rupees in '000)	
745	1,739
(2,173)	(252)
(1,428)	1,487

11.1 The movement in deferred tax asset is as follows:

Opening deferred tax asset
Income booked in the profit and loss account
Reversal in the other comprehensive income
Closing deferred tax asset

OPF	
2024	2023
(Rupees in '000)	
1,487	2,172
(994)	(433)
(1,921)	(252)
(1,428)	1,487

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		OPF		PTF	
		2024	2023	2024	2023
		(Rupees in '000)			
12	PREPAYMENTS				
	Prepaid retakaful contribution ceded	-	-	305,140	151,763
	Tracker monitoring fee	-	-	3,580	4,881
	Prepaid software charges	375	375	-	-
		<u>375</u>	<u>375</u>	<u>308,720</u>	<u>156,644</u>
13	CASH AND BANK				
	Cash and cash equivalent				
	Cash in hand	-	-	-	-
	Policy and revenue stamps	-	-	315	501
	Cash at bank				
	- Current account	886	46	31,655	7,273
	- Savings account	4,602	24,171	29,788	32,877
	Cash and bank	<u>5,488</u>	<u>24,219</u>	<u>52,761</u>	<u>40,651</u>
	Deposits maturing within 12 months				
	Term deposits receipts within 12 months	-	52,000	-	300,000
		<u>5,488</u>	<u>76,219</u>	<u>52,761</u>	<u>340,651</u>

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	OPF		PTF	
	2024	2023	2024	2023
(Rupees in '000)				
Cash and bank balances	5,488	24,219	52,761	40,651
Short term investments with 3 months or less maturity	-	52,000	-	300,000
	<u>5,488</u>	<u>76,219</u>	<u>52,761</u>	<u>340,651</u>

- 13.1 This includes balance with a related party amounting to Rs. 14,606 million (2023: Rs. 7,283 million).
- 13.2 Deposits on saving accounts carry profit rates ranging between 5.45% to 11.04% (2023: 7.50% to 11.01%) per annum.
- 13.3 Term Deposits carry profit rates ranging nil (2023: 21.00%-21.25%)

13.3.1 **Participants' takaful fund**

Participants' takaful fund	Maturity date	2024	2023
		----- (Rupees in '000) -----	
BankIslami Pakistan Limited	2-Jan-24	-	150,000
BankIslami Pakistan Limited	8-Jan-24	-	100,000
BankIslami Pakistan Limited	26-Jan-24	-	50,000
		<u>-</u>	<u>300,000</u>

Operators' fund

Operators' fund	Maturity date	2024	2023
		----- (Rupees in '000) -----	
BankIslami Pakistan Limited	2-Jan-24	-	52,000
		-	52,000

14 **TAKAFUL / RETAKAFUL PAYABLES**

Due to takaful participants / Retakaful payable
Due to other takaful operators

Note	PTF	
	2024	2023
(Rupees in '000)		
9	220,870	162,568
9	33,863	110,657
	<u>254,733</u>	<u>273,116</u>

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		OFF		PTF	
		2024	2023	2024	2023
		(Rupees in '000)			
15	OTHER CREDITORS AND ACCRUALS				
	Federal excise duty and sales tax	510	906	2,119	9,761
	Federal takaful fee	-	-	2,258	972
	Commissions payable	76,430	63,429	-	-
	Unclaimed takaful benefits	-	-	5,555	4,569
	Accrued expenses	6,627	4,773	4,483	3,584
	Others	1,161	1,273	12,835	8,611
	Payable to UBL Insurers Limited	13,549	4,835	1,548	1,448
		98,277	75,215	28,798	28,945

15.1 This represents outstanding claims in respect of which cheques have been issued by the Operator for claim settlement but the same have not been encashed by the claimant. The following is the ageing as required by SECP circular No. 11 dated May 19, 2014.

	2024	2023
	(Rupees in '000)	
More than 6 months	<u>5,555</u>	<u>4,569</u>
1 to 6 months	<u>126,442</u>	<u>35,872</u>

2024						
(Age-wise Breakup)						
1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months	Total	
(Rupees in '000)						
Claims not encashed	126,442	720	818	867	3,150	131,997

2023						
(Age-wise Breakup)						
1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months	Total	
(Rupees in '000)						
Claims not encashed	35,872	429	981	1,677	1,482	40,441

16 CONTINGENCIES AND COMMITMENTS

There is no contingencies arises.

17 NET CONTRIBUTION

	PTF	
	2024	2023
(Rupees in '000)		
Written gross contribution	1,886,716	1,036,921
Less: Wakala fee	(478,348)	(340,419)
Contribution Net of Wakala Fee	<u>1,408,368</u>	<u>696,502</u>
Add: Unearned contribution reserve opening	281,080	258,416
Less: Unearned contribution reserve closing	(490,315)	(281,080)
Contributions Earned	<u>1,199,133</u>	<u>673,840</u>
Retakaful contribution ceded	(841,928)	(443,601)
Add: Prepaid retakaful ceded opening	(151,763)	(122,497)
Less: Prepaid retakaful ceded closing	305,140	151,763
Retakaful expense	<u>(688,551)</u>	<u>(414,335)</u>
Net Contribution	<u>510,582</u>	<u>259,505</u>

18 RETAKAFUL REBATE

Retakaful rebate/commission received:

Add: Unearned retakaful rebate/commission opening

Less: Unearned retakaful rebate/commission closing

224,403 111,356

38,276 32,832

(82,314) (39,278)

151,448 104,912

PTF

2024 2023

(Rupees in '000)

19 TAKAFUL BENEFITS / CLAIMS EXPENSE

Benefits / Claims paid

Add: Outstanding benefits / claims including IBNR closing

Less: Outstanding benefits / claims including IBNR opening

Claim expense

982,474 424,435

574,113 377,302

(377,202) (304,408)

1,179,385 497,229

Re-Takaful and other recoveries received

Add: Re-Takaful and other recoveries in respect of outstanding claims closing

Less: Re-Takaful and other recoveries in respect of outstanding claims opening

Retakaful and other recoveries revenue

563,952

172,834

315,119

223,206

(223,206)

(188,926)

(675,865)

(208,115)

Net Claims Expense

503,520

288,114

19.1 BENEFIT / CLAIM DEVELOPMENT

The following table shows the development of claims over a period of time on gross basis.

Analysis on gross basis

Accident year

2020

2021

2022

2023

2024

(Rupees in '000)

At end of accident year

756,989

268,339

444,308

490,577

1,146,125

One year later

808,623

292,815

447,475

475,742

-

Two years later

811,046

297,569

443,806

-

-

Three years later

815,931

294,628

-

-

-

Four years later

813,106

-

-

-

-

Current estimate of cumulative claims

813,106

294,628

443,806

475,742

1,146,125

Cumulative payment made to date

(775,116)

(266,173)

(400,047)

(405,484)

(787,995)

Liability recognised in the statement of financial position

37,990

14,656

43,758

70,256

358,129

OPF

2024 2023

(Rupees in '000)

20 COMMISSION EXPENSE

Commission paid or payable

Add: Deferred commission expense opening

Less: Deferred commission expense closing

215,334

146,706

64,193

60,495

(91,037)

(64,153)

188,490

143,048

myh

**UBL INSURERS LIMITED -
WINDOW TAKAFUL OPERATIONS**

21	GENERAL ADMINISTRATIVE AND MANAGEMENT EXPENSES	Note	OPF	
			2024	2023
			(Rupees in '000)	
	Employee benefit cost	21.1	100,554	67,685
	Traveling expenses		1,262	851
	Printing and stationery		2,368	2,106
	Rent, rates and taxes		648	789
	Legal and professional charges - business related		4,507	4,202
	Electricity, gas and water		4,517	2,956
	Entertainment		1,646	919
	Vehicle running expenses		-	-
	Office repairs and maintenance		2,042	1,522
	Communication charges		8,175	5,792
	Shariah Advisor's fee		1,717	1,540
	Bad and doubtful debts		(2,549)	(2,122)
	Miscellaneous		1,434	1,016
			<u>127,020</u>	<u>87,665</u>
			OPF	
			2024	2023
			(Rupees in '000)	
21.1	Employee benefit cost		100,032	64,858
	Salaries, allowance and other benefits		(78)	2,967
	Charges for post employment benefit		<u>100,554</u>	<u>67,885</u>
22	INVESTMENT INCOME		OPF	
			2024	2023
			(Rupees in '000)	
	Income from equity securities - (available for sale)			
	- Dividend income		163	2,106
	Income from debt securities - (available for sale)			
	- Return on debt securities		42,465	11,873
	Income from debt securities - (Held to maturity)			
	- Return on debt securities		8,243	8,234
	Income from term deposits - (Held to maturity)			
	- Return on term deposits		3,085	14,151
			<u>53,976</u>	<u>36,474</u>
	Realized gains on investments			
	- Equity Securities - (available for sale)		171	-
			<u>54,147</u>	<u>36,474</u>
23	OTHER INCOME / (LOSS)		PTF	
			2024	2023
			(Rupees in '000)	
	Return on bank balances		10,804	8,307
	Miscellaneous		488	132
			<u>3,148</u>	<u>2,476</u>
			<u>10,859</u>	<u>10,352</u>
24	DIRECT EXPENSES		OPF	
			2024	2023
			(Rupees in '000)	
	Legal and professional fee other than business related		559	309
	Auditor's remuneration	24.1	1,705	1,470
	Shariah audit fee		474	431
	Employee benefit cost		28,303	15,781
	Communication		811	1,315
	Miscellaneous		1,943	2,442
			<u>31,875</u>	<u>21,751</u>

**UBL INSURERS LIMITED -
WINDOW TAKAFUL OPERATIONS**
24.1 Auditor's remuneration

Audit fee	606	551
Half yearly review	147	133
Certifications	674	613
Out of pocket expense	278	173
	<u>1,705</u>	<u>1,470</u>

25 TAXATION

For the year		
Current	73,404	55,747
Deferred	994	433
	<u>74,398</u>	<u>56,180</u>

25.1 Relationship between tax expense and accounting profit

Profit before taxation for the year	<u>190,785</u>	<u>145,062</u>
Tax at the applicable rate of 39% (2023: 35%)	74,398	56,574
Others	-	(394)
	<u>74,398</u>	<u>56,180</u>

26 COMPENSATION OF EXECUTIVES

	Executives	
	2024	2023
	(Rupees in '000)	
Managerial remuneration	957	802
Bonus	-	113
House rent allowance	431	406
Utilities	191	180
Medical	98	90
Retirement benefits	156	150
Fuel allowance	877	886
Vehicle allowance	1,200	960
Cell allowance	38	38
Driver salary	120	120
Others	11	12
	<u>4,078</u>	<u>3,565</u>
Number of persons	<u>1</u>	<u>1</u>

Executives mean employees, other than the Chief Executive and Directors, whose basic salary exceeds five hundred thousand rupees in a financial year.

27 RELATED PARTY TRANSACTIONS

Related parties comprise of related group companies, directors of the Operator, key management personnel, post employment benefit plans and other related parties. The Operator in the normal course of business carries out transactions with various related parties at agreed / commercial terms and conditions. Balances and transactions with the related parties other than those disclosed in the relevant notes to these financial statements are as follows:

Transactions during the year with related parties
Associated and other companies

	Operator Fund		Participants' Takaful Fund	
	2024	2023	2024	2023
	(Rupees in '000)		(Rupees in '000)	
Contribution underwritten	-	-	768,814	12,343
Takaful claims paid	-	-	386,880	4,178
Profit on bank accounts	-	-	5,878	1,478
Bank charges	-	-	191	153
Commission paid	934	-	-	-
Commission expense	4,084	-	-	-
Management and other expenses	150,714	102,432	-	-

**UBL INSURERS LIMITED -
WINDOW TAKAFUL OPERATIONS**
Balances with related parties

	Operator Fund		Participants' Takaful Fund	
	2024	2023	2024	2023
	(Rupees in '000)		(Rupees in '000)	
Associated and other companies				
Bank balances	-	-	14,506	7,263
Contribution due but unpaid	-	-	162,161	668
Profit on bank accounts	-	-	195	33
Claim outstanding	-	-	98,587	16,453
Commission outstanding	3,150	-	-	-
Payable to UBL Insurers Limited	13,549	4,835	1,548	1,448

27.1 Following are the related parties with whom the Operator had entered into transactions or have arrangement / agreement in place

S. No.	Name of related party	Basis of association / relationship
1	United Bank Limited	Associate
2	Bestway Cement Limited	Associate
3	UBL Insurers Limited	Operator
4	Bestway Packaging Limited	Other

28 SEGMENT INFORMATION

The Window Takaful Operation has five primary business segments for reporting purposes namely fire and property damage, marine aviation and transport, motor, bankers blanket and miscellaneous segment.

Assets and liabilities, wherever possible, have been assigned to the following segments based on specific identification or allocated on the basis of the gross contribution written by the segments.

Particulars	2024					
	Fire and property damage	Marine, Aviation and Transport	Motor	Health	Bankers Blanket	Miscellaneous
	(Rupees in '000)					
Participants' Takaful Fund						
Contribution receivable (inclusive of Federal excise duty and Federal takaful fee and Administrative surcharge)	434,866	105,792	618,546	620,542	12,257	55,838
Less: Federal excise duty/ sales tax	(57,694)	(19,028)	(104,944)	-	(1,541)	(7,214)
Less: Federal takaful fee	(3,785)	(1,370)	(7,343)	(8,145)	(109)	(193)
Gross written contribution (inclusive of Administrative surcharge)	374,024	135,594	704,259	614,398	10,607	48,071
Gross direct contribution	369,544	129,505	682,661	614,308	10,569	47,375
Facultative inward contribution	-	-	-	-	-	-
Administrative surcharge	4,478	5,889	21,598	70	42	696
Wakala fee	374,024	135,594	704,259	614,398	10,610	48,071
Takaful contribution earned	112,207	40,816	248,481	51,440	5,183	14,409
Takaful contribution ceded to re-takaful	233,272	93,811	441,488	360,674	7,394	29,487
Net takaful contribution	(98,698)	(115,425)	(59,999)	(178,697)	(2,211)	(37,507)
Retakaful rebate	(73,330)	(21,618)	381,388	214,677	5,180	(8,010)
Net underwriting income	79,510	35,388	4,172	53,069	620	8,719
Takaful claims	6,114	13,737	395,571	288,086	6,890	759
Takaful claims recovered from re-takaful	(169,807)	(37,920)	(506,198)	(415,544)	(3,891)	(40,265)
Net claims	163,101	35,896	145,043	235,679	6,475	39,584
Other direct expenses	(6,406)	(2,884)	(383,155)	(128,665)	(2,375)	(1,825)
Surplus / (loss) before investment income	(1,040)	(377)	(16,271)	-	(20)	(134)
Investment income	(7,272)	10,468	15,145	143,121	3,396	(1,264)
Other income	-	-	-	-	-	-
Investor's share of investment income	-	-	-	-	-	-
Provisions for doubtful contributions (net of Wakala fee)	-	-	-	-	-	-
Surplus transferred to Balance of PSF	-	-	-	-	-	-
Corporate segment assets	286,107	101,589	535,717	489,979	8,115	36,741
Corporate unallocated assets	-	-	-	-	-	-
Total assets	286,107	101,589	535,717	489,979	8,115	36,741
Corporate segment liabilities	213,479	113,477	590,259	514,943	8,892	40,256
Corporate unallocated liabilities	-	-	-	-	-	-
Total liabilities	213,479	113,477	590,259	514,943	8,892	40,256

**UBL INSURERS LIMITED -
WINDOW TAKAFUL OPERATIONS**
Total liabilities

Particulars	2024						1,000,000
	Fire and property damage	Marine, Aviation and Transport	Motor	Health	Bankers Blanket	Miscellaneous	Total
Operator's Fund	(Rupees in '000)						
Wakala fee							
Commission expenses	99,974	40,205	237,728	43,741	3,189	12,602	437,439
Management expenses	(48,388)	(18,891)	(84,567)	(23,993)	455	(4,171)	(188,493)
	(32,525)	(11,774)	(61,342)	(10,379)	(933)	(4,177)	(127,020)
	11,561	8,348	61,929	3,439	2,045	4,269	121,944
Modar's share of PTF investment income							
General and administrative expenses							(31,675)
Investment income							94,147
Other income							3,168
Profit before taxation							190,798
Taxation							(74,398)
Profit after tax							116,367
Corporate segment assets	74,001	27,023	140,583	122,637	2,118	9,588	376,550
Corporate unallocated assets							385,810
Total assets							776,260
Corporate segment liabilities	50,801	18,380	99,555	83,450	1,441	8,024	258,261
Corporate unallocated liabilities							168,322
Total liabilities							421,583

Particulars	2023						Total
	Fire and property damage	Marine, Aviation and Transport	Motor	Health	Bankers Blanket	Other Classes	Total
Participants' Takaful Fund	(Rupees in '000)						
Contribution receivable (inclusive of Federal excise duty and Federal takaful fee and Administrative surcharge)							
Less: Federal excise duty/sales tax	152,246	108,448	675,423	-	10,940	45,952	1,185,907
Less: Federal takaful fee	(14,066)	(12,901)	(62,493)	-	(1,383)	(5,415)	(146,249)
Less: Federal takaful fee	(3,182)	(950)	(8,108)	-	(95)	(801)	(110,746)
Gross written contribution (inclusive of Administrative surcharge)	34,998	65,553	389,822	-	8,282	40,038	1,058,621
Gross direct contribution	320,584	91,653	666,500	-	5,447	38,344	1,207,512
Reimburse direct contribution							
Administrative surcharge	4,402	3,903	20,344	-	36	625	29,409
Wakala fee	324,956	65,585	686,844	-	5,483	40,038	1,236,921
Takaful contribution earned	61,480	28,675	265,388	-	2,848	13,011	340,410
Takaful contribution ceded to re-takaful	181,064	88,839	381,813	-	8,411	25,013	675,840
Net takaful contribution	(248,328)	(62,912)	(43,882)	-	(5,139)	(33,098)	(414,355)
Re-takaful rebate	(87,262)	(10,373)	337,801	-	2,272	(7,081)	232,357
Net underwriting income	65,055	28,226	3,646	-	1,665	8,150	104,342
Takaful claims	8,743	8,853	341,767	-	3,357	1,092	364,417
Takaful claims recovered from re-takaful	(23,180)	(53,049)	(376,708)	-	(25,883)	(16,428)	(497,228)
Net claims	20,821	49,745	87,808	-	24,098	10,624	208,115
Contribution deficiency expense	(3,335)	(4,385)	(277,880)	-	(1,887)	(1,804)	(288,514)
Other direct expense	(939)	(288)	(15,235)	-	(28)	(1,201)	(26,681)
Surplus (deficit) before investment income	9,495	4,384	44,582	-	2,042	(827)	58,735
Net investment income							128,088
Other income							10,382
Modar's share of investment income							(27,684)
Provisions for doubtful contributions (net of Wakala fee)							31,107
Surplus transferred to Balance of PTF							177,600
Corporate segment assets	282,450	88,528	543,525	-	8,702	37,080	960,385
Corporate unallocated assets							897,937
Total assets							1,858,322
Corporate segment liabilities	320,345	102,285	627,983	-	10,147	42,945	1,108,613
Corporate unallocated liabilities							203,748
Total liabilities							1,312,361

Particulars	2022						Total
	Fire and property damage	Marine, Aviation and Transport	Motor	Health	Bankers Blanket	Other Classes	Total
Operator's Fund	(Rupees in '000)						
Wakala fee	81,885	28,517	205,591	-	3,655	11,145	330,793
Commission expenses	(48,284)	(14,209)	(78,828)	-	(238)	(9,425)	(142,004)
Management expenses	(25,758)	(6,072)	(48,538)	-	(871)	(3,381)	(87,550)
	15,843	8,236	78,225	-	3,526	4,249	100,173
Modar's share of PTF investment income							
General and administrative expenses							(27,861)
Investment income							21,781
Other income							36,474
Profit before taxation							2,478
Taxation							(45,082)
Profit after tax							(88,150)
Corporate segment assets	80,384	25,160	124,845	-	2,499	10,380	273,345
Corporate unallocated assets							281,919
Total assets							555,264
Corporate segment liabilities	89,518	18,658	114,831	-	1,381	7,013	222,398
Corporate unallocated liabilities							87,400
Total liabilities							309,798

29 MOVEMENT IN INVESTMENT

Operator's Fund

Balance as at January 1, 2023	
Additions	
Disposal (sale and redemptions)	
Fair value net gains (excluding net realized gains)	
Discount / premium amortization	
Balance as at January 1, 2024	
Additions	
Disposal (sale and redemptions)	
Fair value net gains (excluding net realized gains)	
Discount / premium amortization	
Balance as at December 31, 2024	

Operator Fund			
Held to maturity	Available for sale	Fair Value through P & L	Total
(Rupees in '000)			
181,845	27,348	-	209,193
187,000	132,250	-	319,250
(258,500)	(43,599)	-	(302,099)
-	645	-	645
124	-	-	124
110,469	116,644	-	227,113
54,000	779,358	-	833,358
(105,000)	(576,031)	-	(681,031)
-	3,005	-	3,005
60	(97)	-	(37)
58,529	322,080	-	380,609

Participants' Takaful Fund

Balance as at January 1, 2023	
Additions	
Disposal (sale and redemptions)	
Fair value net gains (excluding net realized gains)	
Discount / premium amortization	
Balance as at January 1, 2024	
Additions	
Disposal (sale and redemptions)	
Fair value net gains (excluding net realized gains)	
Discount / premium amortization	
Balance as at December 31, 2024	

Window Takaful Operation			
Held to maturity	Available for sale	Fair Value through P & L	Total
(Rupees in '000)			
551,994	103,801	-	655,795
971,000	562,986	-	1,533,986
(1,132,500)	(193,706)	-	(1,326,206)
-	2,926	-	2,926
104	-	-	104
390,598	476,097	-	866,695
380,000	3,139,724	-	3,499,724
(660,000)	(2,455,186)	-	(3,115,186)
-	23,529	-	23,529
127	11,189	-	11,316
90,725	1,195,352	-	1,286,077

30 MANAGEMENT OF TAKAFUL AND FINANCIAL RISK

The Operator issues contracts that transfer Takaful risk or financial risk or both. This section summarizes these risks and the way the Operator manages them.

30.1 Takaful risk management

Takaful risk

The risk under any takaful contract is the possibility that the takaful event occurs and the uncertainty of the amount of compensation to the takaful. Generally most takaful contracts carry the takaful risk for a period of one year (refer note 3.1).

The Operator accepts takaful through issuance of general takaful contracts. For these general takaful contracts the most significant risks arise from fire, atmospheric disturbance, earthquakes, transit, theft, third party liabilities and other catastrophes. For health takaful contracts significant risks arise from epidemics.

The Operator's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. Adequate retakaful is arranged to mitigate the effect of the potential loss to the PTF from individual to large or catastrophic takaful events. Further, the Operator adopts strict claims review policies including active management and prompt pursuing of the claims and regular detailed review of claim handling procedures.

(a) Frequency and severity of claims

Risk associated with general takaful contracts includes the reasonable possibility of significant loss as well as the frequent occurrence of the insured events. This has been managed by having in place underwriting strategy, retakaful arrangements and proactive claim handling procedures.

The retakaful arrangements against major risk exposure include excess of loss, quota share, surplus arrangements and catastrophic coverage. The objective of having such arrangements is to mitigate adverse impacts of severe losses on the PTF's net retentions.

Concentration of risk

To optimize benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risk with reference to the geographical location, the most important of which is risk survey.

Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated with the commercial/ industrial/ residential occupation of the participant. Details regarding the fire separation/ segregation with respect to the manufacturing process, storage, utilities, etc. are extracted from the layout plan of the participant facility. Such details form part of the reports which are made available to the underwriters/ retakaful personnel for their evaluation. Reference is made to the standard construction specification as laid down by IAP (Insurance Association of Pakistan). For instance, the presence of perfect party walls, double fire proof iron doors, physical separation between the building within a participant's premises, it is basically the property contained within an area which is separated by another property by sufficient distance to confine participant damage from uncontrolled fire and explosion under the most adverse conditions to that one area.

The ability to manage catastrophic risk is tied managing the density of risk within a particular area. For catastrophic aggregates, the system assigns precise geographic CRESTA (Catastrophe Risk Evaluating and standardizing Target Accumulations) codes with reference to the accumulation of sum covered in force at any particular location against natural perils.

For marine risks, complete underwriting details such as sums covered mode of transport (air / inland transit), vessel identification, sailing date, origin and destination of the shipments, per carry limits, accumulation of sum covered on a single voyage etc. are taken into consideration.

A number of proportional and non-proportional retakaful arrangements are in place to protect the net account. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional treaty, any loss over and above the said limit would be recovered from the non-proportional treaty which is very much in line with the risk management philosophy of the Operator.

The Company monitors concentration of insurance 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:

Class	2024				2023			
	Gross claims liabilities	Net claims liabilities	Gross contribution liabilities	Net contribution liabilities	Gross claims liabilities	Net claims liabilities	Gross contribution liabilities	Net contribution liabilities
	%				%			
Fire and property	13.09%	-0.63%	37.09%	5.51%	15.91%	1.26%	33.52%	4.37%
Marine and transport	10.49%	2.79%	1.11%	-0.05%	11.55%	-1.07%	1.44%	0.06%
Motor	36.79%	70.04%	42.33%	73.03%	52.27%	97.05%	61.55%	94.83%
Health	21.36%	24.34%	26.41%	21.02%	0.00%	0.00%	0.00%	0.00%
Bankers' blanket	7.35%	2.21%	0.07%	0.10%	11.64%	2.05%	0.09%	0.09%
Miscellaneous	9.93%	1.44%	0.00%	0.40%	8.44%	1.30%	3.37%	0.40%
	99.99%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

The operator monitors concentration of takaful exposure primarily by class of business. The table below sets out the concentration of the maximum gross risk exposure on a single policy by class of business at date of statement of financial position:

Class	Maximum gross risk exposure	
	2024	2023
	(Rupees in '000)	
Fire and property	426,912,226	289,264,956
Marine, aviation and transport	243,536,285	154,873,438
Motor	55,584,041	56,312,058
Health	27,505,777	-
Bankers blanket	8,044,200	4,203,500
Miscellaneous	16,529,254	13,989,713

The Operator minimizes its exposure to significant losses by obtaining retakaful from a number of retakaful operators, who are dispersed over several geographical regions.

(b) Uncertainty in the estimation of future claims payments

Claims on general takaful contracts are payable on a claim occurrence basis. The PTF is liable for all takaful events as per terms and condition of the takaful contract.

An estimated amount of the claim is recorded immediately on the intimation to the Operator. The estimation of the amount is based on management judgement or preliminary assessment by the independence surveyor appointed for the purpose. The initial estimates include expected settlement cost of the claims. Provision for IBNR is recorded based on the advice of the actuary.

There are several variable factors which affect the amount and timing of recognized claim liabilities. The Operator takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be different from initial recognized amount. Similarly, the provision for claims incurred but not reported is based on historic reporting pattern of the claims other than exceptional losses. Hence, actual amount of incurred but not reported claims may differ from the amounts estimated.

(c) Key assumptions

The principal assumption underlying the liability estimation of IBNR and Contribution Deficiency Reserves is that the PTF's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgement to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgement includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc. The internal factors such as portfolio mix, policy conditions and claim handling procedures are further used in this regard.

Actuarial valuation is carried out for the determination of IBNR which is based on a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation as required / allowed by the SECP circular 9 of 2016.

IBNR is determined by using the "Chain Ladder Method" for all classes of business including in-patient claims of accident and health class. Alternative method is used for accident and health out-patient (OP) takaful. The claims outstanding and claims paid till date are deducted from the ultimate claim payments for that particular year to derive an IBNR estimate for that year. IBNR triangles are made on a yearly basis for each class of business except for motor which is made on a quarterly basis and health which is made on monthly basis. For accident and health OP business, IBNR has been set equal to monthly average of OP claims reported in preceding three months, including margins for adverse deviations. For accident and health takaful business, a loss ratio method has been used. The methods used, and the estimates made, are reviewed regularly.

The Operator determines adequacy of liability of contribution deficiency by carrying out analysis of its loss ratio of expired periods of the contracts. For this purpose average loss ratio of last three years inclusive of claim settlement cost but excluding major exceptional claims are taken into consideration to determine ultimate loss ratio to be applied on unearned contribution.

(d) Changes in assumptions

The Operator did not change its assumptions for the takaful contracts as disclosed above in (b) and (c).

(e) Sensitivity analysis

The takaful claim liabilities are sensitive to the incidence of participant events and severity / size of claims. The impact of 10% increase / decrease in incidence of participant events on underwriting results and participants' Takaful Fund is as follows:

	Underwriting results		Participants' Takaful Fund	
	2024	2023	2024	2023
	(Rupees in '000)			
Average claim cost				
Fire and property	641	234	391	143
Marine and transport	289	420	177	256
Motor	36,316	27,787	22,182	16,950
Health	12,687	-	7,739	-
Banker's blanket	238	189	143	115
Miscellaneous	183	180	111	110
	50,352	28,810	30,715	17,574

30.2 Financial risk management

The Board of Directors of the Operator has overall responsibility for the establishment and oversight of the Operator's risk management framework. The Operator has exposure to the following risks from its use of financial instruments:

- Financial risk
- Credit risk
- Liquidity risk
- Market risk

Risk management framework

Every takaful operator is exposed to a wide range of risks, some discrete and some interdependent; integrated risk management entail strong governance processes; ensuring greater accountability, transparency and risk awareness in underwriting, investment and strategic decisions. The Board of Directors take ultimate responsibility for supervising the Operator's risk management framework. Risk management framework covers the need to review the strategy of a Operator and to assess the risk associated with it.

The Audit Committee oversees compliance by management with the Operator's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Operator. The Audit Committee is assisted in its oversight role by an Internal Audit Function. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

30.2.1 Financial risk

Maturity profile of financial assets and liabilities:

OPF

DPF	Profit rate % per annum	2024						Total
		Profit / mark-up bearing financial instruments			Non profit / mark-up bearing financial instruments			
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
		(Rupees in '000)						
Financial assets								
Cash and bank	9.55 - 11.04	4,602	-	4,602	866	-	866	5,468
Investments	12.49 - 20.99	-	344,252	344,252	36,057	-	36,057	380,800
Loan and other receivable		-	-	-	13,240	-	13,240	13,240
Receivable from PTF		-	-	-	265,531	-	265,531	265,531
		4,602	344,252	348,854	355,994	-	355,994	664,848
Financial liabilities								
Other creditors and accruals		-	-	-	97,767	-	97,767	97,767
		-	-	-	97,767	-	97,767	97,767
Interest rate risk sensitivity gap		4,602	344,252	348,854	-	-	-	348,854
Cumulative interest rate risk sensitivity gap		4,602	348,654					

PTF

PTF

Profit rate % per annum	2024						Total	
	Profit / mark-up bearing financial instruments			Non profit / mark-up bearing financial instruments				
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total		
	(Rupees in '000)							
Financial assets								
Cash and bank	5.45 - 11.04	30,788	-	30,788	31,873	-	31,873	62,661
Investments	12.49 - 20.99	479,093	708,509	1,187,602	98,474	-	98,474	1,286,076
Takaful / retakaful receivables	-	-	-	-	547,024	-	547,024	547,024
Retakaful recoveries against outstanding claims	-	-	-	-	319,779	-	319,779	319,779
Loan and other receivable	-	-	-	-	34,345	-	34,345	34,345
Salvage recoveries accrued	-	-	-	-	-	-	-	-
		499,881	708,509	1,208,390	1,031,598	-	1,031,598	2,239,988
Financial liabilities								
Outstanding claims including benefit	-	-	-	-	574,113	-	574,113	574,113
Payable to OPF	-	-	-	-	265,531	-	265,531	265,531
Takaful / retakaful payables	-	-	-	-	254,733	-	254,733	254,733
Salvage payable	-	-	-	-	4,660	-	4,660	4,660
Other creditors and accruals	-	-	-	-	24,421	-	24,421	24,421
		-	-	-	1,143,458	-	1,143,458	1,143,458
Interest rate risk sensitivity gap		499,881	708,509	1,208,390				
Cumulative interest rate risk sensitivity gap		499,881	1,208,390					

OPF

OPF

Profit rate % per annum	2023						Total	
	Profit / mark-up bearing financial instruments			Non profit / mark-up bearing financial instruments				
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total		
	(Rupees in '000)							
Financial assets								
Cash and bank	7.50 - 11.01	24,171	-	24,171	48	-	48	24,219
Investments	11.04 - 22.79	180,645	28,488	209,133	-	-	-	209,133
Loan and other receivable	-	-	-	-	8,725	-	8,725	8,725
Receivable from PTF	-	-	-	-	209,052	-	209,052	209,052
		182,816	56,659	251,284	217,825	-	217,825	460,100
Financial liabilities								
Other creditors and accruals	-	-	-	-	74,310	-	74,310	74,310
		-	-	-	74,310	-	74,310	74,310
Interest rate risk sensitivity gap		182,816	56,659	251,284	-	-	-	251,284
Cumulative interest rate risk sensitivity gap		182,816	251,288					

PTF

PTF	2023							
	Profit rate % per annum	Profit / mark-up bearing financial instruments			Non profit / mark-up bearing financial instruments			Total
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
(Rupees in '000)								
Financial assets								
Cash and bank	7.80 - 11.01	32,877	-	32,877	7,774	-	40,651	
Investments	12.48 - 23.87	682,350	90,598	772,948	93,847	-	866,794	
Takaful / re-takaful receivables	-	-	-	-	393,916	-	393,916	
Re-takaful recoveries against outstanding claims	-	-	-	-	228,957	-	228,957	
Loan and other receivable	-	-	-	-	30,571	-	30,571	
Sablage recoveries accrued	-	-	-	-	-	-	-	
		715,127	90,598	805,725	755,065	-	1,560,790	
Financial liabilities								
Outstanding claims including BHR	-	-	-	-	377,202	-	377,202	
Payable to OPF	-	-	-	-	209,052	-	209,052	
Takaful / re-takaful payables	-	-	-	-	273,118	-	273,118	
Sablage payable	-	-	-	-	5,751	-	5,751	
Other creditors and accounts	-	-	-	-	18,210	-	18,210	
		-	-	-	883,331	-	883,331	
Interest rate risk sensitivity gap		715,127	90,598	805,725				
Cumulative interest rate risk sensitivity gap		715,127	90,598	805,725				

a) Sensitivity analysis- interest rate risk

a.1) Fair value sensitivity analysis for fixed rate instruments

The Operator does not account for any fixed rate financial assets at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account and equity of the Operator and PTF.

a.2) Cash flow sensitivity analysis for variable rate instruments

The OPF and PTF are exposed to cash flow interest rate risk in respect of its balances with saving account with banks and investments in sukuk certificates. A change of 100 basis points in interest rates at the year end would not have material impact on profit for the year and equity of the OPF and PTF.

b) Sensitivity analysis- Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or foreign 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 Operator's securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Operator limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity market.

The following table summarizes the Operator's other price risk as at December 31, 2024 and 2023. It shows the effects of an estimated increase of 5% in the market prices as on those dates. A decrease of 5% in the fair values of the listed equity securities would affect it in a similar and opposite manner.

	OPF		
	Fair value	Price change	Effect on fair value
	(Rupees in '000)		(Rupees in '000)
December 31, 2024	36,357	+5%	1,818
	(36,357)	-5%	(1,818)
December 31, 2023	-	+5%	-
	-	-5%	-

	PTF		
	Fair value	Price change	Effect on fair value
	(Rupees in '000)		(Rupees in '000)
December 31, 2024	98,474	+5%	4,924
	(98,474)	-5%	(4,924)
December 31, 2023	93,847	+5%	4,692
	(93,847)	-5%	(4,692)

30.2.2 Credit risk

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

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Exposure to credit risk and credit exposure of the financial instruments

Credit risk of the Operator and PTF arises principally from the balances with banks, investments (except for investment in government securities, units of mutual funds and listed equity shares), contribution due but unpaid, amount due from other takaful operator / reitakful operator, retakful and other recoveries against outstanding claims and sundry receivable. To reduce the credit risk the management continuously reviews and monitors the credit exposure towards the participants and other takaful operator / retakful operator and makes provision against those balances considered doubtful of recovery.

In summary, compared to the amount included in statement of assets and liabilities, the maximum exposure to credit risk as at December 31, 2024 is as follows:

OPF

	2024		2023	
	Balance as per the financial statements	Maximum exposure	Balance as per the financial statements	Maximum exposure
(Rupees in '000)				
Equity Securities	36,357	36,357	-	-
Debt Securities	344,252	9,038	175,113	9,040
Term Deposit	-	-	52,000	52,000
Receivable from PTF	285,531	285,531	209,052	209,052
Loan and other receivable	13,240	13,240	8,725	8,725
Cash and bank	5,468	5,468	24,219	24,219
	<u>684,848</u>	<u>349,832</u>	<u>469,109</u>	<u>303,036</u>

Differences in the balances as per financial statements and maximum exposure in investments is mainly due to investments in government securities of Rs. 375.49 million (2023 Rs. 195.07 million) which are not exposed to credit risk.

PTF

	2024		2023	
	Balance as per the financial statements	Maximum exposure	Balance as per the financial statements	Maximum exposure
(Rupees in '000)				
Equity Securities	98,474	98,474	93,847	93,847
Debt Securities	1,187,602	31,126	472,848	31,138
Term Deposit	0	0	300,000	300,000
Loan and other receivable	34,348	34,348	30,571	30,571
Takaful / retakful receivables	547,024	547,024	393,916	393,916
Retakful recoveries against outstanding claims	319,779	319,779	228,957	228,957
Salvage recoveries accrued	-	-	-	-
Cash and bank	52,761	52,446	40,551	40,150
	<u>2,239,988</u>	<u>1,083,197</u>	<u>1,560,790</u>	<u>1,118,580</u>

Differences in the balances as per financial statements and maximum exposure in investments is mainly due to investments in government securities and policy stamps of Rs. 1,155.53 million (2023 Rs. 442.21 million) which are not exposed to credit risk.

Bank balances and investments in term deposits represent low credit risk as they are placed with reputed financial institutions with strong credit ratings. The credit quality of bank balances and investments in term deposits can be assessed with reference to external credit ratings as follows:

Bank	Rating Agency	Short Term Rating	Long Term Rating	2024	2023
(Rupees in '000)					
Meezan Bank Limited - Participant Takaful Fund	VIS	A-1+	AAA	1,629	1,141
Dubai Islamic Bank Pakistan Limited - Participant Takaful Fund	VIS	A-1+	AA	31,658	7,333
BankIslami Pakistan Limited - Participant Takaful Fund	PACRA	A1	AA-	2,604	324,199
Al Baraka Bank (Pakistan) Limited - Participant Takaful Fund	VIS	A-1	A+	-	193
Faysal Bank Limited - Participant Takaful Fund	VIS	A-1+	AA	1,860	-
UBL Ameen- Participant Takaful Fund	VIS	A-1+	AAA	14,606	7,283
				<u>52,447</u>	<u>343,149</u>

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**UEL INSURERS LIMITED -
WINDOW TAKAFUL OPERATIONS**

Bank	Rating Agency	Short Term Rating	Long Term Rating	2024	2023
----- (Rupees in '000) -----					
Meezan Bank Limited - Operator Fund	VIS	A-1+	AAA	1	2
Dawal Islamic Bank Pakistan Limited - Operator Fund	VIS	A-1+	AA	856	40
Al Baraka Bank (Pakistan) Limited - Operator Fund	VIS	A-1	A+	-	270
Santislam Pakistan Limited - Operator Fund	PACRA	A1	AA-	4,601	76,899
				<u>5,458</u>	<u>78,219</u>

Government securities are unrated while credit quality of term deposits have been given above in bank-wise ratings.

Concentration of credit risk

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. The Operator manages concentration of credit risk through diversification of activities among individuals, groups and industry segments. The Operator enters into re-takaful / co-takaful arrangements with re-takaful operator / other takaful operator having sound credit ratings accorded by reputed credit rating agencies. Further, the Operator is required to comply with the requirements of circular no. 2 / 2023 dated March 03, 2023 issued by the SECP which requires takaful Operator to place At least 60% of the total retakaful treaty arrangement for each class of takaful business with foreign retakaful operators having at least "A" or above rating, and maximum upto 40% of the total retakaful treaty arrangement for each class of takaful business with foreign retakaful operators having at least "BBB" rating, furthermore maximum upto 20% of the total retakaful treaty arrangement in case of takaful business may be placed with the foreign retakaful operators, having at least "B" rating by "Standard & Poor's" or an equivalent rating by any other reputed agency. An analysis of all retakaful assets net of provision for doubtful balances recognized by the rating of the entity from which it is due is as follows:

Amount due from other cotakaful / retakaful operators	Retakaful recoveries against outstanding claims	Prepaid retakaful contribution ceded	2024	2023
----- (Rupees in '000) -----				
86,385	319,779	305,140	711,304	430,545
<u>86,385</u>	<u>319,779</u>	<u>305,140</u>	<u>711,304</u>	<u>430,545</u>

A or above (including PRCL)

30.2.3 Liquidity risk

Liquidity risk is defined as the risk that the Operator will encounter difficulty in meeting its financial obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Operator might be unable to meet its payment obligations when they fall due under normal circumstances. To guard against the risk, the Operator has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure adequate liquidity is maintained.

The following are the contractual maturities of financial liabilities:

Non-Derivative Financial Liabilities
OPF

Other creditors and accruals

PTF

Outstanding claims including IBNR

Payable to OPF

Retakaful / co-takaful payables

Other creditors and accruals

Carrying Amount	
2024	2023
----- (Rupees in '000) -----	
97,787	74,310
<u>97,787</u>	<u>74,310</u>
574,113	377,202
285,531	209,052
264,733	273,116
24,421	18,210
<u>1,138,798</u>	<u>877,580</u>

The carrying amounts represent contractual cash flows maturing within one year.

30.2.4 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 interest rate risk, foreign currency risk and other price risk. The Operator manages the market risk exposures by following internal risk management policies. Refer 30.2.1(a) and 30.2.1(b) for discussion on interest rate risk and price risk.

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30.2.4.1 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 exchange rates. The Operator, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistani Rupees.

30.3 Capital Management

The Operator's objective when managing capital is to safeguard the Operator's ability to continue as going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Operator manages its fund structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions.

The fund currently has solvency margin in excess of minimum regulatory requirement as required under the general takaful accounting regulations, 2018.

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Operator is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Operator has no items to report in this level.

Mutual funds	Units of mutual funds are valued using the net asset value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).
Government Securities	The fair value of GoP Ijarah Sukuk quoted are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters.

OFF

2024							
Available-for-sale	Held to Maturity	Loans and Receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
(Rupees in '000)							

On-balance sheet financial instruments

Financial assets measured at fair value

Investments

- Units of open-ended mutual fund
- GoP Ijarah Sukuk

Financial assets not measured at fair value

- Cash and bank *
- Investment in term deposit *
- Sukuk
- Loan and other receivable
- Receivable from PPF *

Financial liabilities not measured at fair value

- Other creditors and accruals *

36,357	-	-	-	36,357	-	36,357	-
285,723	-	-	-	285,723	-	285,723	-
-	-	5,455	-	5,455	-	-	-
-	-	-	-	-	-	-	-
-	55,529	-	-	55,529	-	-	-
-	-	13,240	-	13,240	-	-	-
-	-	285,531	-	285,531	-	-	-
322,080	55,529	304,235	-	681,844	-	-	-
-	-	-	97,757	97,757	-	-	-
-	-	-	97,757	97,757	-	-	-

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PTF

On-balance sheet financial instruments

Financial assets measured at fair value

Investments

- Units of open ended mutual fund

- GDP (sukuk)

Financial assets not measured at fair value

Cash and bank *

Investment in term deposit *

Sukuk

Takaful / ReTakaful receivables *

Loan and other receivable

Re-takaful recoveries against outstanding claims *

Salvage recoveries accrued

Financial liabilities not measured at fair value

Underwriting provision for outstanding claims including BNR *

Takaful / ReTakaful payables *

Payable to OPI *

Salvage payable accrued

Other creditors and accruals *

2024							
Available-for-sale	Held to Maturity	Loans and Receivables	Other Financial Liabilities	Total	Level 1	Level 2	Level 3
(Rupees in '000)							
98,474	-	-	-	98,474	-	98,474	-
1,098,878	-	-	-	1,098,878	-	1,098,878	-
-	-	52,751	-	52,751	-	-	-
-	90,725	-	-	90,725	-	-	-
-	-	847,024	-	847,024	-	-	-
-	-	34,348	-	34,348	-	-	-
-	-	319,779	-	319,779	-	-	-
1,185,352	90,725	863,912	-	2,239,989	-	-	-
-	-	-	574,113	574,113	-	-	-
-	-	-	254,733	254,733	-	-	-
-	-	-	285,591	285,591	-	-	-
-	-	-	4,860	4,860	-	-	-
-	-	-	24,421	24,421	-	-	-
-	-	-	1,143,458	1,143,458	-	-	-

OPI

On-balance sheet financial instruments

Financial assets measured at fair value

Investments

- Units of open ended mutual fund

- GDP (sukuk)

Financial assets not measured at fair value

Cash and bank *

Investment in term deposit *

Corporate Sukuk

Loan and other receivable

Receivable from PTF *

Financial liabilities not measured at fair value

Other creditors and accruals *

2023							
Available-for-sale	Held to Maturity	Loans and Receivables	Other Financial Liabilities	Total	Level 1	Level 2	Level 3
(Rupees in '000)							
116,645	-	-	-	116,645	-	116,645	-
-	-	24,219	-	24,219	-	-	-
-	52,000	-	-	52,000	-	-	-
-	176,113	-	-	176,113	-	-	-
-	-	6,725	-	6,725	-	-	-
-	-	209,052	-	209,052	-	-	-
116,645	227,113	241,966	-	585,724	-	-	-
-	-	-	74,310	74,310	-	-	-
-	-	-	74,310	74,310	-	-	-

PTF

On-balance sheet financial instruments

Financial assets measured at fair value

Investments

- Units of open ended mutual fund

- GDP (sukuk)

Financial assets not measured at fair value

Cash and bank *

Investment in term deposit **

Corporate Sukuk

Takaful / ReTakaful receivables *

Loan and other receivable

Re-takaful recoveries against outstanding claims *

Salvage recoveries accrued

Financial liabilities not measured at fair value

Underwriting provision for outstanding claims including BNR *

Takaful / ReTakaful payables *

Payable to OPI *

Other creditors and accruals *

2023							
Available-for-sale	Held to Maturity	Loans and Receivables	Other Financial Liabilities	Total	Level 1	Level 2	Level 3
(Rupees in '000)							
93,647	-	-	-	93,647	-	93,647	-
382,250	-	-	-	382,250	-	382,250	-
-	-	40,651	-	40,651	-	-	-
-	300,000	-	-	300,000	-	-	-
-	80,998	-	-	80,998	-	-	-
-	-	203,916	-	203,916	-	-	-
-	-	30,571	-	30,571	-	-	-
-	-	228,957	-	228,957	-	-	-
475,897	380,998	654,565	-	1,511,460	-	-	-
-	-	-	377,302	377,302	-	-	-
-	-	-	273,116	273,116	-	-	-
-	-	-	209,052	209,052	-	-	-
-	-	-	18,210	18,210	-	-	-
-	-	-	877,580	877,580	-	-	-

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



32. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in their meeting held on 11-MAR-2025

33. GENERAL

33.1 All figures have been rounded off to the nearest rupees, unless otherwise stated.

33.2 Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

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Chief Executive Officer


Director


Director


Chairman

