TPL Insurance

Annual Report
2023

Take Ownership

Pledge To Learn

Lead with Compassion

TABLE OF CONTENTS

OUR VISION

To evolve as a dominant insurance player in Pakistan by exploring profitable niches through deployment of cutting-edge technology and proficient human capital.

OUR MISSION

To combine strategic marketing with efficient operational execution; providing incomparable service and product innovations to create sustainable value for our stakeholders.

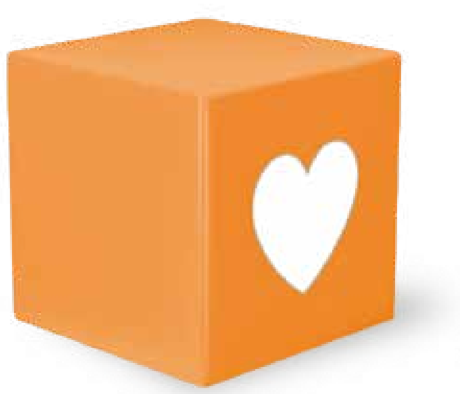
OUR VALUES

TAKE OWNERSHIP

We strive to build a culture where everyone is encouraged to make decisions around resources that deliver the most impact to our businesses.

PLEDGE TO LEARN

We encourage our people to have the passion to learn, explore new ideas, learn from mistakes and constantly aim to exceed expectations.



LEAD WITH COMPASSION

Building a network of diverse relationships can inspire creativity and drive innovation. We respect our people, share their aspirations and try to act with empathy and humility in all our operations.

2023 IN REVIEW

Acquisition of New Hampshire Insurance Company

PACRA maintained the IFS rating at AA

Won Best Mobile App at Pakistan Digital Awards 2023

BRAND OF THE YEAR AWARDS 2023

Insurtech of the Year
Winner 2022

General Insurance
Winner 2022

Premium achieved over PKR 4 billion

Launched CarCulator, an innovative product where customers make their own product

Digital sales of over 100 million

Declaration of 30% of interim cash dividend

Insured Pakistan's First Animal Fattening Fund

Launched Pakistan's First Motorway Insurance

CEO'S MESSAGE

Mr. Muhammad Aminuddin
CEO, TPL Insurance

Dear Stakeholders,

Reflecting on 2023, a year of unprecedented global challenges, TPL Insurance not only weathered the storm but emerged stronger, navigating the complexities of economic conditions in Pakistan with resilience and strategic foresight.

In the face of these challenges, we focused on realignment and growth, fortifying our diverse range of needs-driven products, fostering an inclusive culture, and embracing digitalization. We remained committed to leading the industry, adapting our strategies to the evolving landscape.

Expanding our collaborations, we took a united approach to delivering need-centric solutions. Notable achievements included the growth of our Window Takaful services, strategic partnerships with industry leaders, and initiatives like the Cattle Fattening Fund and Motorway Insurance, tailored to meet evolving market demands.

In the agricultural sector, we leveraged technology and innovation to enhance our agri-insurance offering. The introduction of yield-based insurance, coupled with the challenges posed by government policies, allowed us to position ourselves as a catalyst for growth in this crucial sector.

The last quarter of 2023 saw a significant milestone with the acquisition of the net assets of the Pakistani branch of New Hampshire Insurance Company (NHIC). After all necessary regulatory approvals, this move further strengthened TPL Insurance's position as a trusted partner in the insurance and insurtech industry. The surplus from this merger amounted to Rs. 1,079 million.

Key financial metrics for 2023 underline our commitment to sustainable growth. Gross Written Premium (GWP) achieved Rs. 4.1 billion, marking a growth rate of 7%. Our loss ratio stood at 49%, a testament to our prudent risk management practices. Recognizing the trust our shareholders place in us, we distributed a 30% dividend, amounting to Rs. 3 per share during 2023, closing 2023 with profit before tax of Rs. 1,172 million.

Our commitment to reinsurance partnerships also shone through, with our capacity nearly doubling per Risk for Fire. Catastrophe capacity and limits for other lines of business witnessed significant increases, reflecting the confidence our reinsurance partners have reposed in TPL.

As we step into 2024, our focus remains on consolidating our footprint, accelerating internal digitization for improved service efficiency, and fostering a culture of innovation. We look forward to navigating the evolving landscape with you, our valued stakeholders, and delivering progressive insurance options that align with the lifestyle of our modern customer base.

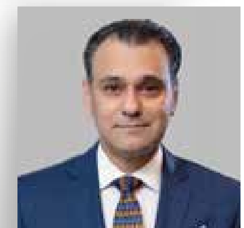
Warm Regards,

Muhammad Aminuddin
CEO, TPL Insurance

BOARD OF DIRECTORS

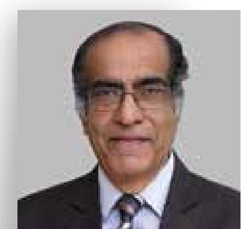
Mr. Jameel Yusuf Ahmed S. St.
Director / Chairman

Mr. Muhammad Ali Jameel
Director

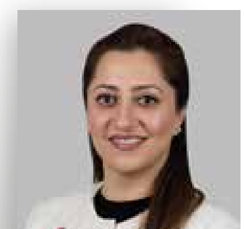


Mr. Muhammad Aminuddin
CEO

Ms. Naila Kassim
Director



Rana Assad Amin
Director



Ms. Ayla Majid
Director

Mr. Aqueel E. Merchant
Director

Mr. Benjamin Brink
Director

MANAGEMENT TEAM

Muhammad Aminuddin
Chief Executive Officer

Syed Ali Hassan Zaidi
Chief Operating Officer

Yousuf Zohaib Ali
Chief Financial Officer

Imtiaz Ahmed
Chief Digital Officer

Furqan ul Huda
Chief Information Officer

Zia Mehdi
Chief Underwriting Officer

Shayan Mufti
Group Company Secretary & Deputy General Counsel

Aurangzeb Javed Siddiqui
Head of FIG

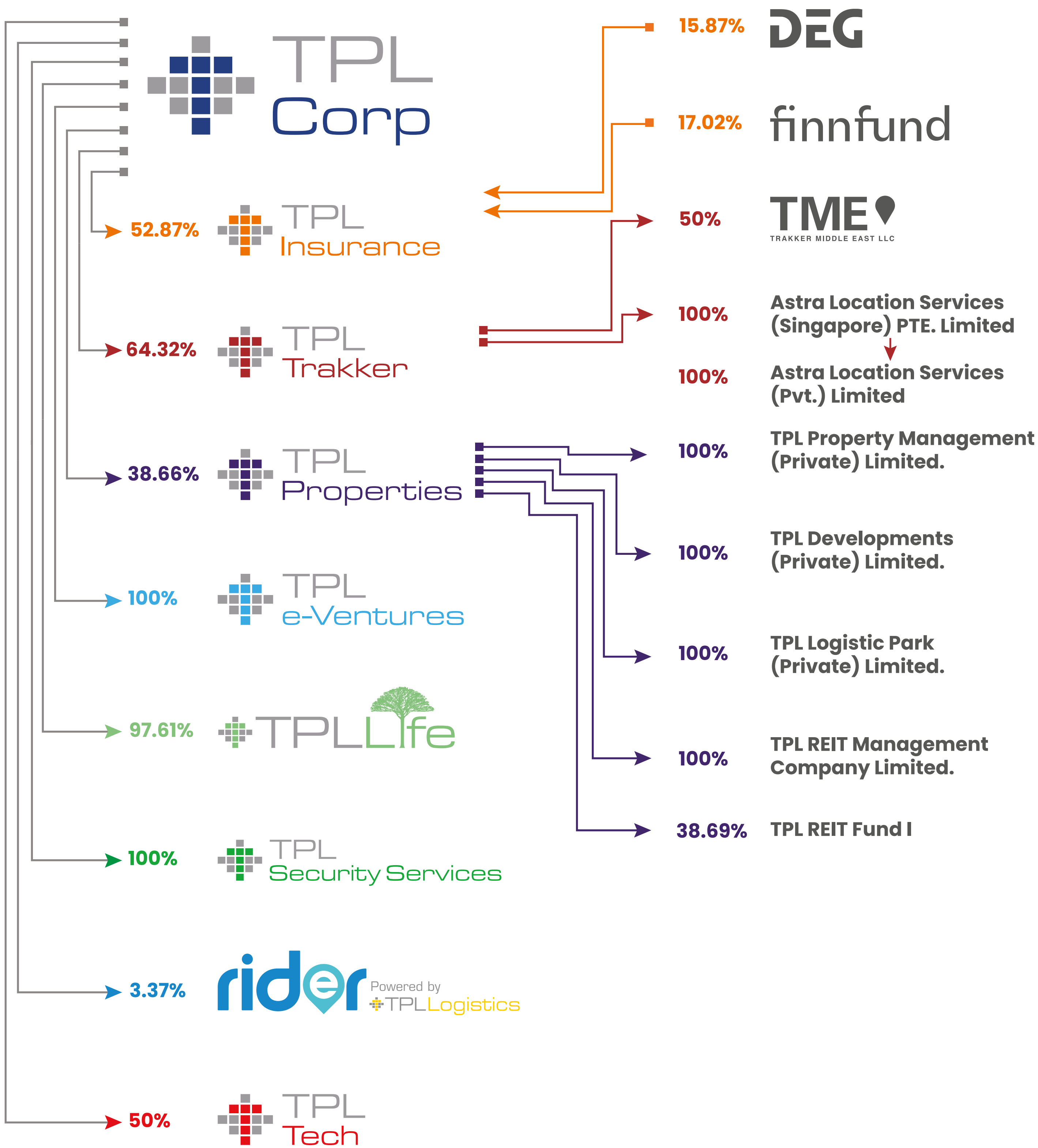
Shadab Khan
Head of Reinsurance

Akif Zia Malik
Head of Business Solutions

Sania Naqvi
Head of Human Resources

TPL Insurance

GROUP ARCHITECTURE



As of 31st December, 2023

COMPANY PROFILE

TPL INSURANCE

TPL Insurance (TPLI) is a pioneer in seamless insurance services in Pakistan, through state-of-the-art Insurtech infrastructure and a 24/7 Contact Center. TPLI offers all lines of General Insurance including Auto, Fire, Marine, Health, Home, Travel, Mobile, Cyber Risk, Engineering and Agriculture with both Conventional and Takaful (Islamic) solutions for its customers. The reinsurance treaties are managed with leading reinsurers such as Hannover Re and IFAS rating of the Company issued by PACRA is AA. TPLI has disrupted the existing insurance ecosystem by servicing and delivering exceptional value to customers through integrations with multiple business partners, spanning startups and established players.

TPLI's Mobile App is one of the leading Insurtech platforms in Pakistan, offering an end-to-end insurance experience of real time policy issuance, claim lodging, self-surveys, renewals, payments and much more. TPLI has also introduced innovative products such as usage-based insurance product - DrivePro, make you own product like CarCulator and Area Yield Index crop insurance etc. These initiatives among others have enabled the Company to set new industry benchmarks.

TPL Insurance is also the first player in the insurance industry to launch Buy Now, Pay Later (BNPL) insurance with easy installments on 3 or 6 months with zero interest rate to facilitate its customers.

PRODUCT PORTFOLIO

AUTO

A range of auto insurance covers to protect customer vehicles:

Comprehensive Cover
Vehicle is covered for all accidental and rain water damages, accessory theft or theft / snatching of vehicle along with third party claims. Complete coverage throughout the year with bundle value add-ons, exclusively designed for TPLI customers.

2T
Vehicle coverage for theft / snatching and Third-Party Liabilities with affordable prices and free value-added features for old vehicles. Favorable for customers who take care of their vehicles and and maintain them.

Secure T
Protects old vehicle (over 3 years old) for Total Loss, theft / snatching, Third-Party and Terrorism perils. Secure T is affordable and provides complete reassurance for any major accidental or theft claims.

Platinum Drive
Comprehensive coverage with telematics features to track individual driving score, view driving violation data, spot areas for improvement on the go, and earn points for safe driving. Earned points can be redeemed on the TPLI Mobile App to get discounts. The product also offers zero depreciation on parts.

Zero Dep Comprehensive
Comprehensive insurance coverage for 3 years and older vehicles, with benefits of saving depreciation charges, which are generally applicable on accidental and accessory theft claims.

Self-Insurance
Comprehensive coverage and sharing of claim burden up to 10% of vehicle value, with a 25% discount on comprehensive package.

BIKE

Coverage of motor bikes from any unfortunate events while commuting or being stationary. Easy to avail via the TPLI Mobile App.

Smart Ride Plus (Comprehensive)
Protects motor bikes from a wide range of risks including theft, total Loss, accidental damage and Third-Party liability.

Smart Ride
TPL Smart Ride protects your bike from theft and total loss.

HOME

TPL Home Cover protects home structure and contents from unexpected events such as burglary, house-breaking, natural calamities, riots, and accidents, with flexible coverage under three variants: Home Owner, Tenant and Landlord. Comprehensive protection for valuables, covering a variety of household items, including cash and jewelry. Coverage also includes loss or damage to your property.

MOBILE

Protection from accidental damage or physical loss in case of theft or armed robbery. Coverage includes damage to phone screen as follows:

- Accidental and /or physical damage to screen up to 10% of depreciated value
- Theft /armed robbery of mobile phones up to depreciated value
- Maximum sum insured - Rs. 100,000/-

TRAVEL

Comprehensive services available for trips anywhere in the world. Packages include complete solutions for emergencies during travel, specially covering hospitalization, where payments are made directly to the hospital.

Domestic Travel Cover
From loss of baggage to medical emergencies and trip cancellation, coverage provides assistance to make the trip easier.

International Travel Cover
Cover against the widest range of emergencies, including flight delays, unexpected injuries, baggage loss, emergency return to home, hijacking, trip cancellation and baggage delays.

Hajj/Umrah
While you perform Hajj/Umrah, we take care of any unforeseen incidents that might happen. Allowing you to focus on your tasks while we focus on protecting you.

Ziarat
A comprehensive package covering all kinds of emergencies during Ziarat.

Student Guard
Students can get covered against incidents related to health and travel accidents in a foreign country. Coverage includes flight delays, personal liabilities and assistance.

PROPERTY

Property insurance enables businesses to minimize the impact of unexpected events, enabling them to organize activities with greater certainty.

Fire and Allied Perils

Designed to cover insured properties (i.e. buildings, stock, machinery and other contents) whilst at specified locations and compensate to the insured individual or firm in the event of loss or damage caused by Fire and Lightning, Riot, Strike and Civil Commotion, Explosion (limited or domestic), Atmospheric Disturbance, Earthquake Fire and Shock, Burglary and Housebreaking, Aircraft or Aerial Devices Falling, Malicious Damage, Impact by Road Vehicles, Escape of Water and Sprinkler Leakage.

Business Interruption or Consequential Loss

Plans coverage provides continuing to pay part of the ongoing costs and expenses which cannot be paid out of reduced income, making up the shortfall in net profit, paying for extra cost incurred in order to prevent or reduce the loss in income such as: overtime payments, the cost of provisional repairs, installation of temporary machinery, the cost of sub-contracting work and the cost of alternative premises.

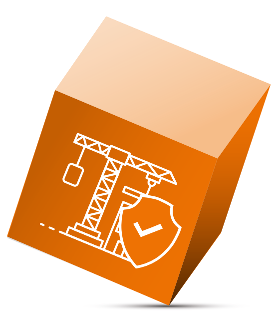
Terrorism

Helps protect businesses from devastating losses to physical assets resulting from acts of terrorism. The Terrorism policy covers: use of violence for political ends, any use of violence for the purpose of putting the public or any section of the public in fear.

MARINE

TPLI's Marine Insurance addresses the needs of importers & exporters, local manufacturers, excavation contractors, property developers, truckers or even a specialist operation, our coverage's are essential to protecting business properties in an ever-changing market.

Marine Liability products provide coverage for charterers, marina operators, ship repairers, stevedores, terminal operators and wharfingers on both a primary and excess basis. Technologically advanced, fast solutions for marine cargo import, export and inland transit. Comprehensive coverage for goods in transit for manufacturers, importers & exporters, commodity traders operating locally and internationally, logistics companies and more.



ENGINEERING

Appropriate protection on numerous coverages including:

- Contractor's All Risks
- Comprehensive Machinery Insurance
- Electronic Equipment Insurance
- Erection All Risks
- Machinery Loss of Profit
- Machinery Breakdown
- Contractor's Plant & Machinery
- Deterioration of Stock
- Boiler Pressure Vessel

CYBER RISK

End-to-end coverage against cyber security and confidentiality breaches, cyber extortion and vulnerabilities that can cause significant damage to businesses.

Cyber Insurance provides First Party Cover, Third Party Cover, Business Interruption and Crisis Management, keeping in perspective the regulatory, PR, and operational costs resulting from cybercrimes.

MISCELLANEOUS

Indemnity for corporate clientele to compensate for pecuniary losses covered under the cash in safe, cash in transit, fidelity guarantee, workmen compensation, plate glass, neon sign, and personal accident, burglary insurance, aviation hull insurance, aviation liability etc.

AGRICULTURE

Facilitating farmers to overcome underlying risks which are involved in crop cultivation and livestock rearing. Farmers can get financial coverage for crops and livestock against fire, lightning, storms, earthquakes, flooding, landslides, subsidence, snowfall and external accidents caused by illness, disease and insects.

Crop
Ensures protection against the loss of crops due to natural disasters, such as hail, drought and flood.

TPLI also provides yield-based crop insurance to farmers through international partners, which complements other risk management instruments, like reducing negative impacts of various perils that can prevent farmers from losses. Such as having to sell household assets or consume savings, stabilizing farmers 'incomes and facilitating farmers' access to credit or increasing farmers' ability for credit repayment.

Livestock
Livestock insurance policy covers for losses due to the death of or injuries to the covered livestock. Comprehensive or "Full Mortality" coverage includes a broad peril cover that consists of accidents, sickness, disease, and injury; normally including theft. TPL Insurance has also insured Pakistan's First Cattle Fattening Fund.

HEALTH

Protects customers from the burden of medical treatments in the event of hospitalization, resulting from serious illness or accidents. Patients who are financially vulnerable can avail the micro health product which enables policyholders to get treatment at any hospital across Pakistan as per their convenience. TPLI has one of the largest networks of cashless hospitalization in the Micro Health segment, as well as provides Group Health solutions with digitized claims solutions and wellness programs.

Window Takaful Operations

WINDOW TAKAFUL OPERATIONS

TPL is the 2nd largest Window Takaful Operator in Pakistan. Licensed in 2014, TPL Window Takaful Operations (WTO) division has grown over the years, contributing significantly to the top-tiers. The strategic objectives of the division are as follows:

- Establish direct Takaful services and emphasize on risk mitigation by providing Islamic insurance i.e. Takaful services for non-life business
- Provide Islamic Insurance solutions through call center and offer 24/7 service with the fastest claim settlement and processing time in the industry, backed by our robust in-house survey capability
- Build upon our marketing and distribution channels and also to strengthen our business relationships with Islamic banks and financial institutions which provide Islamic products
- Offer fair and equitable premium rates, while ensuring effective risk profiling for our policy holders
- Introduce ethical principles in line with Islamic rules to achieve the highest standards in conducting business. Mufti Talha Iqbal, Shariah Advisor and Mufti Zakaria Iqbal, Head of Shariah Compliance, are instrumental in the development of our Takaful business

MOBILE APP

TPLI Mobile App has evolved into a Lifestyle Insurance App catering to a wide range of customers' insurance and non-insurance needs such as partnerships & integrations with Vouch365 (providing coupons / discounts from ordering food, dine in, beauty and children activities), MediQ (providing access to doctors online and medicines/lab tests from the convenience of your home) and easily book your flight tickets with Sastaticket.

TPLI Mobile app was declared the Best Mobile App in Pakistan for 2023 at Pakistan Digital Awards. With new products added for different target segments, such as domestic travel insurance, bike insurance, and women's health insurance, the TPLI Mobile App is a leading innovative solution providing a one-stop shop, where customers can easily buy insurance products (Auto, Home, Travel, Bike, Health and Mobile), lodge claims, manage and renew their policies as well as conduct self-surveys. The App also allows customers to update their profile information and gives access to 24/7 live chat with agents.

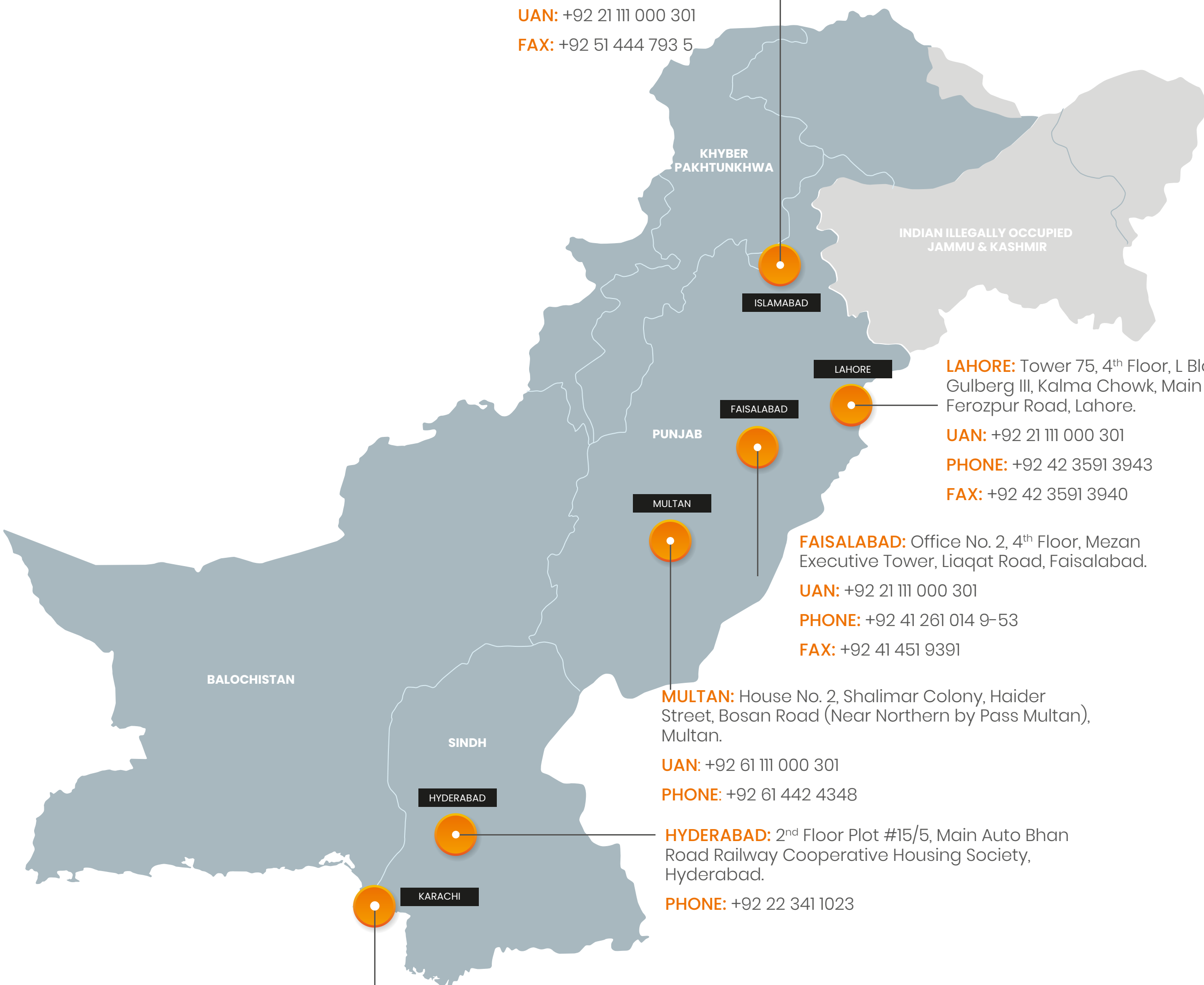
With becoming a Lifestyle App, TPLI makes it extremely convenient for customers to avail services hassle-free. TPLI Mobile App has telematics products which track driving behaviors and rewards customers for good driving habits. TPLI rewards customers on milestones and a reward wallet functionality has also been developed into the App. App users can also earn rewards by referring the App or buying insurance products. Reward points can be used to gain further discounts in buying or renewing products, or can be transferred using the reward wallet.

GEOGRAPHICAL PRESENCE

ISLAMABAD: 10th Floor (South), ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad.

UAN: +92 21 111 000 301

FAX: +92 51 444 793 5



LAHORE: Tower 75, 4th Floor, L Block, Gulberg III, Kalma Chowk, Main Ferozpur Road, Lahore.

UAN: +92 21 111 000 301

PHONE: +92 42 3591 3943

FAX: +92 42 3591 3940

FAISALABAD: Office No. 2, 4th Floor, Mezan Executive Tower, Liaqat Road, Faisalabad.

UAN: +92 21 111 000 301

PHONE: +92 41 261 014 9-53

FAX: +92 41 451 9391

MULTAN: House No. 2, Shalimar Colony, Haider Street, Bosan Road (Near Northern by Pass Multan), Multan.

UAN: +92 61 111 000 301

PHONE: +92 61 442 4348

HYDERABAD: 2nd Floor Plot #15/5, Main Auto Bhan Road Railway Cooperative Housing Society, Hyderabad.

PHONE: +92 22 341 1023

KARACHI REGISTERED OFFICE: 20th Floor, Sky Tower, East Wing, Dolmen City, HC-3, Abdul Sattar Edhi Avenue, Block No. 4, Clifton, Karachi.

UAN: +92 21 111 000 301

PHONE: +92 21 3713 0223

FAX: +92 21 3531 6031-2

BRANCH OFFICES:

Karachi: Plot 19-B, Sindhi Muslim Cooperative Housing Society (SMCHS), Near Roomi Masjid, Shahrah-e-Faisal, Karachi.

UAN: +92 21 111 000 301

PHONE: +92 21 3713 0223

FAX: +92 21 3531 6031-2

KARACHI: Export Processing Zone (EPZ) Landhi: Plot No. N-4, Sector B-III, Export Processing Zone, Landhi, Karachi.

SWOT ANALYSIS

S
STRENGTHS

- Pakistan's first end-to-end digital insurance company with a lifestyle insurance app
- Preferred Insurer for Retail Customer base
- Product innovation for all customer segments and fast to market capability
- Real time online renewals & claim settlement through mobile app
- Pakistan's second largest Window Takaful Operations
- Pakistan's Only Yield based Crop Insurance and Digital Livestock Insurance
- Cross sell opportunities with existing customer base
- Backed by foreign stakeholders to develop insurance sector in Pakistan

W
WEAKNESSES

- Lack of product awareness among tech savvy Gen Z
- Low reinsurance capacities available to underwrite larger risks
- Relatively smaller corporate customer base as compared to competition

O
OPPORTUNITIES

- Use technology to create awareness about insurance
- Partnerships with digital aggregators and other retail or micro centric partners to increase customer touch points
- Product Innovation and service delivery in micro insurance segment
- Diversifying in small to medium sized corporate segments

T
THREATS

- Political and economic instability
- Competition from digital only insurance companies and brokers
- Low awareness of insurance amongst the masses
- Shrinking reinsurance capacities due to global economic challenges

PESTEL ANALYSIS

Political

Political uncertainty throughout the year resulted in significant economic turmoil in the country. With a shaken investor confidence, pressure on PKR and hyperinflation environment, the country is heading towards a closely contested election in the year. In such political situation, insurance industry will remain under pressure to achieve real growth.

Environmental

Climate change is fast becoming a risk to society as the increase in emissions of greenhouse gases has taken its toll. One catastrophic event can have disastrous effects and leave insurance companies obliged to pay out large amounts of money as compensation to policyholders. We have seen significant flooding during the year as a result of climate related changes.

Social

Family formation, trends in fertility, mortality and migration have also experienced a seismic shift over the past few decades resulting in changing demographics and socio-economic structures of societies. A significant young population segment is developing in Pakistan which will impact the demand for insurance.

Technological

The growth of IoT devices affecting the availability of real-time information gives insurers an opportunity to have an edge over the competition. This information can be used to offer more affordable prices with better underwriting and risk management. Advances in AI techniques and collection of data of insured assets is allowing insurers to make data driven decisions.

Economical

High interest rates will provide good returns on investments of insurance funds. However, the demand for insurance products would remain weak resulting in low underwriting. Hyperinflation causes the value of items insured to increase, which in turn increases the claims servicing cost such cost to repair or replacement of parts in auto insurance or higher medical care costs due to increasing medicine & healthcare service costs.

Legal

Regulator has issued draft regulations for “risk based capital” requirement which will strengthen the capital structure of the insurance industry. Apart from introducing regulatory measures, governments may decide to introduce laws that can impact the industry as a whole. This might lead to industry premium growth or consequently the size of the market might attract larger players and greater competition.

PORTER'S 5 FORCES

By analyzing the Porter's 5 forces framework, TPL Insurance has developed competitive strategies by incorporating a diversified product portfolio in non-life insurance sector, to operate as an Insurtech company and ensure to become a market leader.

Threats of New Entrants

With new digital insurance companies entering in the industry, innovation and technology is expected to take over insurance processes which will put pressure on existing insurance companies. TPL Insurance has to keep innovating and improving its business processes through digitization, building economies of scale to lower costs and have competitive pricing strategy to have an edge over its competition to capture a larger market share.

Bargaining Power of Suppliers

Suppliers in dominant positions might use their negotiating power to extract higher prices which lowers the overall profitability of the insurer. An effective supply chain strategy and building innovative product designs with business partners will lower the risk of supplier's higher prices ensuring higher profits.

Bargaining Power of Customers

Having a smaller customer base may increase the bargaining power of the buyers, as they want to pay less for the best offering. TPL Insurance has a wide range of insurance products and a relatively large customer base which decreases the bargaining power of the buyers. To hold this edge, the company is constantly innovating and diversifying into new products to increase the customer base.

Threat of Substitute Products and Services

With the changing market dynamics and customers' preferences, threat of substitute risk management product exist and might affect the insurance industry. To lower this risk, TPL Insurance understands the core customer needs through thorough research and offers continuous innovation to provide better solutions, experience and satisfaction to its customers.

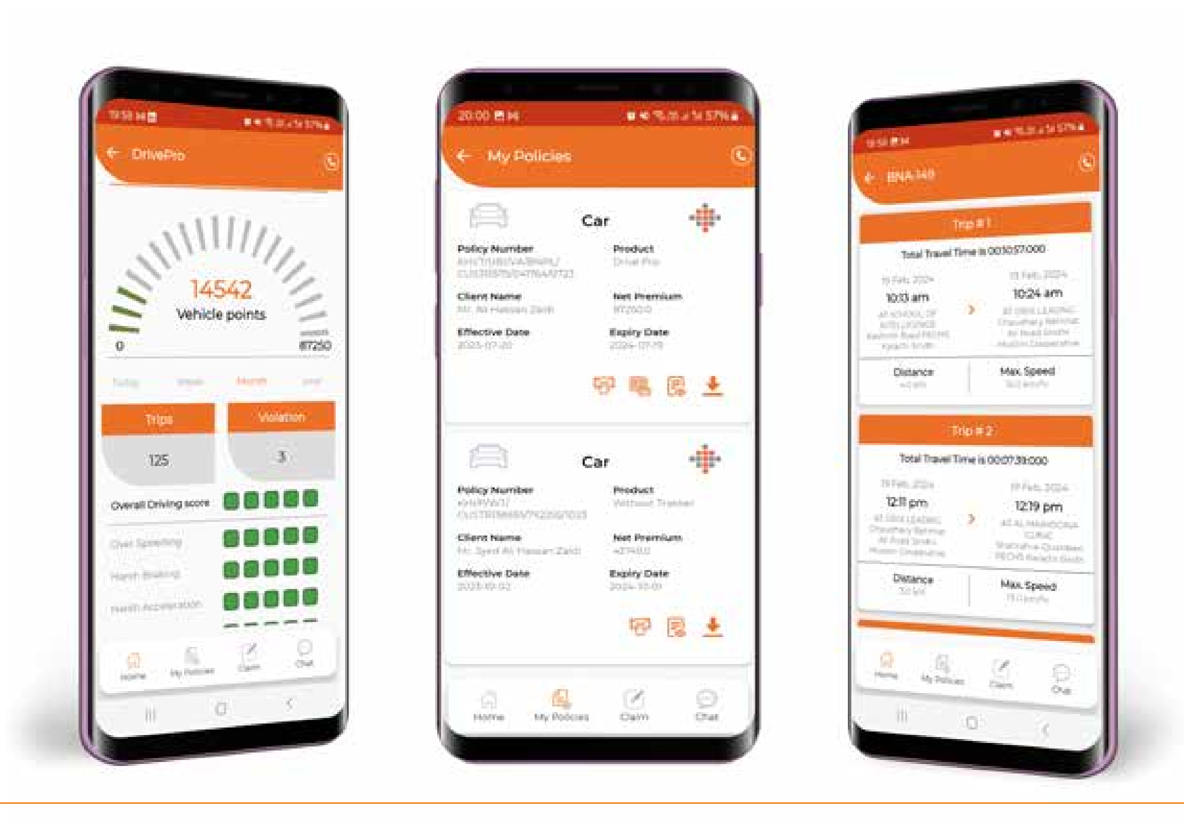
Rivalry among Existing Competitors

TPL Insurance is operating in a very competitive industry which requires it to offer competitive products and services to its customers, by developing a highly diversified product portfolio. In order to grow as a market leader, TPL Insurance is developing an insurance ecosystem by collaborating with various digital partners to increase its customer touch points and have competitive edge.

SIGNIFICANT CHANGES FROM PRIOR YEARS

TPL Insurance is continuously working towards product enhancement and channel diversification to improve its product penetration across all insurable segments of the country. Exceeding on customer expectations using tech driven solutions have always been the focus of company. TPLI launched new digital products and improved experience through digitization for its customer through its lifestyle Mobile App and customer portal on its website. Further, in a hyperinflationary environment, TPLI focused on managing costs whilst maintaining its service standards and improving the customer experience.

With investments from foreign investors in past couple of years and an acquisition of NHIC in 2023, TPL Insurance is continuing to build ecosystems around its products that facilitates customer acquisition and improve customer servicing and experience. Despite challenging economic environment, the company continued to deliver on its commitments such as Yield based Crop Insurance, Motorway Insurance and enhancement on services for its health portfolio.



CALENDAR OF MAJOR EVENTS

FEBRUARY

- Board of Directors meeting to review and approve Annual Financial Statements for the year ended Dec 31, 2022

MARCH

- Awarded 1st CSR Award by PCP
- Launched Car Calculator, an innovative product where customers make their own product

APRIL

- Board of Directors meeting to review Condensed Financial Statements for the quarter ended Mar 31, 2023
- Annual General Meeting of the Shareholders of the Company
- Insured Pakistan's First Animal Fattening Fund

MAY

- PACRA maintained the IFS rating at AA

JUNE

- Won Best Mobile App and Best Insurance Tech of the Year at Pakistan Digital Awards 2023

AUGUST

- Board of Directors meeting to review Condensed Financial Statements for the half year ended June 30, 2023
- Won the prestigious "Brands of the Year Award" for Best Auto Insurance
- Brand of the Year Awards – General Insurance and Insurtech of the year

SEPTEMBER

- Scheme of arrangement approved by the High Court for amalgamation of New Hampshire Insurance Company.
- Declaration of interim Dividend at 30%

OCTOBER

- Board of Directors meeting to review Condensed Financial Statements for the nine months ended Sep 30, 2023
- Launched Pakistan's First Motorway Insurance

DECEMBER

- Board of Directors meeting to review and approve budget for the Year 2024
- Crop Insurance Payout Ceremony

OTHER INFORMATION

BANKERS

- Al-Baraka Bank Pakistan Ltd.
- Askari Bank Limited
- Bank Alfalah Limited.
- Bank Al Habib Ltd.
- Bank Islami Pakistan Ltd.
- Dubai Islamic Bank Pakistan Ltd.
- Faysal Bank Ltd.
- Habib Bank Ltd.
- Habib Metropolitan Bank Ltd.
- JS Bank Ltd.
- Khushhali Microfinance Bank Ltd
- MCB Bank Ltd.
- Meezan Bank Ltd.
- Mobilink Micro Finance Bank Ltd.
- National Bank of Pakistan
- Samba Bank Ltd.
- Silk Bank Ltd.
- Soneri Bank Ltd.
- Summit Bank Ltd.
- Telenor Micro Finance Bank Ltd.
- The Bank of Punjab
- United Bank Ltd.

SHARE REGISTRAR

THK Associates (Pvt) Limited
Plot No. 32-C, Jami Commercial
Street 2, DHA Phase VII, Karachi - 75500
Tel: +92-21-35310191-6
Fax: +92-21-35310190

REGISTERED OFFICE

20th Floor, Sky Tower – East Wing
Dolmen City, HC-3, Abdul Sattar
Edhi Avenue, Block No. 4 Clifton
Karachi, Karachi East, Sindh
Fax: +92-21-35316032
UAN: +92-21-111-000-301
Tel: +92-21-34390300-5,
+92-21-37130223

AUDITORS

BDO Ebrahim & Co.
Chartered Accountants

WEB PRESENCE

www.tplinsurance.com
insurancetpl
tplinsurance
tplinsurance

LEGAL ADVISOR

Lari & Co.
Maritime & Insurance Advocates

HORIZONTAL ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Balance Sheet	2023	2022	2021	2020	2019	2018
	---------- Rupees in million ----------					
Property and equipment	300.8	422.0	401.2	257.5	429.1	129.6
Investments	2,256.5	1,740.0	1,390.4	920.8	729.4	1,026.3
Loans and other receivables	537.6	344.5	355.3	95.8	287.9	335.4
Insurance / reinsurance receivables	733.5	633.1	611.8	418.7	308.3	298.3
Reinsurance and other recoveries against outstanding claims	744.3	596.8	486.6	371.7	89.8	126.8
Deferred commission expense	260.6	238.9	181.2	179.5	156.8	164.8
Deferred taxation	4.7	-	-	16.4	44.1	32.0
Prepayments	474.2	413.8	305.1	319.3	218.3	259.6
Taxation - payments less provision	-	12.9	8.0	8.1	-	-
Cash and bank balances	1,996.5	1,569.4	1,046.4	913.4	702.4	251.9
Total Assets	**7,308.7**	**5,971.4**	**4,786.0**	**3,501.2**	**2,966.1**	**2,624.7**
Issued, subscribed and paid up share capital	1,983.9	1,983.9	1,171.9	938.7	938.7	938.7
Accumulated (losses) / profits	459.9	(59.8)	(65.3)	(164.5)	(114.0)	16.9
Share premium - net of share issuance cost	42.8	42.8	221.2	8.0	8.0	8.0
Other capital reserves	124.6	124.6	77.6	24.1	-	-
Other comprehensive income reserve	69.6	107.5	189.0	(7.3)	-	-
Available-for-sale reserve	-	-	-	-	(29.7)	(26.7)
Total Shareholders' Fund	**2,680.8**	**2,199.0**	**1,594.3**	**799.0**	**803.0**	**936.9**
Participant's Takaful Fund	(42.6)	(54.7)	(67.5)	41.4	(48.9)	(170.3)
Total Equity	**2,638.2**	**2,144.3**	**1,526.8**	**840.4**	**754.1**	**766.6**
Provision for outstanding claims [including IBNR]	952.5	827.0	574.2	525.3	252.5	275.4
Provision for unearned premium	2,023.8	1,888.9	1,688.8	1,379.7	1,211.2	1,147.8
Premium deficiency reserves	9.0	-	3.4	2.5	-	-
Deferred commission income	90.6	79.6	63.0	63.3	41.4	24.2
Deferred taxation	-	10.4	36.9	-	-	-
Premiums received in advance	5.3	22.8	26.5	18.0	15.7	8.7
Insurance / reinsurance payables	430.4	380.4	322.0	275.0	206.9	189.3
Other creditors and accruals	840.0	382.7	345.0	267.4	193.7	195.9
Taxation - provision less payments	188.7	-	-	-	14.0	16.8
Lease liability against right-of-use asset	130.2	235.3	199.4	129.6	276.6	-
Total Shareholders' Equity and Liabilities	**7,308.7**	**5,971.4**	**4,786.0**	**3,501.2**	**2,966.1**	**2,624.7**

Profit and Loss Account	2023	2022	2021	2020	2019	2018
	---------- Rupees in million ----------					
Net insurance premium (Net of Premium Deficiency Reserve)	3,075.7	2,970.4	2,397.6	2,162.6	2,136.2	2,246.6
Net Insurance claims	(1,506.4)	(1,415.4)	(1,112.7)	(970.1)	(882.9)	(965.4)
Net commission expense	(301.4)	(269.1)	(221.5)	(198.1)	(274.4)	(236.1)
Management expenses	(1,422.8)	(1,100.6)	(945.5)	(878.1)	(867.2)	(915.2)
Underwriting results	**(154.9)**	**185.3**	**117.9**	**116.3**	**111.7**	**129.9**
Investment income	445.5	84.9	78.7	90.5	80.9	0.9
Other income	86.2	61.8	32.2	113.5	71.2	69.8
Financial charges	(24.7)	(30.9)	(26.8)	(35.2)	(29.6)	(1.6)
Other expenses	(258.4)	(236.0)	(207.1)	(205.6)	(178.2)	(164.3)
Surplus on merger	1,078.9	-	-	-	-	-
Profit / (Loss) before tax for the year	**1,172.6**	**65.1**	**(5.2)**	**79.4**	**56.0**	**34.7**
Taxation	(45.5)	(46.8)	(4.5)	(39.7)	(25.5)	(10.9)
Profit / (Loss) after tax	**1,127.0**	**18.3**	**(9.7)**	**39.7**	**30.5**	**23.8**
Profit / (Loss) after tax attributable to shareholders	1,114.9	5.5	99.2	76.8	(107.2)	3.6
Profit / (Loss) after tax attributable to PTF	12.1	12.8	(108.9)	(37.1)	137.7	20.2

VERTICAL ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

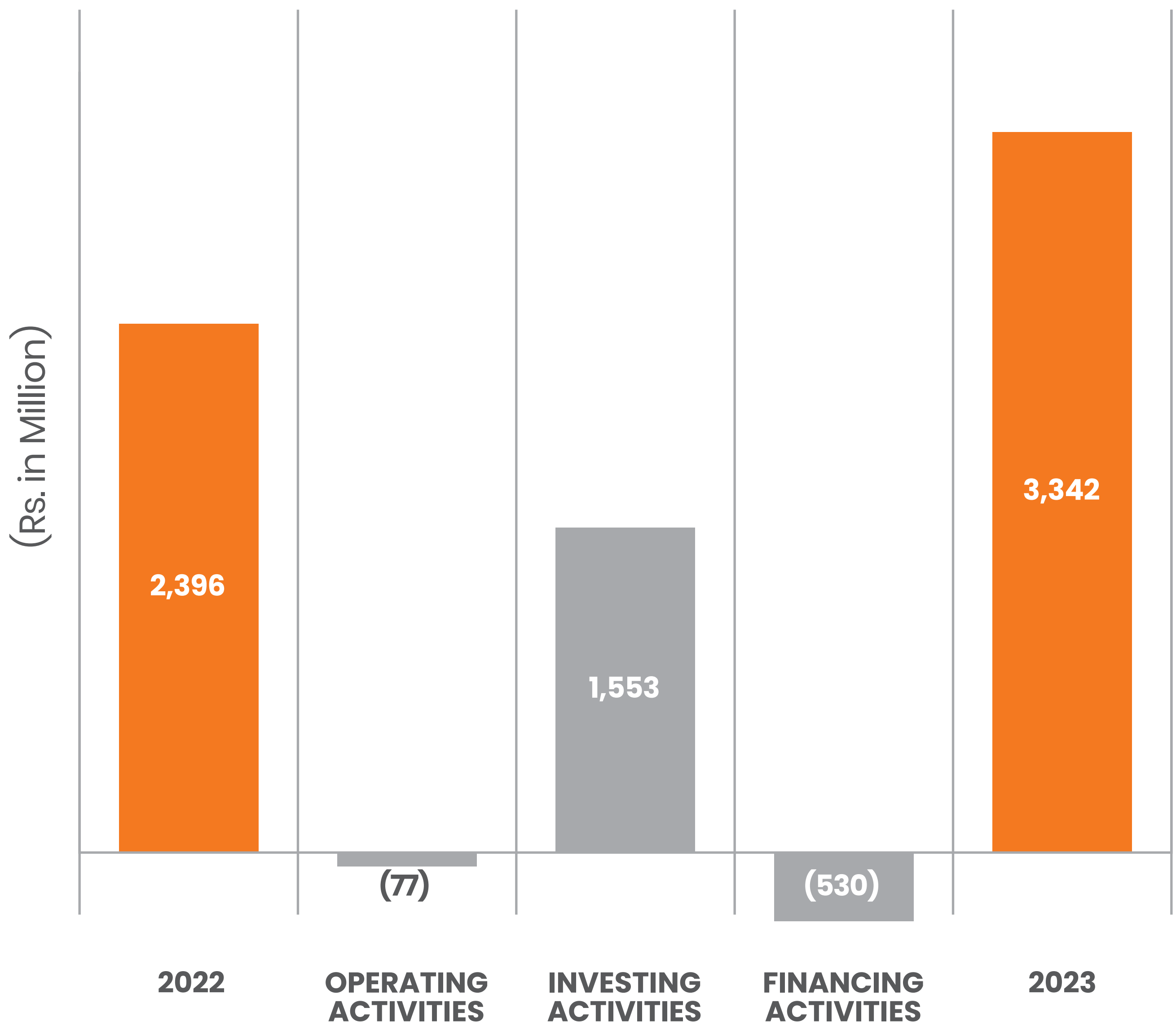
Balance Sheet	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Property and equipment	4.1%	7.1%	8.4%	7.4%	14.5%	4.9%
Investments	30.9%	29.1%	29.1%	26.3%	24.6%	39.1%
Loans and other receivables	7.4%	5.8%	7.4%	2.7%	9.7%	12.8%
Insurance / reinsurance receivables	10.0%	10.6%	12.8%	12.0%	10.4%	11.4%
Reinsurance and other recoveries against outstanding claims	10.2%	10.0%	10.2%	10.6%	3.0%	4.8%
Deferred commission expense	3.6%	4.0%	3.8%	5.1%	5.3%	6.3%
Deferred taxation	0.1%	0.0%	0.0%	0.5%	1.5%	1.2%
Prepayments	6.5%	6.9%	6.4%	9.1%	7.4%	9.9%
Taxation - payments less provision	0.0%	0.2%	0.2%	0.2%	0.0%	0.0%
Cash and bank balances	27.3%	26.3%	21.9%	26.1%	23.7%	9.6%
Total Assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Issued, subscribed and paid up share capital	27.1%	33.2%	24.5%	26.8%	31.7%	35.8%
Accumulated (losses) / profits	6.3%	-1.0%	-1.4%	-4.7%	-3.8%	0.6%
Share premium - net of share issuance cost	0.6%	0.7%	4.6%	0.2%	0.3%	0.3%
Other capital reserves	1.7%	2.1%	1.6%	0.7%	0.0%	0.0%
Other comprehensive income reserve	1.0%	1.8%	4.0%	-0.2%	0.0%	0.0%
Total Shareholders' Fund	**36.7%**	**36.8%**	**33.3%**	**22.8%**	**27.1%**	**35.7%**
Participant's Takaful Fund	-0.6%	-0.9%	-1.4%	1.2%	-1.7%	-6.5%
Total Equity	**36.1%**	**35.9%**	**31.9%**	**24.0%**	**25.4%**	**29.2%**
Provision for outstanding claims [including IBNR]	13.0%	13.9%	12.0%	15.0%	8.5%	10.5%
Provision for unearned premium	27.7%	31.6%	35.3%	39.4%	40.8%	43.7%
Deferred commission income	1.2%	1.3%	1.3%	1.8%	1.4%	0.9%
Premium deficiency reserves	0.1%	0.0%	0.1%	0.1%	0.0%	0.0%
Deferred taxation	0.0%	0.2%	0.8%	0.0%	0.0%	0.0%
Premiums received in advance	0.1%	0.4%	0.6%	0.5%	0.5%	0.3%
Insurance / reinsurance payables	5.9%	6.4%	6.7%	7.9%	7.0%	7.2%
Other creditors and accruals	11.5%	6.4%	7.2%	7.6%	6.5%	7.5%
Taxation - provision less payments	2.6%	0.0%	0.0%	0.0%	0.5%	0.6%
Lease liability against right-of-use asset	1.8%	3.9%	4.2%	3.7%	9.3%	0.0%
Total Shareholders' Equity and Liabilities	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Profit and Loss Account	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Net insurance premium (Net of premium deficiency reserve)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Net Insurance claims	-49.0%	-47.7%	-46.4%	-44.9%	-41.3%	-43.0%
Net commission expense	-9.8%	-9.1%	-9.2%	-9.2%	-12.9%	-10.5%
Management expenses	-46.3%	-37.1%	-39.4%	-40.6%	-40.6%	-40.7%
Underwriting results	**-5.0%**	**6.2%**	**4.9%**	**5.4%**	**5.2%**	**5.8%**
Investment income	14.5%	2.9%	3.3%	4.2%	3.8%	0.0%
Other income	2.8%	2.1%	1.3%	5.3%	3.3%	3.1%
Financial charges	-0.8%	-1.0%	-1.1%	-1.6%	-1.4%	-0.1%
Other expenses	-8.4%	-8.0%	-8.6%	-9.5%	-8.3%	-7.3%
Surplus on merger	35.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit / (Loss) before tax for the year	**38.1%**	**2.2%**	**-0.2%**	**3.7%**	**2.6%**	**1.7%**
Taxation	-1.5%	-1.6%	-0.2%	-1.8%	-1.2%	-0.5%
Profit / (Loss) after tax	**36.6%**	**0.6%**	**-0.4%**	**1.8%**	**1.4%**	**1.2%**

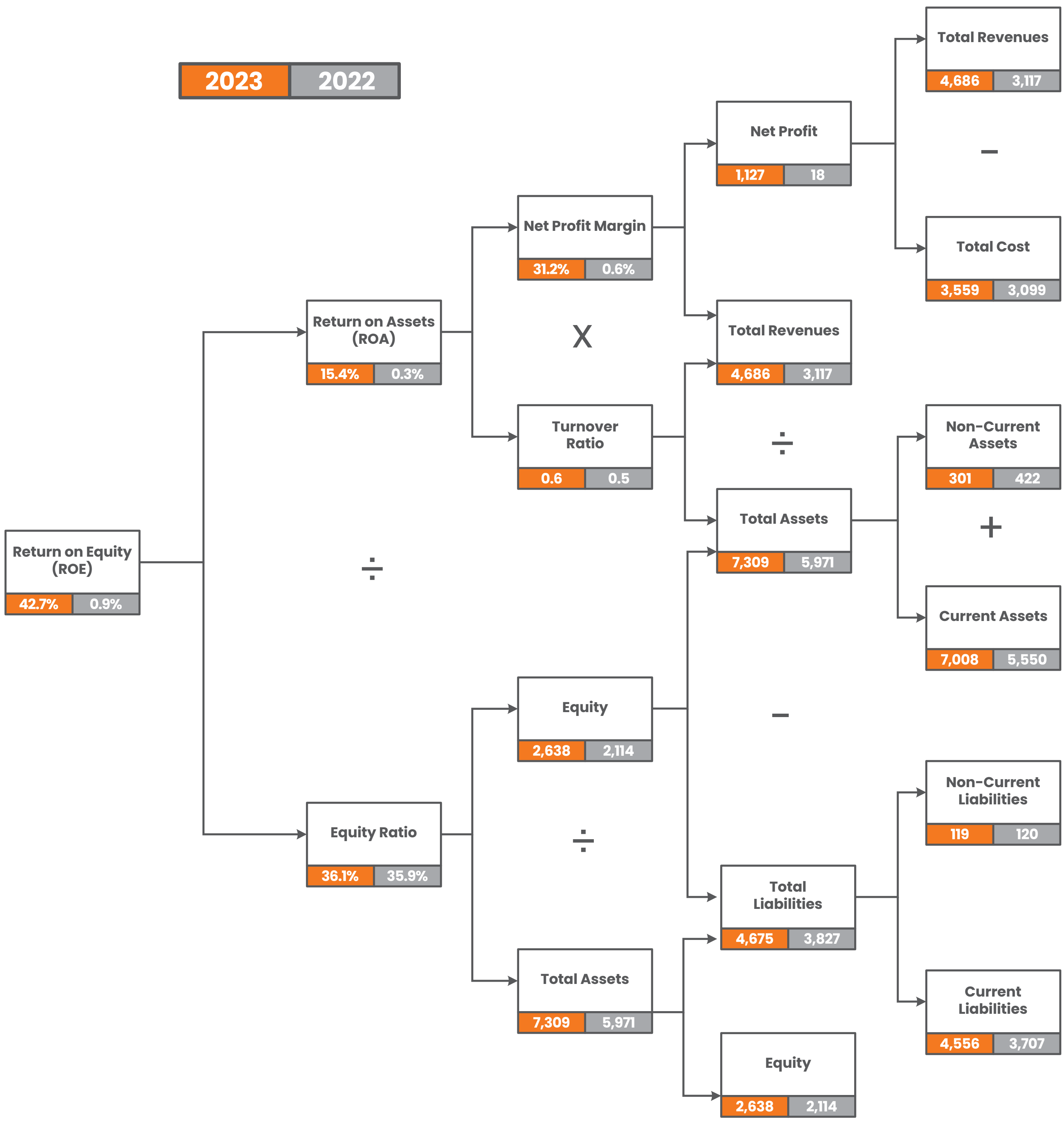
CASHFLOW ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Particulars	2023	2022	2021	2020	2019	2018
	---------------------- Rupees in million ----------------------					
Net Cashfows from Operating Activities	-76.9	321.4	(36.3)	494.2	349.0	212.7
Net Cashflows from Investing Activities	1,553.3	277.9	165.0	(418.1)	411.5	(101.8)
Net Cashflows from Financing Activities	(529.7)	420.0	259.3	(210.1)	(240.0)	(186.2)
Net Cash Inflow / (Outflow)	**946.7**	**1,019.3**	**388.0**	**(134.0)**	**520.5**	**(75.3)**
Cash and cash equivalent at the start of the year	2395.7	1,376.4	988.4	1,122.4	601.9	677.2
Cash and cash equivalent at the end of the year	**3,342.4**	**2,395.7**	**1,376.4**	**988.5**	**1,122.4**	**601.9**

CASH & CASH EQUIVALENT



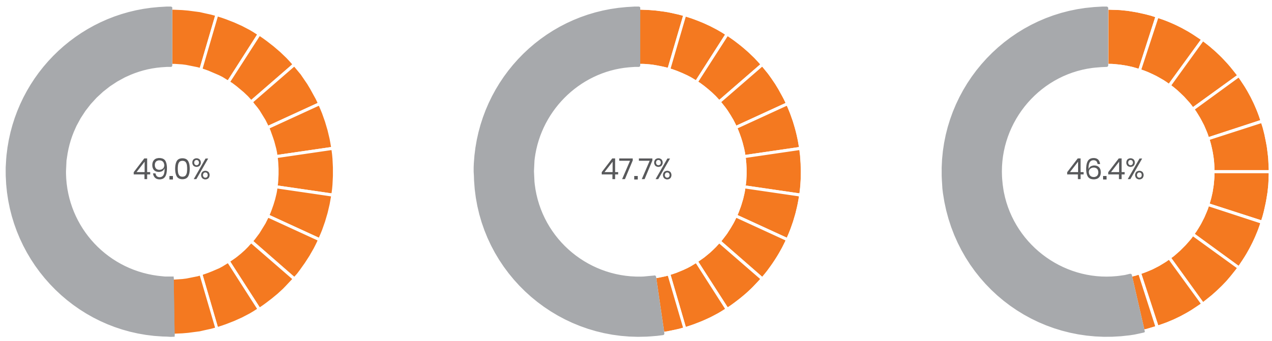
DUPONT ANALYSIS



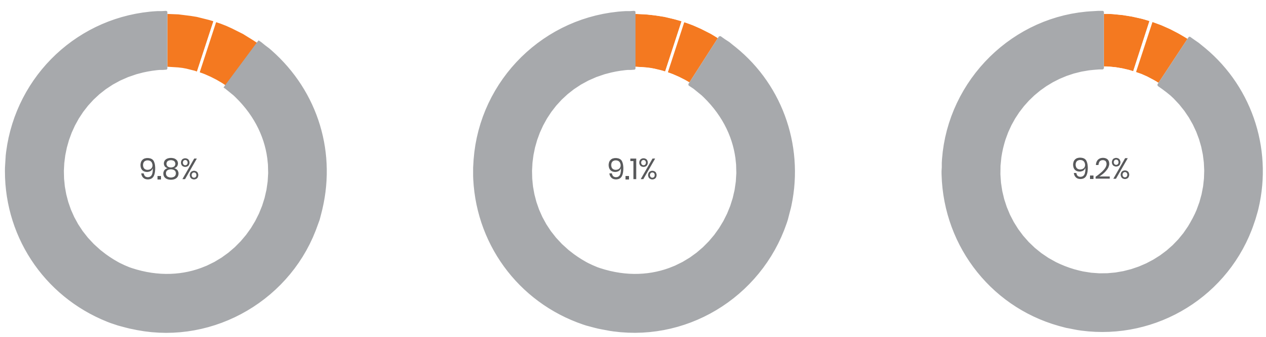
RATIO ANALYSIS

2023 | 2022 | 2021

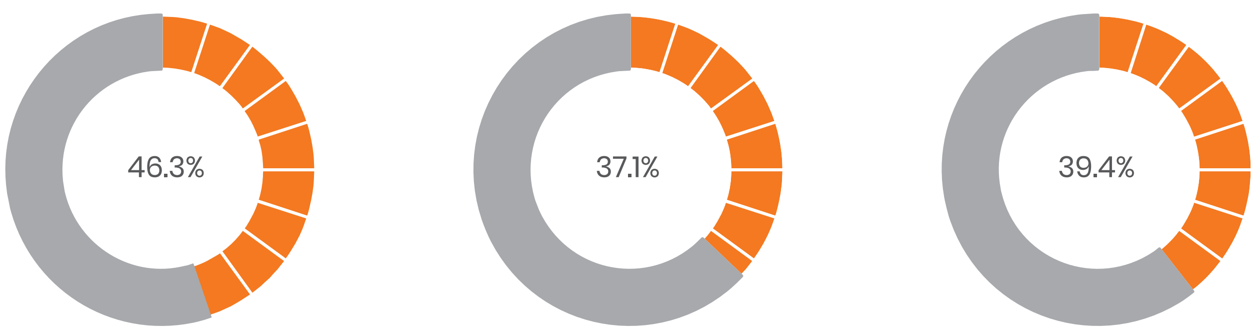
Claim Ratio %



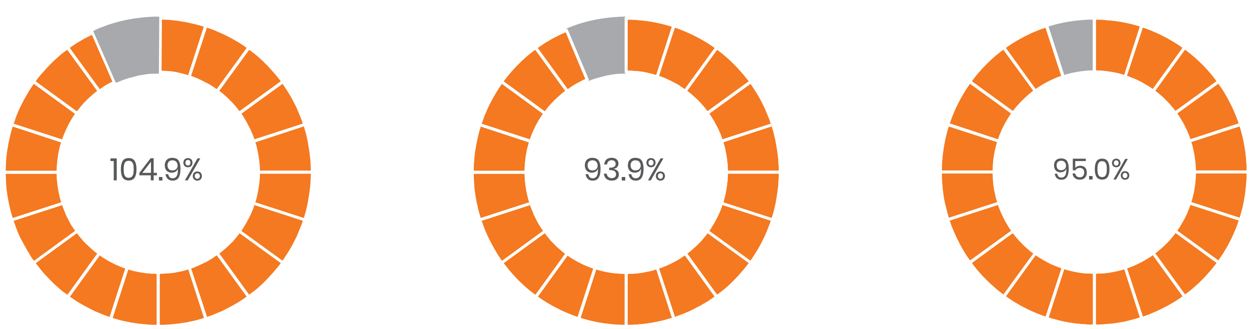
Commission Ratio %



Management Expense Ratio %



Combined Ratio %



RATIO ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

		2023	2022	2021	2020	2019	2018
Profitability							
Profit Before Tax / Gross Premium	%	28.7%	1.7%	-0.2%	2.9%	2.2%	1.4%
Profit Before Tax / Net Premium	%	38.1%	2.2%	-0.2%	3.7%	2.6%	1.5%
Profit After Tax / Gross Premium	%	27.6%	0.5%	-0.3%	1.3%	1.2%	1.0%
Profit After Tax / Net Premium	%	36.6%	0.6%	-0.4%	1.8%	1.4%	1.1%
Underwriting Result / Gross Premium	%	-3.8%	4.8%	3.6%	4.2%	4.5%	5.4%
Underwriting Result / Net Premium	%	-5.0%	6.2%	4.9%	5.4%	5.2%	5.8%
Profit Before Tax / Total Income	%	32.5%	2.1%	-0.2%	3.4%	2.4%	1.5%
Profit After Tax / Total Income	%	31.2%	0.6%	-0.4%	1.7%	1.3%	1.0%
Combined ratio	%	105.0%	93.8%	95.0%	94.6%	94.8%	94.2%
Net Claims / Net Premium	%	49.0%	47.7%	46.4%	44.9%	41.3%	43.0%
Management Expenses / Net Premium	%	46.3%	37.1%	39.4%	40.6%	40.6%	40.7%
Net Profit Margin	%	31.2%	0.6%	-0.4%	1.7%	1.3%	1.0%
Return to Shareholders							
Return on Equity	%	42.7%	0.9%	-0.6%	4.7%	4.0%	3.1%
Return on Capital Employed	%	40.9%	0.8%	-0.6%	3.9%	3.0%	3.1%
Return on Assets	%	15.4%	0.3%	-0.2%	1.1%	1.0%	0.9%
Earnings / (Loss) Per Share attributable to Shareholders' Fund	Rs.	5.7	0.03	0.57	0.39	(0.54)	0.02
Price Earning Ratio	Times	2.5	609.3	52.1	N/A	N/A	1,206.9
Price to Book Ratio	Times	1.1	1.5	3.7	7.5	6.3	4.6
Breakup value per share	Rs.	13.5	11.1	8.0	4.0	4.0	4.7
Market Data							
Market Price per share at the end of the year	Rs.	14.5	16.8	29.7	30.3	25.7	21.9
Market Price per share - Highest during the year	Rs.	22.2	34.9	44.5	35.8	29.7	25.7
Market Price per share - Lowest during the year	Rs.	13.2	15.4	23.4	16.0	18.3	19.3
Performance / Liquidity							
Current Ratio	Times	1.5	1.5	1.4	1.2	1.2	1.3
Cash / Current Liabilities	%	43.9%	42.3%	32.5%	34.4%	34.5%	13.6%
Total Assets Turnover	Times	0.5	0.5	0.5	0.7	0.8	0.9
Fixed Assets Turnover	Times	12.0	7.4	6.3	9.2	5.3	17.9
Total Liabilities / Equity	Times	1.8	1.8	2.1	3.2	2.9	2.4
Cashflow from Operations Margin	%	-2.5%	10.8%	-1.5%	22.9%	16.3%	9.5%
No. Of days in Premium Receivable	Days	66	60	68	56	45	45
No. Of days in Claim Settlement	Days	50	59	29	58	67	56
Paid-up Capital / Total Assets	%	27.1%	33.2%	24.5%	26.8%	31.6%	35.8%
Earning assets / Total Assets	%	58.2%	55.4%	50.9%	52.4%	48.3%	48.7%
Shareholders' Equity / Total Assets	%	36.7%	36.8%	33.3%	22.8%	27.1%	35.7%

COMMENTS ON KEY FINANCIAL DATA

Performance Ratios

- Claim ratio increased from 47.7% to 49.0% due to increased claim cost on health portfolio and impact of flood related claims on crop portfolio
- Commission ratio increased 1% at 10% in comparison to last year.
- Expense ratio increased from 37.1% to 46.2% during the year.
- Combined ratio increased by 10.3% at 104.2% against last year at 93.9%
- Company's book value per share has increased to Rs. 13.5 per share.

Balance sheet

- The Company's total assets have grown 2.8X to Rs. 7.30 billion at the end of 2023 from Rs. 2.6 billion at the end of 2018.
- Number of days in claim settlement has reduced to 50 days compared to the prior year at 59 days.
- Shareholders' equity has increased by over Rs. 1.6 billion to Rs. 2.680 billion over the past 6 years.

Profit and loss Account

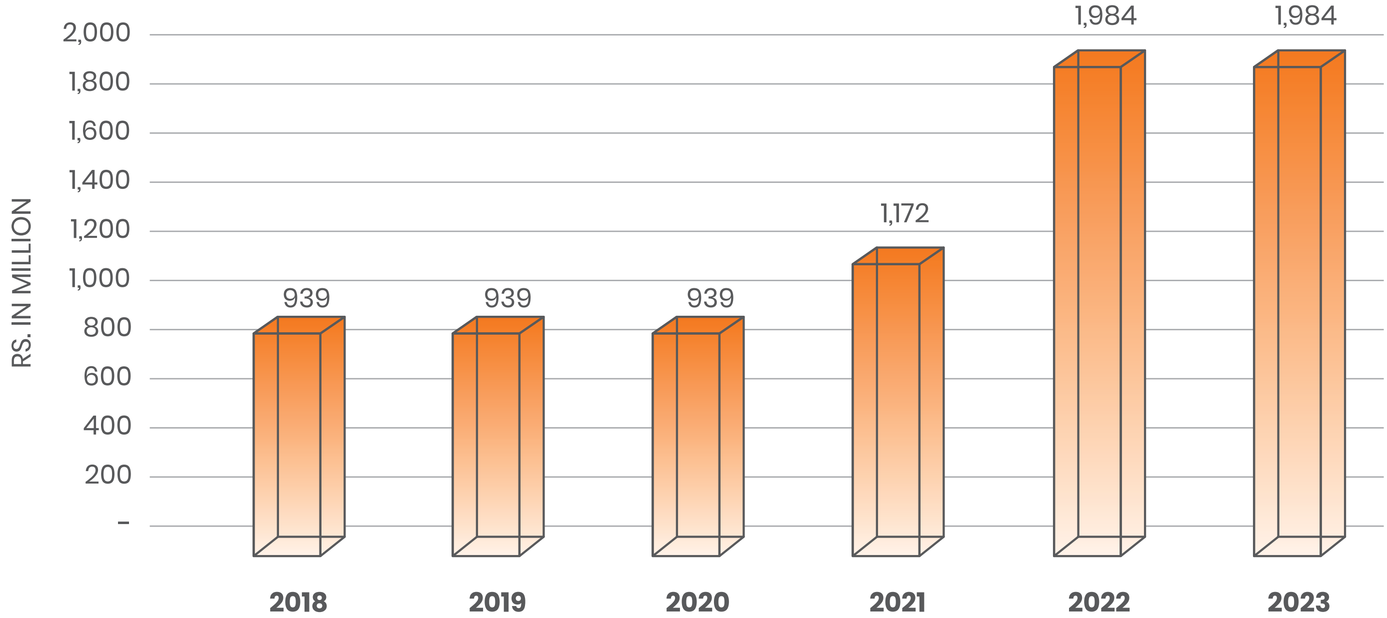
- The gross and net premium have reported growth of 70% and 37% respectively over the period of six years. During the year, gross and net written premium have reported growth of 7% and 4% respectively.
- During the year the company has generated surplus on merger of Rs. 1,079 million on acquisition of Pakistan branch of New Hampshire Insurance Company.

Cash Flows

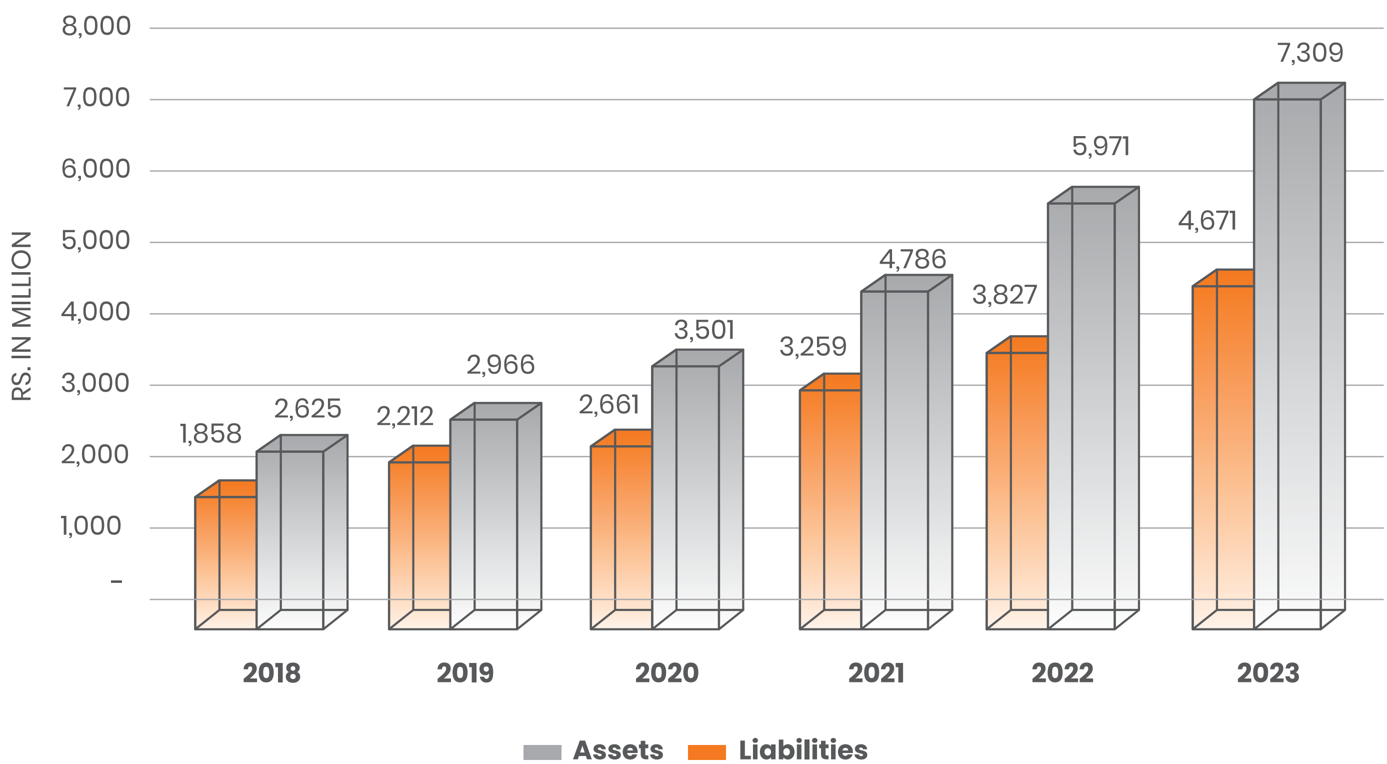
- During the year, the Company generated net cash flow of Rs. 946.7 million. The company maintains strong liquidity position to carry out its operations smoothly.

PERFORMANCE AT A GLANCE

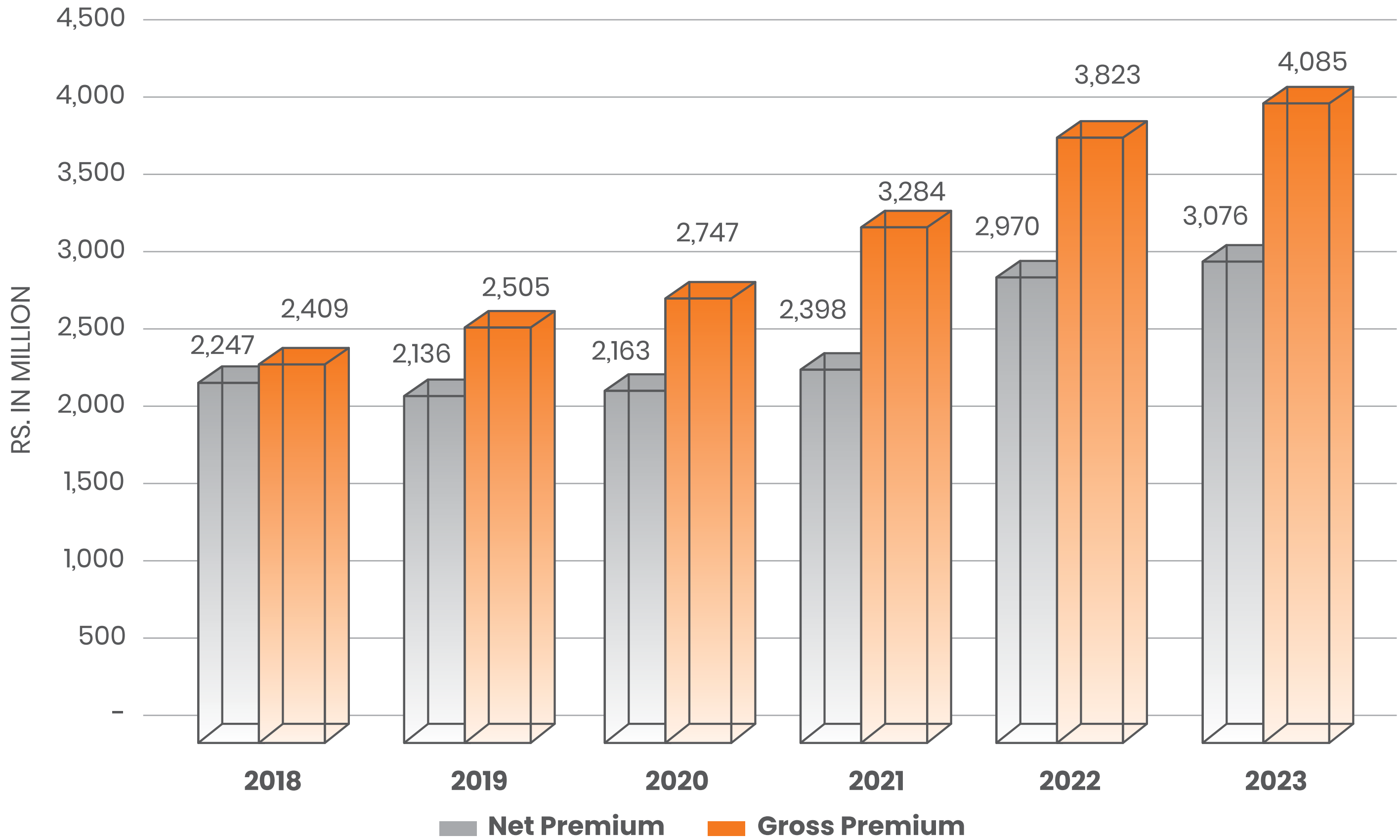
SHARE CAPITAL



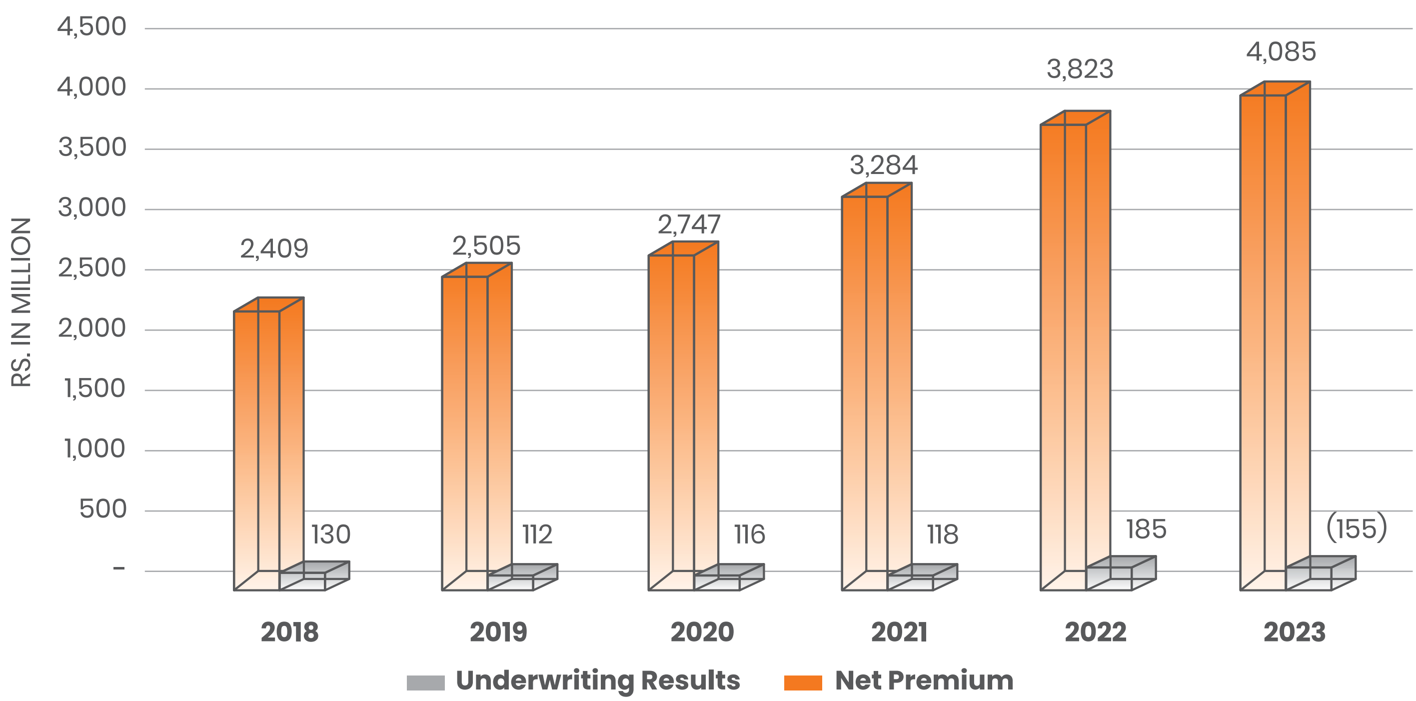
ASSETS AND LIABILITIES



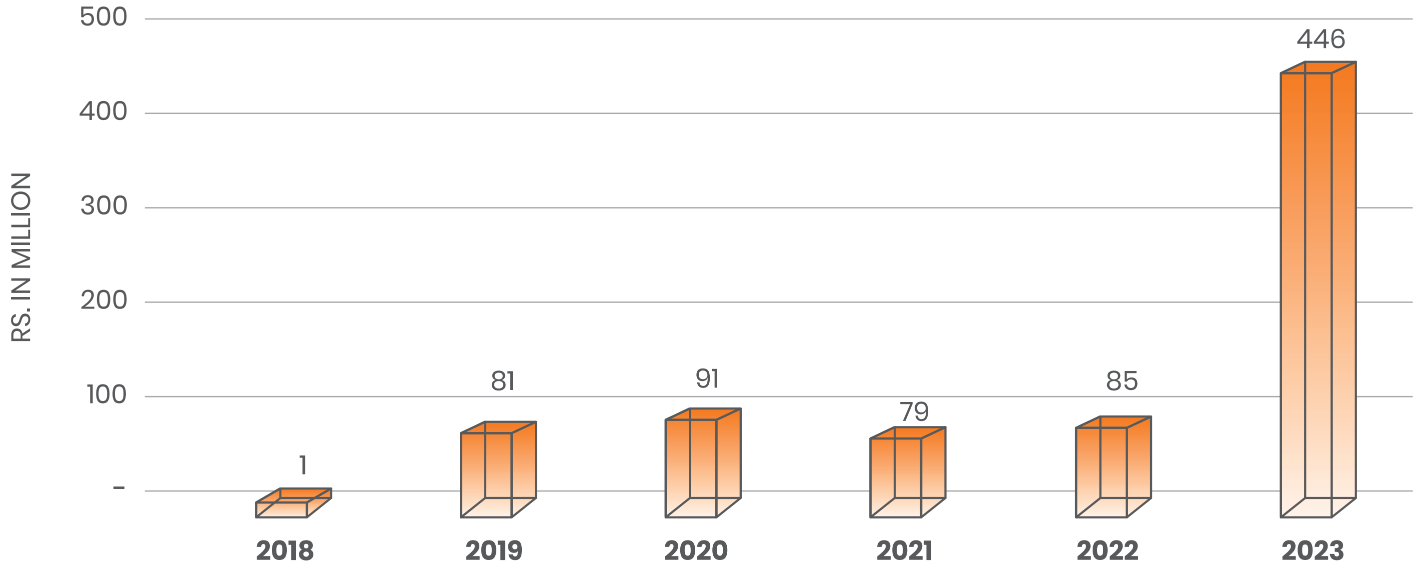
GROSS PREMIUM VS. NET PREMIUM



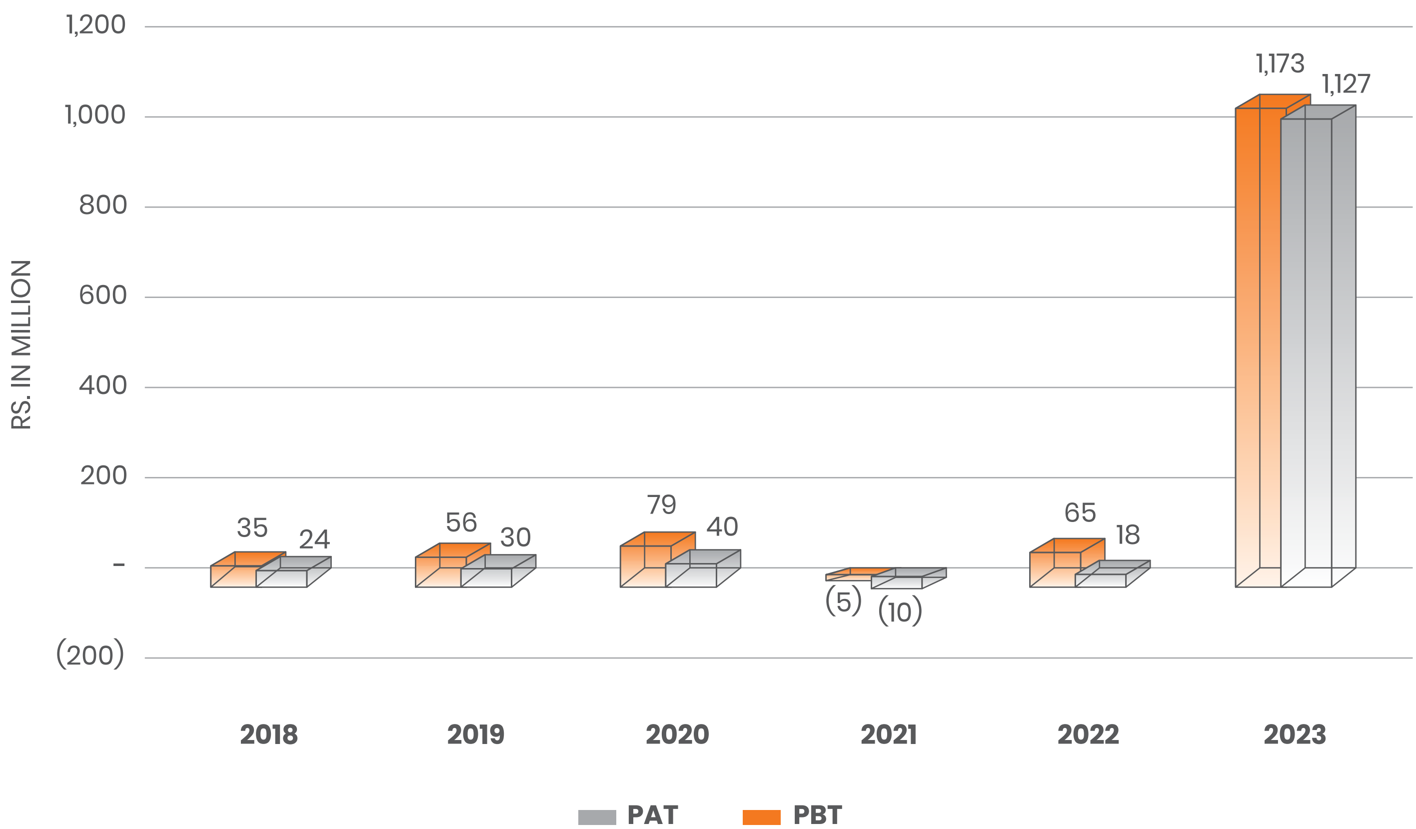
NET PREMIUM VS. UNDERWRITING RESULTS



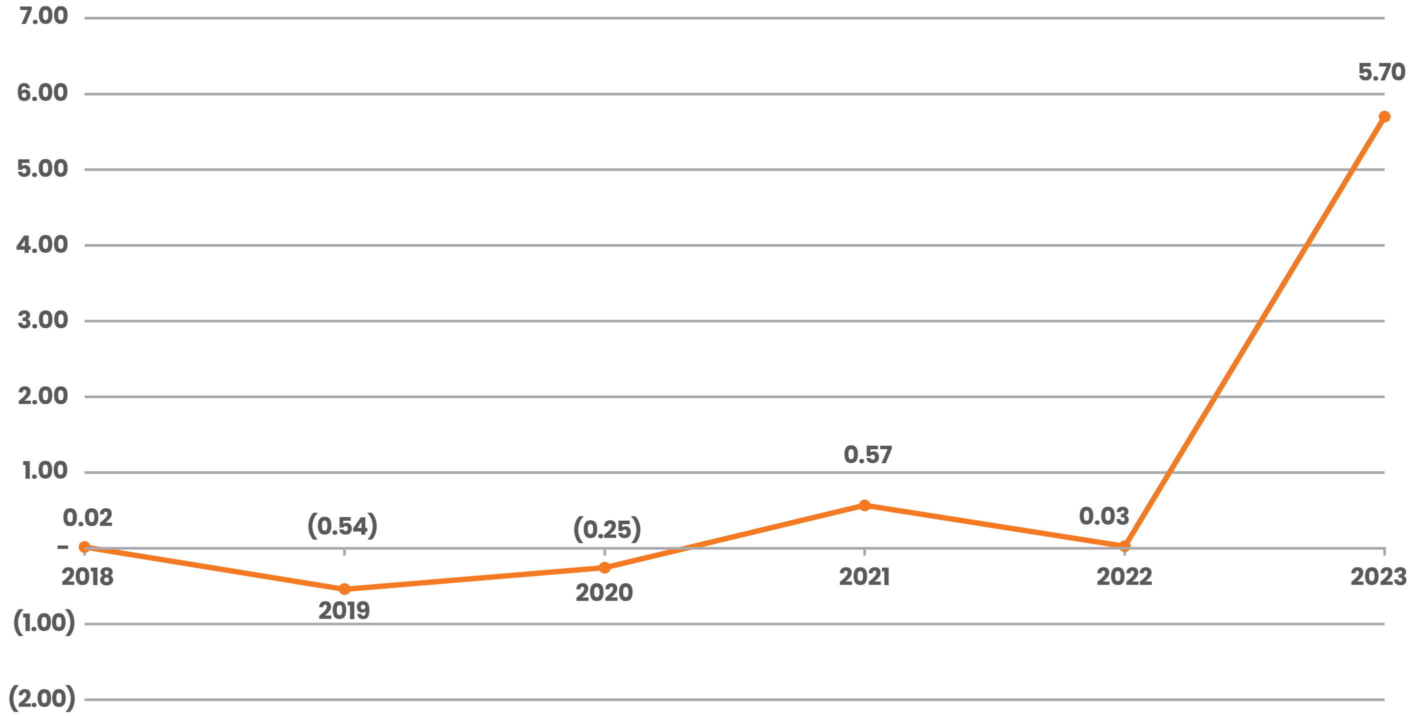
INVESTMENT INCOME



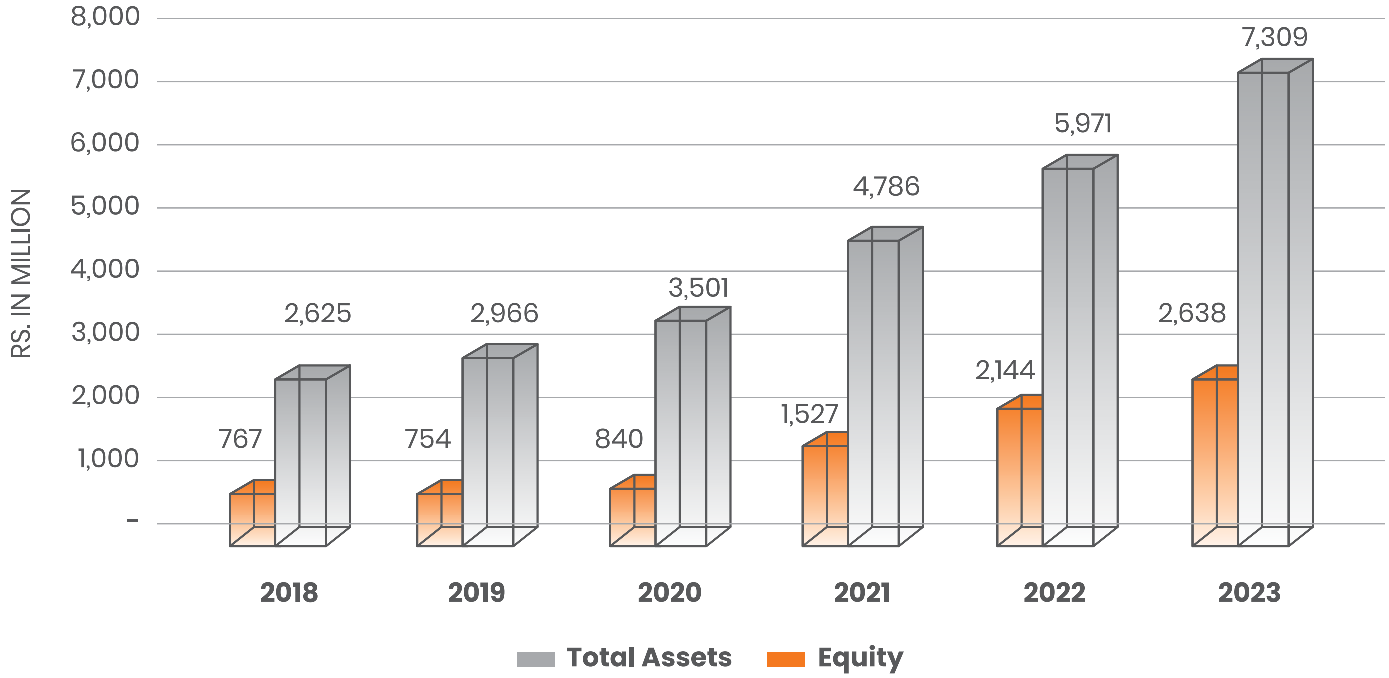
PBT VS. PAT



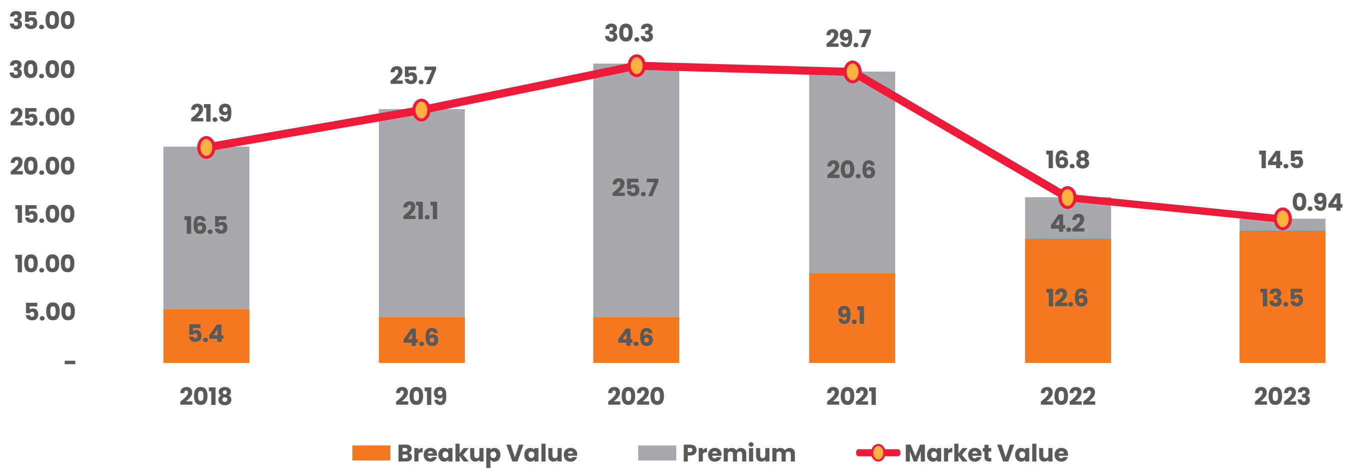
EARNING PER SHARE (RUPEES)



EQUITY VS. TOTAL ASSETS



BREAKUP VALUE VS. MARKET VALUE (RUPEES)



SHARE PRICE SENSITIVITY ANALYSIS

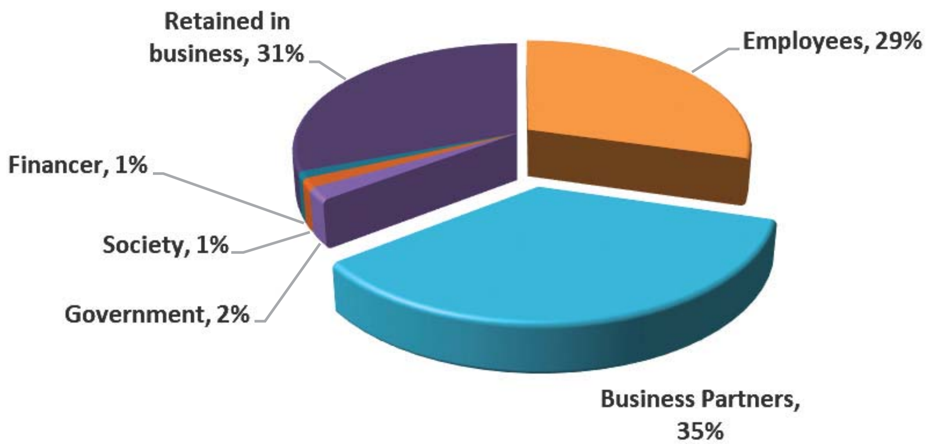
	Max Price (Rs.)	Min Price (Rs.)	Average Volume	Closing Price (Rs.)
January	19.71	15.75	57,059	19.39
February	21.50	17.15	56,184	20.65
March	22.24	19.10	76,955	21.08
April	20.99	19.40	34,656	20.92
May	20.98	0.00	24,659	20.31
June	20.72	0.00	28,235	20.71
July	22.15	17.99	33,500	18.90
August	20.70	18.01	28,325	19.51
September	21.47	16.00	53,950	17.35
October	18.68	0.00	16,944	17.44
November	17.44	14.70	33,095	15.20
December	15.85	13.19	89,947	14.45

STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

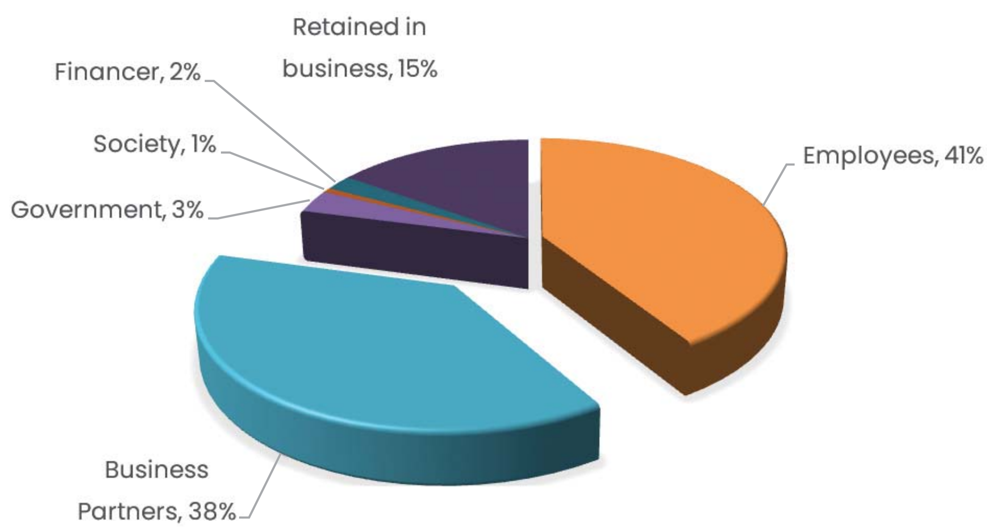
	2023		2022	
Wealth Generated	**(Rupees)**	**%**	**(Rupees)**	**%**
Net premium earned	3,084,669,251		2,967,029,185	
Reversal of premium deficiency reserve	-		-	
Commission from reinsurers	176,750,729		145,210,307	
Investment and other income	1,610,476,787		146,711,918	
	4,871,896,767		3,258,951,410	
Less: Claims, Expenses and charge of premium deficiency reserve (excluding employees remuneration, donation, depreciation and taxes)	(1,935,860,577)		(1,779,930,365)	
	2,936,036,190	**100%**	**1,479,021,045**	**100%**

	2023		2022	
Wealth Distributed	**(Rupees)**	**%**	**(Rupees)**	**%**
To employees	688,123,474	23%	606,186,724	41%
To business partners	828,577,933	28%	563,207,589	38%
To government	45,470,433	2%	46,796,741	3%
To society	33,772,912	1%	9,749,156	1%
To financer	24,713,426	1%	30,947,089	2%
To shareholders				
Cash dividend	595,183,387	20%	-	0%
Retained in business				
Depreciation and amortization	188,358,624	6%	203,870,199	14%
Retained profit / loss	531,836,001	18%	18,263,547	1%
	720,194,625	25%	222,133,746	15%
	2,936,036,190	**100%**	**1,479,021,045**	**100%**

2023


Retained in business, 31%
Employees, 29%
Financer, 1%
Society, 1%
Government, 2%
Business Partners, 35%

2022


Retained in business, 15%
Financer, 2%
Society, 1%
Government, 3%
Employees, 41%
Business Partners, 38%

STATEMENT OF CHARITY ACCOUNT

S.No.	Particulars	2023	2022	2021
1.	Education	1.68	1.10	6.37
2.	General Donations	1.84	2.98	1.34
3.	Health Care and Environment	30.25	5.65	1.00
	Total	**33.77**	**9.73**	**8.71**

STAKEHOLDER'S ENGAGEMENT:

TPL Insurance Limited convenes Annual and Extra Ordinary General Meetings in accordance with the Companies Act, 2017. The Company's quarterly financial reports, annual reports and complete financial statements are published and hosted on the Company's website (www.tplinsurance.com). This transparency allows shareholders to remain connected with the Company as well as reaffirm their trust in the Company's promising performance and growth. Additionally, it facilitates potential investors in making their investment choices. In compliance with the Listed Companies (Code of Corporate Governance) Regulations and the Listing Regulations of the stock exchange, the Company notifies information to the Stock Exchange and the Securities and Exchange Commission of Pakistan regarding the dates of Board of Directors meetings and financial results in a timely manner.

Minority Shareholders

In order to ensure that the minority shareholders of the Company attend the general meetings of the Company, notices are circulated to the shareholders well in advance. The notices of the general meeting are published in widely circulated newspapers of the country and the same are published in both English and Urdu.

Customers

The Company's philosophy has always been to keep its customers and policy holders above all. The Company, with its customer-centric service philosophy, offers multiple round the clock platforms such as the call center, website, mobile app & whatsapp. Our dedicated teams for sales, claims, renewals, and customer services have been acknowledged and awarded for observing, maintaining and raising the Quality and Standard in the industry. The Company also reaches out and engages its customers and policy holders through social media and its website in order to get feedback and eradicate grievances (if any). This results in solidifying our customer's trust and satisfaction.

Banks

The Company holds true to its values and relationships. We partner with various forerunners of finance and banking industry and forge relations in the FI sector. This collaboration is always aimed at providing mutual benefits.

Media

Events, achievements, product launches, expansions, briefings, press releases and advertisements keep the Company in the news often. The Company has a strong presence in the media and its promotional and social activities are thoroughly covered and published in various forms including print, radio, TV, digital, etc.

Regulators

In compliance with applicable laws and regulations, the Company's statutory returns and forms are filed with various regulatory bodies and federal and provisional taxation authorities periodically. The Company ensures that all requirements are met and complied with.

Analysts

The Company is recognized by Pakistan Credit Rating Agency (PACRA) with a rating of "AA".

Steps taken by the Board towards Stakeholders' Engagement:

The Company ensures adequate level of engagement of its stakeholders and, in this regard, does maintain a policy covering the interest of its stakeholders including institutional investors, minority shareholders, customers, banks, media, regulators, analysts and others. In order to solicit and understand the views of its stakeholders, the Company holds corporate briefing sessions at least once in a year and post the same on its website for the disclosure to its stakeholders.

ISSUES RAISED IN THE LAST AGM, DECISIONS TAKEN AND THEIR IMPLEMENTATION

No major issues were raised by the shareholders during the last Extra Ordinary General Meeting (the "Meeting") held on June 27, 2023. The following matters were taken up in the meeting as per the Agenda, and were approved and the decisions taken were implemented in due course:

1. Approval of minutes of the last Annual General Meeting (AGM) held on April 27, 2023.

2. Pursuant to the Order of the High Court of Sindh at Karachi dated May 31, 2023, passed in Civil Miscellaneous Application No. 1309 of 2023, in the matter of Judicial Companies Miscellaneous No. 15 of 2023, to consider and, if thought fit, to pass, with or without modification, the following resolution for, inter alia, the amalgamation of the Pakistan Branch of New Hampshire Insurance Company with and into the Company, along with all ancillary matters thereto, in accordance with the Scheme of Arrangement dated May 29, 2023, as approved by the Board of Directors of the Company on May 26, 2023.

3. To transact any other business with the permission of the Chairman.

STATEMENT OF ADHERENCE WITH THE INTERNATIONAL INTEGRATED REPORTING FRAMEWORK

The Integrated Reporting System has been introduced by TPL Insurance to provide an overview of the philosophy of its business to explain the relation between its financial and non-financial information, in order to enhance the user's understanding of how the company is operating to improve its performance in the interest of stakeholders.

This Integrated Reporting Framework facilitates sustainable value creation over the long term by minimizing risks, improving harmony, generating cost efficiencies, and making capital allocation more efficient. The Company is well aware that information needs of stakeholders are changing in keeping with the dynamic environment we operate in. Investors in particular are increasingly becoming interested in the past performance as well as non-financial information which is becoming more and more relevant for ascertaining the future potential. Accordingly, the company has enhanced its disclosures of non-financial information in this Annual Report. This report is developed in accordance with the International Integrated Reporting Council's (IIRC) principal based International Integrated Reporting <IR> Framework to communicate with all our stakeholders with a concise and transparent assessment of the company to perform and create sustainable value.

In Annual Report 2023, we have covered following elements of International Integrated Reporting Framework.

- Organizational Overview
- Governance
- Risk and Opportunities
- Financial Performance
- Future Outlook
- Basis of Preparation and Presentation

In the future, we will continue to make improvements to this report so as to make it even easier to understand, while taking into account the opinions of stakeholders regarding this report.

SHARIAH ADVISOR'S PROFILE

Mufti Muhammad Talha Iqbal

Mufti Muhammad Talha Iqbal is a qualified and certified Islamic scholar and recognized Mufti from Jamia Darul- Uloom Karachi, a premier institution of Pakistan for quality religious education and leading institute for promoting Islamic Economics and Finance setting up the guidelines of Islamic Banking and Takaful System. He has Takhassus fil Ifta / specialization in Fatwa (Islamic jurisprudence) and has vast experience in Islamic Fiqh and Islamic Financial Services.

Mufti Talha is associated with Window Takaful Operations of TPL Insurance Limited as its Shariah Advisor and has been instrumental in the development of its operations in both retail and corporate segments. His deep knowledge of corporate related matters and understanding of demands of the dynamic market in the light of Shariah Principles is of immense value to the organization. He was awarded degree of PGD from Centre for Islamic Economics (CIE). He also serves as teacher of Dars-e-Nizami at Jamiah Darul-Uloom Karachi since 2006 and is a faculty member of Centre for Islamic Economics (CIE) since 2010.

COMPOSITION OF BOARD AND MANAGEMENT COMMITTEES

A. Board Committees

1) Ethics, HR, Remuneration and Nomination Committee

Naila Kassim	Chairperson
Muhammad Ali Jameel	Member
Rana Assad Amin	Member
Ayla Majid	Member
Nader Nawaz	Secretary

2) Investment Committee

Muhammad Ali Jameel	Chairman
Rana Assad Amin	Member
Muhammad Aminuddin	Member
Benjamin Brink	Member
Yousuf Zohaib Ali	Secretary

3) Audit Committee

Aqueel Merchant	Chairman
Rana Assad Amin	Member
Muhammad Ali Jameel	Member
Ayla Majid	Member
Hashim Sadiq Ali	Secretary

B. Management Committees

1) Underwriting Committee

Aqueel Merchant	Chairman
Syed Ali Hassan Zaidi	Member
Shumail Iqbal	Secretary

2) Claim Settlement Committee

Benjamin Brink	Chairman
Tariq Ali Farooqui	Member
Yousuf Zohaib Ali	Member
M. Kumail Mushtaq Ali	Member
Ayla Majid	Member
Owais Alam	Secretary

3) Reinsurance & Coinsurance Committee

Aqueel Merchant	Chairman
Syed Ali Hassan Zaidi	Member
Muhammad Aminuddin	Member
Shadab Khan	Secretary

4) Risk Management & Compliance Committee

Ayla Majid	Chairperson
Syed Ali Hassan Zaidi	Member
Muhammad Aminuddin	Member
Kamran Rafique	Member
Benjamin Brink	Member
Shadab Khan	Secretary

TERMS OF REFERENCE - BOARD AND MANAGEMENT COMMITTEES

1. Audit Committee

The Audit Committee is responsible for:

(a) recommending the appointment of external auditors by the Company's shareholders and shall consider any question of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the Company in addition to audit of its financial statements;

b) determining appropriate measures to safeguard the Company's assets;

c) reviewing preliminary announcements of results prior to publication;

d) reviewing quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on: (i) major judgmental areas; (ii) significant adjustments resulting from the audit; (iii) the going-concern assumption; (iv) any changes in accounting policies and practices; (v) compliance with applicable accounting standards; and (vi) compliance with statutory and regulatory requirements;

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

f) reviewing management letter issued by external auditors and management's responses thereto;

g) ensuring coordination between internal and external auditors of the Company;

h) reviewing the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;

i) consideration of major findings of internal investigations and management's responses thereto;

j) ascertaining the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective;

k) reviewing the Company's statement on internal control systems prior to endorsement by the Board of Directors;

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

m) determination of compliance with relevant statutory requirements;

n) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and

o) consideration of any other issue or matter as may be assigned by the Board of Directors.

2. Ethics, Human Resource, Remuneration and Nominations Committee

The Ethics, HR, Remuneration and Nominations Committee is responsible for:

(a) proposing a remuneration approach and related policies;

(b) preparing remuneration reports and disclosures on compensation practices, on an annual basis but at least prior to the convening of the annual general meeting for the immediate preceding year;

(c) reviewing and making recommendations to the Board of directors regarding the specific remuneration, retirement, succession planning of the Board members, the CEO, senior management and key officers;

(d) reviewing and approving training need assistance at all levels of the organization;

(e) establishing code of business and corporate ethics that are circulated to all the staff members;

(f) implementing the Board's policy on Board's renewal so that the Board individually and collectively continues to maintain target skill levels and independence;

(g) making recommendation to the Board with regard to the nomination for appointment or reappointment of members of the Board consistent with appropriate criteria established in their profile and any succession plans;

(h) ensuring proper orientation of Board members in respect of their responsibilities; and

(i) establishing a mechanism for the formal assessment of the effectiveness of the Board as a whole as well as the contribution of individual Board members along with ongoing training to fulfill their role requirements.

3. Investment Committee

The Investment Committee is responsible for:

(a) setting investment policies (subject to approval of the Board) and guidelines, including policies and guidelines regarding asset classes, asset allocation ranges, and prohibited investments in compliance with regulatory requirements;

(b) overseeing investment and reinvestment of the funds and maintenance of adequate solvency as laid down under Insurance Ordinance 2000 and rules framed thereunder;

(c) monitoring the management of the funds by reviewing written reports from investment staff and by discussions with investment staff at Committee meetings that focus on the primary determinants of returns, including asset allocation and investment strategy;

(d) evaluating investment performance based on a comparison of actual returns and benchmarks as the Board or Committee may from time to time select. The evaluation will take into account compliance with investment policies and guidelines and risk levels;

(e) conducting a quarterly performance evaluation of the Committee and report its findings to the Chairman of the Board.

4. Risk Management and Compliance Committee

The Risk Management Committee is responsible for:

(a) overseeing the activities of the Risk Management function of the Company, and making appropriate recommendations to the Board;

(b) assisting the Board in implementation of the decision taken by the Board to mitigate probable risks falling within the scope of the risk management function;

(c) assessing, quantifying, monitoring and controlling the nature, significance and interdependence of the risk (at individual level and aggregate level) to which the Company is or may be exposed and shall also manage them accordingly;

(d) ensuring that the Company's Risk Management system is well integrated into its organization structure, decision making process and corporate culture and that there is a clear link to other functions;

(e) assisting the Board in its oversight of the risk profile, Risk Management framework and the risk reward strategy determined by the Board;

(f) reviewing and approving the Company's Risk Management policy including risk appetite and risk strategy;

(g) reviewing the adequacy and effectiveness of risk management and controls;

(h) assisting in oversight of management's process for the identification of significant risks across the Company and the adequacy of prevention, detection and reporting mechanisms;

(i) reviewing Company's compliance level with applicable laws and regulatory requirements that may impact the Company's risk profile;

(j) periodically reviewing changes in the economic and business environment, including emerging trends and other factors relevant to the Company's risk profile;

(k) reviewing and recommending approval of the Board risk management procedures and controls for new products and services.

5. Underwriting Committee

The Underwriting Committee is responsible for:

(a) reviewing periodically the policies and guidelines governing the Company's insurance and reinsurance underwriting;

(b) reviewing periodically the policies and guidelines regarding the Company's agent, broker, insured, ceding Company, and reinsurer counterparty risk in connection with its insurance and reinsurance underwriting activities;

(c) evaluating the Company's professional and development plans for key insurance and reinsurance underwriting and actuarial functions;

(d) performing such other responsibilities regarding the Company's insurance and reinsurance underwriting activities or policies or other matters as the Board may from time to time assign the Committee.

6. Claims Settlement Committee

The Claims Settlement Committee is responsible for:

(a) establishing, implementing and maintaining the claims processing time;

(b) claims monitoring and ensuring the transparency, fairness and equality;

(c) reviewing and analyzing periodically the feedback & complains obtained through the mechanism;

(d) reviewing claims for suggesting corrective underwriting measures;

(e) ensuring that salvage sales made are at their optimum price and with transparency.

7. Reinsurance and Coinsurance Committee

The Reinsurance and Coinsurance Committee is responsible for:

(a) monitoring on an ongoing basis the processes and procedures, policies and guidelines, counterparty risk and risk appetite of the Company;

(b) ensuring adequate reinsurance protection available to the Company;

(c) monitoring exposure to reinsurer and ensuring the reinsurance placements are not concentrated to minimise credit risk;

(d) performing such other responsibilities regarding the Company's insurance and reinsurance underwriting activities or policies or other matters as the Board may from time to time assign the Committee;

(e) monitoring that proper commission are charged on outward cessions.

DIRECTORS TRAINING PROGRAMME

All Directors on the Board are fully conversant with their duties and responsibilities as Directors of the Company. Five (05) of the Seven (07) of the Directors of the Company have undertaken the Directors' Training Program (DTP) from Securities and Exchange Commission of Pakistan (SECP) approved institutions whereas one (1) Director stands exempted from the requirement of certification of DTP.

The names of the Directors who have obtained the DTP Certification are as follows:

1. Mr. Rana Assad Amin
2. Mr. Jameel Yusuf Ahmed
3. Ms. Ayla Majid
4. Mr. Benjamin Brink
5. Ms. Naila Kassim

The following Director(s) have been granted exemption from the DTP Certification from SECP are as follows:

1. Mr. Ali Jameel

Further to the above, the Company is also complying with the requirement of Head of Departments and Female Executives to undertake DTP.

OTHER DIRECTORSHIPS OF COMPANY'S EXECUTIVE DIRECTORS

Details of other directorship of the Board of Directors are as follows:

No.	Name	Company	Designation / Status
1.	Muhammad Ali Jameel	TPL Corp Limited	Executive Director
		TPL Properties Limited	Executive Director
		TPL Life Insurance Limited	Executive Director
		TPL REIT Management Company Limited	Non-Executive Director
		Agriauto Industries Limited	Non-Executive Director
		HKC (Private) Limited	Executive Director
		National Management Consultancy Services	
		(Private) Limited	Non-Executive Director
		TPL Developments (Private) Limited	Non-Executive Director
		TPL Holdings (Private) Limited	Executive Director
		TPL Logistics Park (Private) Limited	Executive Director
		TPL Property Management (Private) Limited	Non-Executive Director
		TPL Security Services (Private) Limited	Non-Executive Director
		TPL Technology Zone Phase 1 (Private) Limited	Executive Director
2.	Muhammad Aminuddin	TPL Life Insurance Limited	Non-Executive Director

ROLE OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles and responsibilities of the Chairman and the Chief Executive Officer are distinct and complementary. The same are set out below:

Chairman

The Chairman is in charge of the leadership of the Board. In particular, he is responsible for the following which includes but not limited to:

- to set the agenda and tone of the meetings of the Board in order to stimulate productive debate and ensure appropriate decision making regarding issues pertinent to those areas which are considered by the Board;
- to set a performance-oriented agenda which is largely fixated on strategising, value creation and answerability;
- to manage the meetings of the Board to make sure that suitable time is allowed for discussion of all items on the agenda;
- to ensure that complex or contentious issues are dealt with meritoriously, making sure in particular that non-executive directors have sufficient time to consider them;
- to ensure the constructive running of the Board and its relevant committees while in compliance of the maximum standards set by the Code of Corporate Governance;
- to ensure active, accurate and timely communication with shareholders and Board members alike regarding, inter alia, the performance of the Company;
- to ensure that the Board defines, to the best of its ability, the extent of the significant risks the Company can afford to and is willing to take in the employment of its devised plans;
- to warrant that the members review, consistently and continuously, the effectiveness of risk management and internal control systems.

Chief Executive Officer

The Chief Executive Officer is responsible to lead the business, supervising it within the authorities delegated to him by the Board. He oversees the implementation and development of the devised policies. In particular, he is responsible for the following which includes but is not limited to:

- to lead, in conjunction with the Board, the development of the Company's strategy;
- to lead and oversee the implementation of the Company's long and short term plans in accordance with its strategy;
- to ensure the Company is appropriately organised and appropriately staffed and to enable it to achieve the approved strategy;

- to assess the principal risks of the Company and to ensure that these risks are being monitored and managed;
- to ensure that the Company has appropriate systems to enable it to conduct its activities both lawfully and ethically;
- to ensure that the Company maintains high standards of corporate citizenship and social responsibility wherever/ whenever it does business;
- to act as a liaison between management and the Board and to provide information to the Board to enable the Directors to form appropriate judgments;
- to communicate effectively with shareholders, employees, Government authorities, other stakeholders and the public;
- to keep abreast of all material undertakings and activities of the Company and all material external factors affecting the Company, and ensure the integrity of all public disclosures by the Company;
- in concert with the Chairman, to develop focused agendas to be discussed by the Board in its meetings;
- to request that special or general meetings of the Board and shareholders be called when appropriate;
- to sit on committees of the Board where appropriate as determined by the Board;
- to abide by specific internally established control systems and authorities, to lead by personal example and encourage all employees to conduct their activities in accordance with all applicable laws and the Company's standards and policies, including its environmental, safety and health policies.

POLICY OF RELATED PARTY TRANSACTIONS

The Board has duly approved the Company's policy related party transaction policy which complies with all applicable laws, including the Companies Act, 2017, the Companies (Related Party Transaction and Maintenance of Records) Regulations, 2018 and the listing regulations of the exchange.

The Board gave its approval to the policy which outlines the conditions relating to the nature of related party relationship, potential risks and mitigating measures, pricing limitation applicable in case of certain related party transactions.

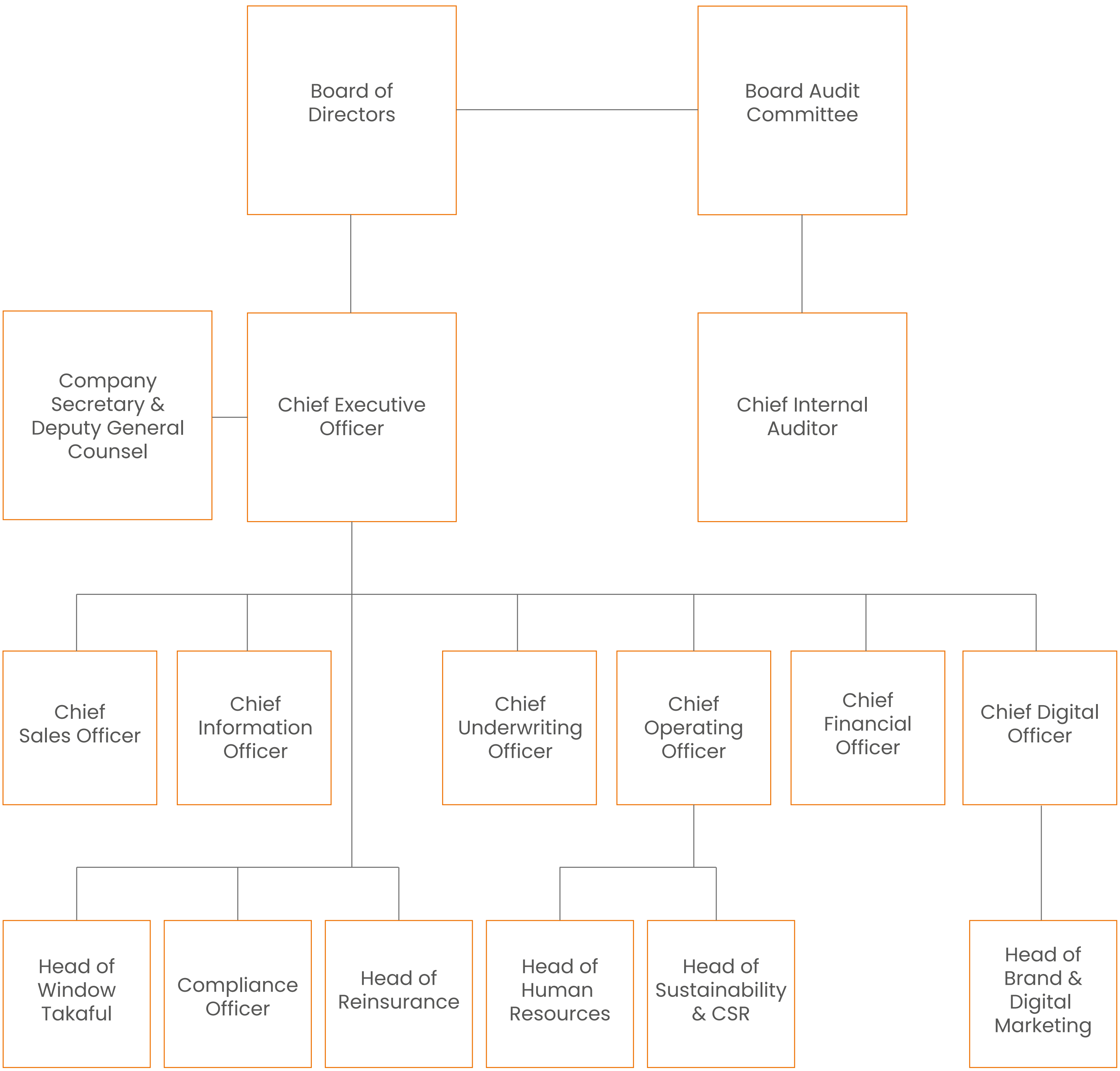
The Board oversees the Company's compliance with legal and regulatory requirements in related to related party transactions. It has established general standards for approving transactions with related parties at different levels, as well as identifying which transactions require the members' approval and, where appropriate, recommending the same to the members.

The Board considers and review the following minimum information for its approval for related party transactions:

- name of related party, the interested or concerned persons or directors;
- nature of relationship, interest or concern in the related party;
- detail, description, terms and conditions of transactions;
- amount of transactions;
- timeframe or duration of the transaction or contracts or arrangements;
- pricing policy; and
- recommendations of the audit committee, where applicable.

The Company engaged in a number of related party transactions throughout the year in accordance with the fair and equitable/arms-length principle, which were examined and authorized by the Board upon the recommendation of the Board Audit Committee.

ORGANIZATION CHART



WHISTLEBLOWING POLICY SPEAK UP WITH CONFIDENCE

1.0 Introduction

All persons employed by the TPL Insurance Limited are under an obligation implied in their contract of employment to give honest and faithful service to their employer. This includes an obligation not to disclose to external sources any trade secrets or confidential information acquired during the course of employment or act in a manner that will undermine the mutual trust and confidence on which the employment relationship is based. The company complements obligations by providing protection to employees for disclosure made without malice and in good faith of certain specific confidential information to a third party in defined circumstances. These are outlined below in document. The purpose of this policy is to provide a means by which employees are enabled to raise concerns with the appropriate TPL Insurance Limited authorities if they have reasonable grounds for believing there is serious malpractice within the company. TPL Insurance Limited encourages employees to raise matters of concern responsibly through the procedures laid down in this policy statement.

2.0 Scope of the Policy

The policy is designed to deal with concerns raised in relation to the specific issues which are in the public interest and are detailed in below document, and which fall outside the scope of other company's policies and procedures. The policy will not apply to personal grievances concerning an individual's terms and conditions of employment, or other aspects of the working relationship, complaints of bullying or harassment, or disciplinary matters. Such complaints will be dealt with under existing procedures on grievance, bullying and harassment, discipline and misconduct in research. Details of these procedures will be found in the relevant employee handbook. They are also published on the online HR portal. The policy may deal with specific concerns which are in the public interest and may include:

- a criminal offence
- failure to comply with legal obligations or with the Statutes, Ordinances, Code of Conduct, and Regulations of the company
- financial or non-financial maladministration or malpractice or impropriety or fraud
- academic or professional malpractice
- a risk to the health or safety of any individual
- environmental damage
- a miscarriage of justice
- improper conduct or unethical behavior
- attempts to suppress or conceal any information relating to any of the above.

If in the course of investigation any concern raised in relation to the above matters appears to the investigator to relate more appropriately to grievance, bullying or harassment, or discipline, those procedures will be invoked.

3.0 Who can raise a concern?

Any employee, who has a reasonable belief that there is serious malpractice relating to any of the protected matters specified in above document, may raise a concern under the procedure detailed below. The issues raised under the protected list may relate to another employee, a group of employees, the individual's own department or another part of the company. Concerns must be raised without malice and in good faith, and the individual must reasonably believe that the information disclosed, and any allegations contained in it, are substantially true. The disclosure must not be made for purposes of personal gain, and in all the circumstances it must be reasonable to make the disclosure. The company will ensure that any member of staff who makes a disclosure in such circumstances will not be penalized or suffer any adverse treatment for doing so. However, a member of staff who does not act in good faith or makes an allegation without having reasonable grounds for believing it to be substantially true, or makes it for purposes of personal gain, or makes it maliciously may be subject to disciplinary proceedings.

In view of the protection afforded to an employee raising a bona fide concern, it is preferable if that individual puts his/her name to any disclosure. The identity of the person raising the matter will be kept confidential, if so requested, for as long as possible provided that this is compatible with a proper investigation. Anonymous complaints are not covered by this procedure, but may be reported, investigated or acted upon as the person receiving the complaint sees fit (including the use of this procedure), having regard to the seriousness of the issue raised, the credibility of the complaint, the prospects of being able to investigate the matter, and fairness to any individual mentioned in the complaint.

4.0 Procedure

4.1 Raising a concern

To raise a concern under the policy please complete the whistle blowing complaint form which can be found in Annexure A. You are requested to duly fill the form or log a complaint while using HRIS online portal and submit it to Human Resources department.

If you are unsure about whether your concerns are best dealt with under this policy or Grievance procedure, please read the scope of policy section above, which provides examples of the issues that should be reported using this form. If, having read the whistleblowing policy, you remain unsure about which procedure to use, please consult your HR Business Partner for further advice.

4.2 Process

The person to whom the disclosure is made will normally consider the information and decide whether there is a prima facie case to answer. He or she will decide whether an investigation should be conducted and what form it should take. This will depend on the nature of the matter raised and may be,

- investigated internally
- referred to the departments
- the subject of independent enquiry

If the person to whom the disclosure is made decides not to proceed with an investigation, the decision will be explained as fully as possible to the individual who raised the concern. It is then open to the individual to make the disclosure again either to another of the persons specified in the paragraph above or to the Head of HR department.

4.3 Investigation

Any investigation will be conducted as sensitively and speedily as possible. The employee will be notified of the intended timetable for the investigation. The person to whom the disclosure is made may authorize an initial investigation to establish the relevant facts. The investigation may be conducted by the internal auditor in the case of a financial irregularity, or by another person. The investigator will report his or her findings to the person to whom the disclosure was made, who will then decide if there is a case to answer and what procedure to follow. This may include taking steps with the competent authority to set up a special internal independent investigation or reference to some other authority, for further investigation. The decision may be that the matter would be more appropriately handled under existing procedures for grievance, bullying and harassment, or discipline. The individual making the disclosure will be informed of what action is to be taken.

4.4 Records

An official written record will be kept of each stage of the procedure.

4.5 Reporting of outcomes

A report of all disclosures and subsequent actions taken will be made by the persons deciding on the issues. This record should be signed by the Investigating Officer and the person who made the disclosure, and dated. Where appropriate the formal record need not identify the person making the disclosure, but in such a case that person will be required to sign a document confirming that the complaint has been investigated. Such reports will normally be retained for at least five years. In all cases a report of the outcome will be made to the Board and Council, which will refer the report on appropriately if necessary.

5.0 Confidentiality and Protection Mechanism

The policy assures that all complaints will be handled in complete confidence, and that the identity of the complainant will not be revealed to Management. In the unlikely event that the identity of Whistle Blower is revealed to any person in the Company, it will be ensured that the complainant is not subjected to any form of detrimental treatment.

5.1 Complaints of retaliation as a result of disclosure

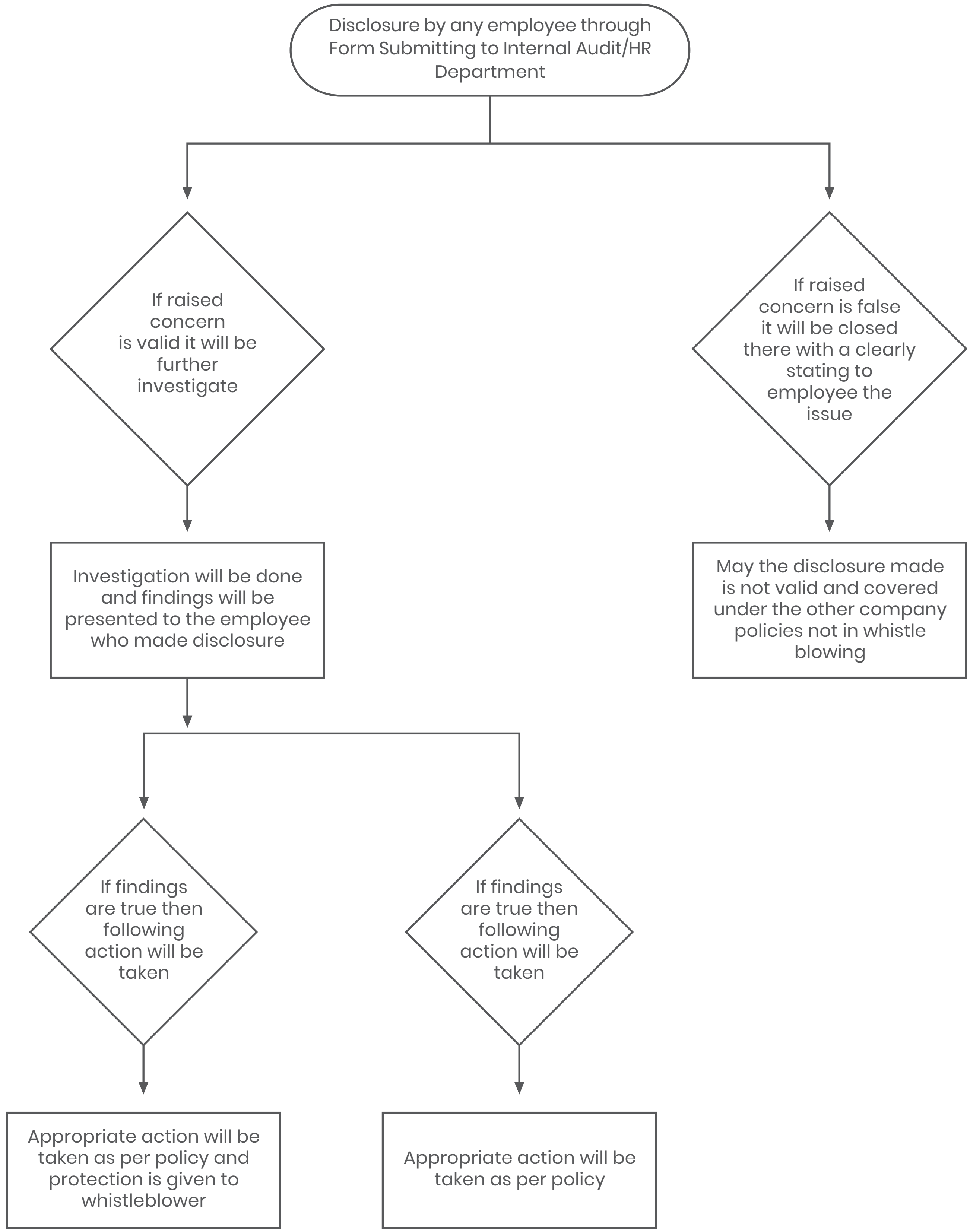
The company accepts that it has an obligation to ensure that employee who make a disclosure without malice and in good faith are protected, regardless of whether or not the concern raised is upheld. An employee who has made a disclosure and who feels that, as a result, he or she has suffered adverse treatment should submit a formal complaint under the grievance procedure as set out in the relevant employee handbook detailing what has been done to him or her. If it appears that there are reasonable grounds for making the complaint, the onus will be on the person against whom the complaint of adverse treatment has been made to show that the actions complained of were not taken in retaliation for the disclosure.

Where it is determined that there is a prima facie case that an employee has suffered adverse treatment, harassment or victimization as a result of his or her disclosure, a further investigation may take place and disciplinary action may be taken against the perpetrator in accordance with the relevant procedure.

6.0 Success of the Policy and its implementation

All stakeholders are responsible for the success of this policy and should ensure that they use it to disclose suspected danger or wrongdoing. If a stakeholder has any question about the content or application of this policy, he or she may contact the Human Resources Department for obtaining necessary clarification.

PROCESS FLOW



ANNEXURE A:

TPL Insurance Limited
Whistleblower Form
(All information will be kept Confidential)

Complaint Submitted By:	
Date of Complaint:	
Complaint No.	
Time:	
Designation:	
Email Address :	**Contact No.:**

Please provide details with respect to the location of the incident (e.g. region / branch, specific location and department).
Please describe the nature of your concern regarding financial and non-financial/ or operational matters. Include sufficient information for an independent person to understand the concern and to enable further investigation.
Please state the full name(s) and title(s) of individuals whom you suspect of wrongdoing.
How many times has this incident taken place (if applicable)?
How long this incident been taking place (if applicable)?
Would you like to arrange a meeting/telephone call with an Investigating Officer to discuss this matter? ☐ **No** ☐ **Yes**

For office use only

Date Received:
Complaint Referred to:
Date Presented to Audit/HR Department:
Date of Closure:
Date of Response:

CODE OF BUSINESS CONDUCT AND ETHICAL PRINCIPLES

1. Ethical Obligations

TPL Insurance strives to maintain a positive work environment where employees treat each other with respect and courtesy. Certain guidelines of acceptable conduct such as responsibility and diligence towards work duties, courteous and civil behavior towards colleagues and customers alike, and high standards of integrity and honesty must be observed by all employees of the organization at all times. This includes avoiding using abusive or insulting language in communication (verbal or written). Any language which is deemed offensive by normal standards and practice is prohibited.

2. Code of Conduct

It is our aim to establish business principles for the professional conduct of the employees of TPL Insurance. All employees are liable for disciplinary action if found in violation of the policies. In general, the use of good judgment, based on high ethical principles, is the standard of acceptable conduct.

The successful business operation and reputation of TPL Insurance is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence require careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of TPL Insurance is dependent upon our customers' trust and we are dedicated to preserving that trust. The employees owe a duty to TPL Insurance customers, and shareholders to act in a way that will merit the continued trust and confidence of the public. TPL Insurance complies with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

3. Conflict of Interest

TPL Insurance's policy regarding possible conflict of interest is based on the principle that an employee's decision in the course of business must be made solely in the best interests of the company. In reaching these decisions, an employee should not be influenced by personal or family considerations which might consciously (or unconsciously) affect his or her judgment as to what is in the best interest of the company. Each employee has an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This document establishes only the framework within which the company wishes the business to operate. As a principle, relatives are not hired. On a later occasion if it is found out that a relative was hired with prior knowledge of an employee, this could become a ground for termination.

4. Child Labor and Worker Exploitation Policy

TPL Insurance does not use child or forced labor in any of its operations or facilities. TPL Insurance does not tolerate unacceptable worker treatment, such as exploitation of minors, physical punishment or abuse, or involuntary servitude. TPL Insurance expects its suppliers and contractors with whom the company does business with to uphold the same standards. TPL Insurance does not commit to exposing workers to situations in or outside of the workplace that are hazardous, unsafe, or unhealthy. TPL Insurance does not hire any employee under the age of eighteen (18) years for employment.

5. Confidentiality

All employees must protect confidential information, and prevent such information from being improperly disclosed to any person inside or outside the organization. All employees are prohibited from disclosing confidential information obtained from their position at the company to any person or using such information with the intention of obtaining personal benefits. Employees should not communicate or transmit confidential or sensitive information through external online communications services, such as the internet. Interaction with competitors beyond the approved level will be regarded as gross misconduct. The company shall take appropriate disciplinary actions in cases of negligence or non-compliance with the above policy.

6. Privacy of Records

It is vital that all employees maintain the utmost confidentiality with regards to work and employee information. All employees must ensure that the organization's work files are returned to their appropriate location at the end of each working day. All aspects of the employee records and information must be treated in the strictest confidence. Any violation will be treated as gross misconduct under the service rules. Access to HR files is provided to relate HR officials, heads of departments, internal and external auditors, chief financial officer and chief executive officer. The HR files are only accessible to be viewed in the HR department of the company's premises.

7. Environmentally Friendly

We are committed to running our business in an environmentally sound and sustainable manner. Accordingly, our aim is to ensure that, our processes and services have the minimum adverse impact commensurate with legitimate needs of the business.

8. Bribery and Fraud

Bribery is not tolerated in any form or manner and any such incident shall be immediately reported to the HR department. While representing the TPL Insurance, the employee is strictly prohibited from offering, paying, soliciting or accepting bribes in cash or kind. External and internal bribery risks are regularly and systematically assessed and preventative measure are in place to avoid such matters. Engaging in fraudulent activities is a fundamental breach of the company's core value of honesty. The company treats it as the most serious breach of discipline. The management has established and consistently maintains and further develops sufficient controls to ensure that risk of fraud is properly identified, monitored and mitigated.

9. Gifts, Entertainment and Gratuities

We conduct our business on the basis of the superior value of goods and services we buy and sell. Our policy on gifts, entertainment and gratuities is designed to preserve and maintain the Company's reputation as a global enterprise, which acts with integrity and bases decisions only on legitimate business considerations. Receiving gifts, entertainment or other gratuities from people with whom we do business is generally not acceptable because doing so would imply an obligation on the part of the Company and potentially pose a conflict of interest.

10. Misconduct

The acts listed below are considered as misconduct and an employee found guilty of the same may be liable for termination of service without notice and benefits:

- Habitual late attendance
- Absent from duty without information for more than 03 days.
- Habitual negligence or neglect of work
- Insubordination or disobedience of senior member of the employee
- Resorting to strike or instigating other employees to stop working or go slow or spreading discontentment
- Giving or possessing classified/unclassified information to unauthorized persons
- Any act bringing disrepute to the company
- Any fraudulent act or forgery or another criminal act
- Misuse of company assets
- Non-adherence to the Code of Conduct

The company shall initially suspend the service of an employee without pay (up to a maximum of fourteen (14) days') in case of misconduct, during the pendency of the proceedings initiated.

11. Health and Fire Safety

To build awareness on the health, safety and environment standards, the organization on regular basis, provides relevant information and trainings to its employees. The Administration / Security department ensures a safe and healthy environment, conduct regular fire drills, so as to prepare every employee of the organization in the case of emergency situation. There are emergency exit routes, fire exits and fire extinguishers placed strategically throughout the company's premises. The employees will further have the opportunity to receive training and attend briefings on the proper use of firefighting equipment in their respective areas.

12. Environmental Safety

All employees are requested to ensure a safe work environment is maintained at all times. The use of alcohol, chewing of betel nut, illegal drugs may seriously affect a person's ability to perform their duties in a proper and safe manner and therefore are strictly prohibited while on duty both on and off premises. Smoking is prohibited on all office premises.

13. Legal Proceedings

It is essential that an employee, who becomes involved in any legal proceedings, whether civil or criminal, should immediately inform his or her superior with a copy of the proceedings to the HR department in writing. Failure to do so may result in termination of employment.

14. Compliance

Compliance with business ethics and conduct is the responsibility of every employee. Disregarding or failing to comply with the standard of business ethics and conduct determined by the Company could lead to disciplinary action, including but not limited to the possible termination of employment. It is the responsibility of the HR department and all the immediate line managers to ensure that the principles embodied in this code are communicated to, understood and observed by all the employees.

SUCCESSION PLANNING

Our succession planning process covers the following areas:

Step 1 - Identify Key Positions

Criteria for key positions include:

- Positions that require specialized job skills or expertise.
- High-level leadership positions.
- Positions that are considered "critical" to the organization.

Step 2 - Build Job Profiles for each Key Position

Determine the key success factors of the job and how proficient the job holder would need to be. This information can be obtained several ways, including performing on the job analysis or gathering critical information during the performance appraisal process. The information that is gathered includes the knowledge, skills, abilities, and attributes that the current employee in a position possesses that allow for competent and efficient performance of the function.

Step 3 - Competency Gap Analysis

- Using relevant tools, gather data on current employee competencies for the key positions.
- Analyze the difference between current employee competencies and future needs.
- Document findings for development opportunities.

Step 4 - Development Opportunities

- Assess the abilities and career interests of employees.
- Candidates should demonstrate high potential or ability that will enable them to achieve success. at a higher level within the organization.

Step 5 - Individual Development Plans

- Design a plan for each candidate - developmental plans should be available for candidates and then incorporated into their performance management plans. Plans may include identifying career paths for high-potential candidates and others who have the interest and ability to move upward in the organization
- Provide development opportunities - This can be accomplished through job assignments, training, or on job rotation, and it is one of the best ways for employees to gain additional knowledge and skills.

Step 6 - Maintain Skills Inventory

- Continually monitor skills and needs to determine any gaps and develop plans to meet deficiencies
- Keep an inventory of current and future needs and maintain the information for individual and group development.

POLICY FOR ACTUAL AND PERCEIVED CONFLICT OF INTEREST

TPL Insurance Limited ensures highest standards of ethics, integrity, safeguards the interest and reputation of the Company and protects against instances of improper behavior that could harm employees due to conflict of interest. The purpose of the policy is to ensure that everyone working for or on behalf of the Company, including the Directors and Employees adheres to and upholds the rules of conduct and ethical business practices. The objective is to assist employees in performing their duties in an environment that is free from any improper influence and in taking all reasonable precautions to avoid being in an actual, apparent or potential conflict of interest. Additionally, the Policy provides guidance and details on how to identify and report any conflicts of interest.

POLICY FOR SAFETY OF RECORDS OF THE COMPANY

TPL Insurance Limited ensures that comprehensive and accurate records of all activities and decisions are created, managed and kept in accordance with the relevant legislation. The Company guarantees the security of records in the following manner:

- The Company has a documented business continuity plan (BCP) / Disaster Recovery Plan (DRP). These plans guarantee that business operations will continue in the event of a catastrophe and explain how to keep corporate records secure.
- Every department of the Company is responsible for ensuring to generate backup logs on the Server on a daily basis.
- The Company has sophisticated equipment in place that enables electronic retrieval of printed data that can be readily extracted.

SECURITY CLEARANCE POLICY

TPL Insurance Limited permits its international shareholders and directors to become a part of the Company by adhering to the requirements of the Ministry of Interior (the MOI).

In this regard, the foreign shareholders and directors apply for security clearance with the MOI via the Securities and Exchange Commission of Pakistan. The aforementioned application is supported up by an undertaking on stamp paper from the foreign shareholders and directors that, in the event that the security clearance is denied, they will sell their stock in the company or resign from their positions (as appropriate).

The Company also obtains identity documents with the application, such as copies of the Company's incorporation documents, passports and CVs of the Directors (where appropriate).

POLICY ON DIVERSITY

TPL Insurance Limited is committed to fostering, cultivating and preserving a culture of diversity, equity and inclusion. The Company believes in having a diverse and inclusive Board to bring a range of perspectives and insights to challenge management and support good decision making. The Company's diversity activities include, but are not limited to, its methods and guidelines for hiring and choosing employees, as well as for professional growth and training.

The Company values the distinctions among its employees that make them unique, including age, disabilities, ethnicity, family or material status, language, physical and mental ability, political affiliation, race, and socioeconomic level.

The Company maintains an environment that involves a workplace culture based on gender, diversity which fosters and upholds cooperative behavior, courteous communication, and teamwork, among other things. All employees have a responsibility to treat others with dignity and respect at all times. All employees are expected to exhibit conduct that reflects inclusion and at all other company sponsored and participative events. All employees are also encouraged to attend and complete annual diversity awareness training to enhance their knowledge to fulfill this responsibility.

Moreover, if any employee believes to have been treated with any kind of discrimination which is against the Company's diversity policy, they may seek immediate assistance from their respective supervisor or an HR representative for prompt action.

POLICY ON RETENTION OF BOARD FEE BY THE EXECUTIVE DIRECTOR IN OTHER COMPANIES

The Executive Directors of the Company, Mr. Muhammad Ali Jameel and Mr. Muhammad Aminuddin are also Non-Executive Directors on the boards of other Companies, and they are remunerated in accordance with the respective Company's policies and authorized by their Board of Directors.

INVESTOR GRIEVANCE POLICY

TPL Insurance has a clear and comprehensive procedure for handling investor grievances and subsequently addressing those grievances. Our compliance team undertakes to guarantee that the investors are provided with quality and professional services.

The Company has set the following guidelines to handle investor queries and complaints:

- timely responses to investor grievances;
- fair treatment of all investors;
- corrective measures to be taken instantly to avoid complaints in the future.

In such circumstances, the Company Secretary is the primary contact. The investors may directly write to the Company Secretary at the following address:

The Company Secretary
TPL Insurance Limited
20th Floor, Sky Tower - East Wing
Dolmen City, HC-3
Abdul Sattar Edhi Avenue
Block 4, Clifton
Karachi
Pakistan

Shareholders may present their enquiries in respect of their shareholding, dividends or share certificates etc. directly to the Share Registrar at the following address:

THK Associates (Private) Limited
Plot no. 32-C
Jami Commercial Street 2
D.H.A Phase VII
Karachi 75500
Pakistan
Tel: (0092 (021) 35310191-6

For general questions or complaints, investors may also send an email to the designated email address info@tplinsurance.com. Alternatively, an investor may contact the Securities & Exchange Commission of Pakistan Complaint Cell by using the interactive link on the company website if they are dissatisfied with the Company's or the share registrar's answer to their complaint.

INFORMATION SECURITY GOVERNANCE FRAMEWORK

TPL Insurance is dedicated to enhancing its internal controls for that matter it has an approved Information Security Policy and Information Security framework in place. The framework aims to define an information security governance principles by defining the roles and responsibilities, acceptable practices, protocols and procedures to ensure that TPL insurance is protected against emerging cyber threats.

The frameworks entails the following aspects:

- Information Security Roles and Responsibilities
- Risk Management
- Access Management
- Acceptable Use of Network & Communication
- Security Operation Center
- Asset Management
- Network Security
- Incident Response

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

A questionnaire that assess the performance of the Board of Directors as a whole as well as that of individual directors has been established by the Company's Board as a method for the Board to review its own performance on an annual basis.

The said questionnaire is prepared in accordance with the Code of Corporate Governance and is circulated to all the Directors covering, inter alia, the following areas:

- Fiduciary Duties
- Business Strategy
- Compliance with the Law
- Participation on the Board
- Corporate Reporting

This performance evaluation exercise aids the Company's Board in assessing its procedures and efficiency with the goal of guaranteeing a more effective and efficient operation and its functions, with an emphasis on succession planning, the composition of the Board and the utilization of the Board's time.

PERFORMANCE REVIEW OF THE CEO

The Board of Directors appoint the Chief Executive Officer (CEO) for a tenure of three (3) years. The operational, financial and strategic goals are set by the Board's Ethics, Human Resources, Remuneration and Nomination Committee to assess his performance. The Committee evaluates and monitors the CEO's performance annually.

CHAIRMAN'S REVIEW REPORT

I am delighted to present the accomplishments of TPL Insurance Limited ("the Company") and share an overview of the Board's performance for the period ended on December 31, 2023. Throughout this period, the Company sustained its growth momentum and extended its presence into additional lines of business. The financial performance of the Company demonstrates strong outcomes, affirming its stability and resilience in the face of economic challenges.

The Board took an active stance in preserving the Company's profitability and provided strategic advice to the Management. During the year, the Company acquired the net assets of the Pakistani Branch of New Hampshire Insurance Company through a Scheme of Arrangement approved by the Honourable High Court of Sindh, resulting in a surplus of Rs. 1,079 Million. Additionally, the Company maintained a high level of financial stability, enabling the distribution of an interim dividend at a rate of Rs. 3 per share. This stands as evidence of our prudent financial management and dedication to our shareholders.

Our Board consists of a diverse and highly skilled group of individuals, bringing a broad range of expertise and experience. This diversity enables them to consistently provide expert guidance and support to the management team. The Board remains unwavering in its commitment to transparency and robust corporate governance practices, which are fundamental to fulfilling its responsibilities. Throughout the year, the Board's sub-committees convened regularly, ensuring the proper implementation of audit and remuneration structures and processes.

On behalf of the Board, I express sincere gratitude to our esteemed shareholders, management team, and all stakeholders of the Company. We eagerly anticipate the Company's ongoing commitment to innovation, surpassing shareholders' expectations, and sustaining growth into the future.

Jameel Yusuf S.St.
Chairman of the Board
As of February 21, 2024

Internal Audit Function

The Company's Internal Audit Function ('the Function') comprises of Chief Internal Auditor (CIA), Manager and supporting staff. The CIA reports directly to the Board Audit Committee ('the Committee') in accordance with requirements of Code of Corporate Governance (COCG). He is also Secretary of the Committee and attended all Committee meetings held during the year.

The Terms of Reference (TORs) of the Committee are laid down in accordance with the requirements of COCG which are also approved by the Board of Directors ('the BOD'). Further, the Company also have approved Internal Audit Charter and Internal Audit Manual which specifies the objective, authority, responsibility, audit approach and methodology etc. of the Function. The Committee ensures that the Function complies with all regulatory requirements with regard to Internal Audit.

Internal Audit department performs risk-based audit of different functions and departments of the Company according to audit plan approved by the Committee and submit its finding on a quarterly basis to the management and the Committee. Internal Audit Team have unrestricted access to management, staff, information systems and data files to ensure transparency and effectiveness of their audit processes.

Composition of the Committee

The Committee comprises of four members, three of which are non-executive directors and one independent director who is the chairman of the Committee.

All of the members of the Committee have relevant knowledge and experience in finance and accounting matters and most of them also fulfil the definition of being 'financially literate'. Further, the BOD is satisfied that the members of the Committee are competent and possess necessary skills and experience required to fulfil their responsibilities.

The Committee convened four meetings during the year.

The Chief Executive Officer (CEO), Chief Operating Officer (COO) and Chief Financial Officer (CFO) attended the Committee meetings by invitation.

Review of Financial Results

The Committee reviews the annual and interim financial statements of the Company before these financial statements are recommended by the Committee to the BOD for approval in accordance with Terms of Reference of the Committee.

The Committee also reviews the External Auditors' Reports on half yearly and annual financial statements of the Company and management letter issued by external auditors and the management's response to the observations highlighted by external auditors.

Committee's approach towards Risk Management

The Committee is delegated with the authority from the BOD to provide independent oversight of the Company's financial reporting and internal control systems, and the adequacy of the external and internal audits. The Committee is provided with sufficient resources to perform its duties including support, as necessary, from the Function, the external auditors, legal counsel and management in examining all matters relating to the Company's adopted accounting policies and practices, and in reviewing all material financial, operational and compliance controls.

Significant Observations/ Improvements highlighted by the Function

During the year, the Function performed audit of multiple areas and summary of suggestions for improvement are as follows:

- Ensure that approved policies and Standard Operating Procedures are in place for each function.
- Strengthen controls over processes.
- KYC requirements are fulfilled
- Reconciliations with Insurance partners.
- System integration to avoid duplication of work.

The management has been very co-operative during the course of the audits and suggestions highlighted above has been agreed/ adopted.

Opinion of the Internal Audit

Based on the scope of reviews undertaken and the sample tests performed during the year, significant assurance have been given on the overall adequacy and effectiveness of the organization's framework of governance, risk management and control, however improvements required have been suggested to the management.

Review of Internal Control Systems

The Committee reviews the effectiveness of the Company's policies and procedures regarding internal control systems by reviewing the work of the Function and the Company's external auditors, and regular reports from management including those on risk management, regulatory compliance and legal matters. In conjunction with the Risk Committee and based on opinion of Internal Audit given above, the Committee reviewed and concur with the management confirmation that the Company's risk management and internal control systems were effective for the year ended December 31, 2023. The Committee is satisfied that the Company has adopted necessary control mechanisms to ensure that it satisfactorily complies with the requirements of the COCG in respect of internal control systems.

Review of Accounting, Financial Reporting and Internal Audit Functions

The Committee has reviewed and is satisfied with the adequacy of the resources, staff qualifications and experience, training programs and budget of the Company's accounting, financial reporting and internal audit functions.

Review of Related Party Transactions

The Committee has reviewed these transactions and confirmed that the transactions entered into by the Company are in accordance with the applicable requirements.

External Auditors

The Committee has reviewed and discussed all Key Audit Matters and other issues identified during the external audit with the External Auditors and management, along with the methods used to address the same.

The Committee held an independent meeting with the External Auditors during the year without the presence of management.

The Management Letter is required to be submitted within 45 days of the date of the Auditors' Report on the financial statements under the listing regulations and will be discussed accordingly in the Committee meeting following the receipt of the management letter.

The Committee has reviewed the external auditors' independence and objectivity. External auditors have confirmed that they have been given satisfactory rating under Quality Control Review program of the Institute of Chartered Accountants of Pakistan.

Being eligible for reappointment under the listing regulations, the Committee has recommended the reappointment of M/s. BDO Ebrahim & Co., Chartered Accountants, as External Auditors of the Company for the year ending December 31, 2024 on terms to be approved by the BOD.

For and on behalf of

Board Audit Committee

Aqueel E. Merchant
Chairman Board Audit Committee
20 February 2024

DIRECTORS' REPORT

On behalf of the Board of Directors of TPL Insurance Limited ("the Company"), I am pleased to present the Annual Report of the Company for the year ended December 31, 2023.

ECONOMIC REVIEW

2023 has been a challenging year for the Pakistan's economy. Political unrest, high inflation, and imbalances in external account shrank the GDP growth to one of the lowest at 0.29% during FY2022-23. External debt repayments and delays in IMF agreement led to foreign exchange reserves depleting, causing an increase in the USD parity from Rs. 224 at the beginning of the year to Rs. 284 at the end of the year.

Rupee devaluation, high discount rate, restrictions on auto financing continued to impact the motor vehicle sales during 2023. Auto industry reported motor vehicle sales of 58,561 units in 2023 as opposed to 188,318 units in previous year.

Equity market, however, reported robust growth during the year. The benchmark index increased 56% during the year to 62,451 (2022: 39,947).

BUSINESS REVIEW

GROSS WRITTEN PREMIUM

The Company has been allowed by SECP to report its results on consolidated basis i.e. conventional accounts clubbed with Takaful accounts on line by line basis. This reflects true reflection of the Company's performance as a whole which is also imperative from the investors' point of view.

During the year, the company reported Consolidated Gross Written Premium ("GWP") of Rs. 4,085 Million registering growth of 7% YoY. The premium includes contribution written by window takaful operations of the Company which amounts to Rs. 1,918 Million (2022: Rs. 1,815 Million).

Year	Consolidated Gross written premium (Rs. In Millions)	Growth %
2017	2,292.7	12%
2018	2,408.7	5%
2019	2,505.3	4%
2020	2,746.9	10%
2021	3,284.0	20%
2022	3,823.0	16%
2023	**4,085.0**	**7%**

The Company's motor portfolio stood at Rs 2,738 Million (2022: 2,764 Million). This is despite sharp decline in motor vehicle sales during the year. Deterioration in USD exchange rate parity, high discount rate, and policy measures to restrict financing of motor vehicles impacted the motor sales during the year.

During 2023, the Company continued its growth trajectory in and further expanded its footprint in other lines of business. Fire portfolio registered growth of 45% at Rs. 658 Million (2022: Rs. 453 Million). Health portfolio reported growth of 20% YoY. Marine segment reported growth of 20% at 81 Million (2022: 67 Million).

In the dynamic insurance landscape, TPL Insurance consistently shines as a beacon of reliability and innovation. The financial performance in 2023 showcases robust results, reaffirming its stability and resilience despite economic challenges. Even with a struggling auto insurance segment due to plummeting sales, TPL Insurance's diversified portfolio ensured growth, securing policyholders and stakeholders alike. This diversification strategy proved critical for sustainable growth, avoiding excessive pressure on any specific segment.

Throughout 2023, TPL introduced innovative insurance products tailored to emerging risks and comprehensive coverage. From health and auto to property and agriculture, TPL Insurance remained at the forefront, offering solutions like carculator, motorway insurance, cattle fattening insurance, and domestic staff insurance that resonated with our diverse customer base. Recognizing technology's power in driving efficiency and engagement, TPL Insurance has accelerated digital transformation initiatives and the investments in data analytics and automation position us as pioneers in the insurance industry's digitalization.

CLAIMS ANALYSIS

In 2023, claim ratio increased to 49%. The increase is attributed to increase in part prices, and decline in premium rates especially in motor portfolio. Motor claim ratio reported at 45% (2022: 41%) Health business reported claim ratio of 87%, compared to 83% in 2022. Fire and Marine portfolios reported claim ratios of 9% and 25%.

YEARLY CLAIMS INCURRED	
Year	**% of Earned Premium**
2017	43%
2018	43%
2019	44%
2020	45%
2021	46%
2022	48%
2023	**49%**

REINSURANCE

The Company continues to have strong relationship with reinsurance partners. The Company has treaty arrangements with blue-chip AA rated reinsurers. Keeping in view the growing portfolios, the Company continues to focus on increasing treaty capacities in all classes of business. During the year, the Company has enhanced its natural catastrophe cover for Takaful motor class from Rs. 500 Million to Rs. 750 Million and Rs. 1.2 Billion for conventional segment. We also increased our property/Eng and marine capacities significantly in both conventional and takaful books. Capacities stand at 2.42bn for conventional and 1.2bn for takaful. We also arranged new treaty arrangements in Takaful for Miscellaneous, Terrorism and Bankers' Blanket.

WINDOW TAKAFUL OPERATIONS

The Company's Window Takaful Operations (WTO) continue to grow and has underwritten contributions amounting to Rs. 1,918 Million (2022: Rs. 1,815 Million), reporting YoY growth of 6%. The consolidated assets of operator fund and participant takaful fund amounts to Rs. 1,879 Million (2022: Rs. 1,573 Million). The Company continues to maintain 2nd position in motor takaful market.

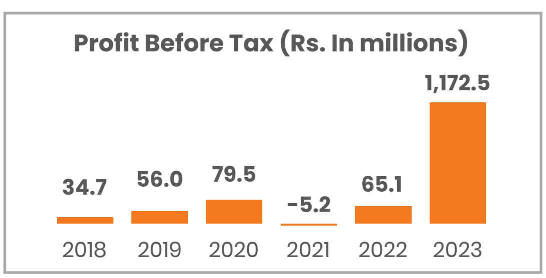
During the year, the participant takaful fund reported a surplus of Rs. 12 Million (2022: Rs. 13 Million). The Surplus is attributed to improvements in Investments Income during the year.

ACQUISITION OF PAKISTAN BRANCH OF NEW HAMPSHIRE INSURANCE COMPANY

During the year, in accordance with Sections 279-282 & 285(8) of the Companies Act, 2017, the Honourable High Court of Sindh, at Karachi sanctioned a scheme of arrangement pursuant to which all assets and liabilities of the Pakistan Branch of NHIC, have been transferred to and vested in TPL Insurance Company limited as at September 22, 2023. Furthermore, as at the said date, the registration of the Pakistan Branch of NHIC with the Securities and Exchange Commission of Pakistan (the "SECP") has been revoked and NHIC has ceased to have any place of business in Pakistan in terms of the Companies Act, 2017. The transaction resulted in surplus of Rs. 1,079 Million.

FINANCIAL REVIEW

PROFITABILITY AND GROWTH



The Company has recorded a consolidated pre-tax profit of Rs 1,172 Million (2022: Rs. 65.1 Million). The results include pre-tax surplus attributable to Participants' Takaful Fund amounting to Rs. 24 Million (2022: Surplus of Rs. 20.4 Million). The profit attributable to shareholders' fund amounted to Rs. 1,115 Million (2022: Profit of Rs. 5.5 Million). The pre-tax and post-tax basic earning per share are Rs. 5.91 and Rs. 5.62 respectively (2022: Rs. 0.25 and Rs.0.03).

As stated above, the significant increase in profitability is attributed to Surplus on acquisition of Pakistan Branch of New Hampshire Insurance Company Limited during the year amounting to Rs. 1,079 Million.

INVESTMENTS

As at 31 December 2023, investments made by the Company (including investments made by Participant's Takaful Fund) stands at Rs. 2,256 Million (2022: Rs. 1,740 Million). These mainly comprise of investments in term deposits amounting to 1,346 Million (2022: 829 Million), investment in government securities amounting to Rs. 241 Million (2022: Rs. 173 Million), investment in corporate debt instruments amounting to Rs. 250 Million (2022: Rs. 250 Million) and investment in equities and mutual funds amounting to Rs. 419 Million (2022: 488 Million). The aggregate market value of these investments is Rs. 2,243 Million (2022: Rs. 1,724 Million).

CASH & BANK BALANCES

The cash and bank balances of the Company stands at Rs. 1,997 Million (2022: Rs. 1,569 Million). This includes cash and bank balances Participants' Takaful Fund amounting to Rs. 36 Million (2022: Rs. 123 Million).

DIVIDEND

The Board of Directors approved cash dividend @30%, i.e. Rs. 3 per share during September 2023. The Board of Directors don't recommend any further final distribution (2022: Bonus Shares @35%).

INSURER FINANCIAL STRENGTH (IFS) RATING

During the year, The Pakistan Credit Rating Agency Ltd (PACRA) has maintained the Insurers Financial Strength (IFS) rating of the Company at AA with a stable outlook.

KEY FINANCIAL DATA FOR THE LAST SIX YEARS

Income Statement **(Rs. In Millions)**

	2023	2022	2021	2020	2019	2018
Gross premium written	4,085	3,823.1	3,284.0	2,746.9	2,505.3	2,408.7
Net premium revenue	3,085	3,066.0	2,398.4	2,163.1	2,136.2	2,246.6
Underwriting expenses	(3,240)	(2,880.7)	(2,280.5)	(2,046.8)	(2,024.5)	(2,116.7)
Underwriting results	(154.8)	185.3	117.8	116.3	111.7	129.9
Investment income and other income	531.5	146.7	110.8	204.1	152.1	70.7
Other expenses	(283.1)	(267.0)	(233.9)	(240.8)	(207.8)	(165.9)
Surplus on merger	1,079	-	-	-	-	-
Profit / (Loss) before tax for the year	**1,172**	**65.1**	**(5.2)**	**79.6**	**56.0**	**34.7**
Profit / (Loss) after tax	**1,127**	**18.3**	**(9.7)**	**39.8**	**30.5**	**23.8**
Other Comprehensive Income	(38.0)	(81.5)	196.4	22.4	(4.4)	10.9
Total Comprehensive Income	**1,089**	**63.2**	**186.6**	**62.2**	**26.1**	**34.7**

Balance Sheet **(Rs. In Millions)**

	2023	2022	2021	2020	2019	2018
Paid up share capital	2,027	2,027	1,393.1	946.7	946.7	955.6
Retained Earnings / Accumulated (losses)	459.9	(59.8)	(26.2)	(164.5)	(114.0)	8.0
Other comprehensive income reserve	69.5	107.5	189.0	(7.3)	(29.7)	(26.7)
Other capital reserves	124.6	124.6	77.6	24.1	-	-
Participant's Takaful Fund	(42.5)	(54.7)	(67.5)	41.4	(48.9)	(170.3)
Total Equity	**2,638.2**	**2,145.4**	**1,566**	**840.4**	**754.1**	**766.6**

	2023	2022	2021	2020	2019	2018
Investments	2,256	1,740.0	1,390.4	920.8	729.4	1,026.3
Fixed assets	300.8	422.0	401.2	257.5	426.5	122.0
Capital work in progress	-	-	-	-	2.6	7.6
Cash and bank deposits	1,996.5	1,569.4	1,046.4	913.4	702.4	251.9
Other assets	2,755.4	2,241.0	1,987.1	1,409.5	1,105.2	1,216.9
Total Assets	**7,308.7**	**5,972.5**	**4,825.2**	**3,501.2**	**2,966.1**	**2,624.7**
Underwriting liabilities	3,075.8	2,795.6	2,393.3	1,970.8	1,505.1	1,447.4
Other liabilities	1,594.7	1,031.5	929.9	690.0	706.9	410.7
Total Liabilities	**4,670.8**	**3,827.1**	**3,259.2**	**2,660.8**	**2,212.0**	**1,858.1**

AUDITORS

M/s BDO Ebrahim & Company, Chartered Accountants ("BDO") retire and being eligible, have offered themselves for reappointment. Board of Directors have recommended appointment of M/s BDO Ebrahim & Company Chartered Accountants as auditors of the Company for the year ending 31 December 2024, at a fee to be mutually agreed.

RELATED PARTY TRANSACTIONS

The related party transactions were placed before the Board of Audit Committee and approved by the Board, being executed on an arm's length basis. These transactions were in line with the International Financial Reports Standards and the Companies Act, 2017.

ANTIMONEY LAUNDERING AND COUNTERFINANCING OF TERRORISM

The Company is working towards ensuring compliance of the Anti-Money Laundering and Counter-financing of Terrorism Regulations, 2018 and in this regard the Board of Directors' of the Company have also approved the AML/CFT Policy

CORPORATE SOCIAL RESPONSIBILITY

TPL realizes the importance of ethical environmental practices, transparency in governance and supporting the communities in which it operates. The world we live in is immensely important, and we at TPL are actively participating in playing a positive role. We have taken steps to reducing our carbon foot print, conserving our natural resources and helped in capacity building of our female staff through our women empowerment program. We wish to be part of a world where sustainability is actively promoted and embraced in our personal lives and businesses alike.

TPL actively engages in CSR initiatives encompassing healthcare, education, and gender inclusivity initiatives. In addition to our annual social impact investments, we have through our volunteer programs supported hospitals and collaborated with numerous educational institutions and NGO's helping them to provide a better future for our youth.

Going forward in 2024, we aim to leverage our international affiliations and presence by taking inspiration from foreign partners and pushing our Environmental & Social Action Plan (ESAP) in Pakistan.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board is fully aware of its corporate responsibilities as envisaged under the Code of Corporate Governance, prescribed by the Securities and Exchange Commission of Pakistan and is pleased to certify that:

- The financial statements prepared by the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, International Financial Reporting Standard and other regulations (including but not limited to the Shariah guidelines /principles) as applicable in Pakistan, have been followed in the preparation of the financial statements and any departure there from have been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- The fundamentals of the Company are strong and there are no doubts about Company's ability to continue as a going concern.
- The Company has followed the best practices of the Corporate Governance and there has been no material departure there from.
- Key operating and financial data for the last six years in summarized form, is included in this annual report.
- Significant deviations from last year's operating results have been explained in this report.
- Statutory payments on account of taxes, duties, levies and charges outstanding are in the normal course of business.
- The board is duly complying in respect of the Directors' Training Program as referred under the Clause 19(1)(i) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

- The value of investments of provident fund on the basis of unaudited financial statements of the provident fund as on 31 December 2023 is Rs. 101.6 Million (2022: Rs. 73.3 Million).

DIRECTORS' REMUNERATION

The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act 2017. The details of remuneration to directors is mentioned in notes to the Financial Statements.

Composition of Board of Directors and Committee are disclosed in Statement of Compliance with Code of Corporate Governance.

INSURANCE ORDINANCE 2000

As required under the Insurance Ordinance 2000 and rules framed there under, the Directors confirm that:

- In their opinion and to the best of their belief, the annual statutory accounts of the Company set out in the forms attached with this statement have been drawn up in accordance with Insurance Ordinance 2000 and Insurance Rules made there under.

- The Company has at all times in the year complied with the provisions of the Ordinance and the rules made there under relating to the paid up capital, solvency and reinsurance arrangements; and as at the date of the statement, it continues to be in compliance with the provisions of the Ordinance and rules framed there under as mentioned above.

CODE OF CONDUCT

The Company ensures that all its activities are carried out in a transparent manner strictly following the code of business ethics with zero tolerance.

PATTERN OF SHARE - HOLDING

Statement of pattern of share-holding of the Company as at 31 December 2023 is as follows:

Shareholder's Category	Number of Shares Held	Percentage of Shareholding
Parent Company - TPL Corp Limited & TPL Holding	106,345,506	53.60%
Foreign Companies	65,262,510	32.90%
Directors and Senior Management Officer	2,909,424	1.47%
Bank, DFI's & NBFI's	25,164	0.01%
Mutual Funds	14,331,851	7.22%
General Public (Local)	7,634,951	3.85%
General Public (Foreign)	2,553	0.00%
Others	1,882,667	0.95%
Total	**198,394,462**	**100.00%**

TRADING IN COMPANY'S SHARES

There was no trading in shares of the Company by major shareholder, Directors, CEO, CFO, Company Secretary, Head of Internal Audit, other employees and their spouses and minor children during the year, except as follows:

S. No.	Name of Person	Trade Date	Nature	No. of shares	Rate (Rs.)
1.	**Yousuf Ali, CFO**	**16 January 2023**	**Sell**	**17,500**	**16.00**
2.	**Yousuf Ali, CFO**	**16 January 2023**	**Sell**	**500**	**16.05**
3.	**Yousuf Ali, CFO**	**16 January 2023**	**Sell**	**1,500**	**16.10**
4.	**Yousuf Ali, CFO**	**16 January 2023**	**Sell**	**3,500**	**16.40**
5.	**Yousuf Ali, CFO**	**17 January 2023**	**Sell**	**2,000**	**16.00**

BOARD MEETINGS

Board of Directors comprises of 2 female and 5 male directors as follows:

Category	Name
Independent Director(s)	Mr. Aqueel E. Merchant
Executive Director(s)	Mr. Muhammad Aminuddin (Chief Executive Officer)
Non-Executive Director(s)	Mr. Jameel Yusuf S.St Mr. Muhammad Ali Jameel Rana Assad Amin
Nominated Director	Mr. Benjamin Brink
Female Independent Director	Ms. Naila Kassim
Female Nominated Director	Ms. Ayla Majid

The Board of Directors held Seven (07) meetings in 2023. The attendance is indicated as follows:

S. NO.	NAME OF DIRECTOR	MEETINGS ATTENDED
1	Mr. Jameel Yusuf (S.St)	**7**
2	Mr. Ali Jameel	**7**
3	Mr. Benjamin Brink	**7**
4	Mr. Rana Assad Amin	**7**
5	Ms. Ayla Majid	**6**
6	Ms. Naila Kassim	**5**
7	Mr. Aqueel E. Merchant	**7**
8	Mr. Muhammad Aminuddin, Chief Executive Officer	**7**

FUTURE OUTLOOK

The future presents both exciting opportunities and significant challenges. Technological advancements offer immense potential. Continued investment in InsurTech can transform customer experience, enable data-driven underwriting, and unlock new markets through microinsurance and niche offerings. However, subdued growth, high inflation, fiscal constraints, and political uncertainty pose short-to-medium-term challenges. Additionally, cybersecurity threats and climate change require proactive measures.

TPL's future hinges on our ability to adapt to the changing environment. Embracing technology, diversifying offerings, and navigating industry shifts will be crucial for maintaining our growth trajectory and emerge as a stronger, more resilient insurance player in the years to come.

ACKNOWLEDGEMENT

We would like to thank the shareholders of the Company for the confidence they have reflected in us. We also appreciate the valued support and guidance provided by the Pakistan Stock Exchange, Federal Board of Revenue, Provincial Revenue Authorities, Central Depository Company and Securities and Exchange Commission of Pakistan over time. We would also express our sincere thanks to the employees, strategic partners, vendors, bankers and customers for their support in pursuit of our corporate objectives.

For and on behalf of the Board of Directors,

Muhammad Aminuddin
Chief Executive Officer

Jameel Yusuf (S.St)
Chairman

21 February 2024

MANAGEMENT RESPONSIBILITIES TOWARDS FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and, Companies Act, 2017, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting 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.

PATTERN OF SHAREHOLDING
AS AT 31st DECEMBER 2023

No. of Shareholders	From	To	Shares Held	Percentage
275	1	100	1,536	0.001
40	101	500	12,455	0.006
120	501	1,000	98,951	0.050
123	1,001	5,000	305,650	0.154
32	5,001	10,000	242,153	0.122
9	10,001	15,000	112,954	0.057
15	15,001	20,000	255,980	0.129
3	20,001	25,000	64,090	0.032
8	25,001	30,000	230,086	0.116
4	30,001	35,000	131,512	0.066
1	40,001	45,000	40,371	0.020
2	45,001	50,000	94,684	0.048
1	50,001	55,000	51,351	0.026
2	55,001	60,000	118,464	0.060
1	60,001	65,000	61,500	0.031
2	65,001	70,000	137,500	0.069
3	80,001	85,000	242,799	0.122
2	95,001	100,000	197,000	0.099
1	105,001	110,000	108,000	0.054
1	110,001	115,000	113,500	0.057
2	130,001	135,000	264,000	0.133
1	175,001	180,000	176,750	0.089
1	220,001	225,000	224,712	0.113
1	385,001	390,000	385,038	0.194
1	450,001	455,000	453,500	0.229
1	545,001	550,000	547,990	0.276
1	605,001	610,000	606,000	0.305
1	645,001	650,000	650,000	0.328
1	665,001	670,000	668,250	0.337
1	675,001	680,000	676,970	0.341
1	715,001	720,000	715,887	0.361
1	750,001	755,000	753,941	0.380
1	775,001	780,000	776,966	0.392
1	1,070,001	1,075,000	1,072,500	0.541
2	1,100,001	1,105,000	2,206,569	1.112
1	2,720,001	2,725,000	2,720,250	1.371
1	2,740,001	2,745,000	2,743,975	1.383
1	2,920,001	2,925,000	2,920,375	1.472
1	3,340,001	3,345,000	3,343,560	1.685
1	3,495,001	3,500,000	3,500,000	1.764
1	4,425,001	4,430,000	4,428,500	2.232
1	6,555,001	6,560,000	6,555,586	3.304
1	6,995,001	7,000,000	7,000,000	3.528
1	24,345,001	24,350,000	24,348,127	12.273
1	31,485,001	31,490,000	31,488,750	15.872
1	33,770,001	33,775,000	33,773,760	17.024
1	62,770,001	62,775,000	62,771,970	31.640
674		**Company Total**	**198,394,462**	**100.000**

CATEGORY OF SHAREHOLDING
AS AT 31st DECEMBER 2023

Particulars	No of Folio	No of Shares	Percentage
DIRECTORS, CEO & THEIR SPOUSE AND MINOR CHILDREN	**4**	**2,723,274**	**1.37%**
MR. JAMEEL YOUSUF		837	0.00
MR. ALI JAMEEL		837	0.00
AYLA MAJID		1,350	0.00
MUHAMMAD AMINUDDIN		2,720,250	1.37
SENIOR MANAGEMENT OFFICER	**2**	**782,000**	**0.39%**
SYED ALI HASSAN ZAIDI		132,000	0.07
YOUSUF ALI		650,000	0.33
ASSOCIATED COMPANIES	**8**	**106,345,506**	**53.60%**
TPL CORP LIMITED		104,891,570	52.87
TPL HOLDINGS (PRIVATE) LIMITED		1,453,936	0.73
BANKS, DFI & NBFI	**2**	**606,164**	**0.31%**
CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED - MF		606,000	0.31
PARADIGM FACTORS (PRIVATE) LIMITED		164	0.00
MUTUAL FUNDS	**8**	**10,578,351**	**5.33%**
CDC - TRUSTEE HBL INVESTMENT FUND		224,712	0.11
CDC - TRUSTEE HBL GROWTH FUND		385,038	0.19
CDC - TRUSTEE FAYSAL STOCK FUND		2,920,375	1.47
CDC - TRUSTEE AKD OPPORTUNITY FUND		3,343,560	1.69
CDC - TRUSTEE NBP STOCK FUND		2,743,975	1.38
CDC - TRUSTEE HBL EQUITY FUND		176,750	0.09
PEARL SECURITIES LIMITED - MF		30,000	0.02
CDC - TRUSTEE GOLDEN ARROW STOCK FUND		753,941	0.38
GENERAL PUBLIC (LOCAL)	**622**	**9,010,453**	**4.54%**
GENERAL PUBLIC (FORGEIN)	**12**	**140,701**	**0.07%**
OTHERS	**14**	**2,945,503**	**1.48%**
TOYOTA HYDERABAD MOTORS		45,106	0.02
BONUS FRACTION B-2018		255	0.00
CDC STAY ORDER CASES WITH FRACTON		547,990	0.28
BONUS FRACTION B-2019		226	0.00
HABIB SUGAR MILLS LTD		81,083	0.04
SARFRAZ MAHMOOD (PRIVATE) LTD		675	0.00
MAPLE LEAF CAPITAL LIMITED		1	0.00
RAO SYSTEMS (PVT.) LTD.		3,375	0.00
FEDERAL BOARD OF REVENUE		22,590	0.01
SUMYA BUILDERS & DEVELOPERS		1,103,850	0.56
NCC - PRE SETTLEMENT DELIVERY ACCOUNT		16,500	0.01
ARIF HABIB LIMITED		1,072,500	0.54
FALCON-I (PRIVATE) LIMITED		1	0.00
TOYOTA SAHARA MOTORS (PVT) LTD		51,351	0.03
FOREIGN COMPANIES	**2**	**65,262,510**	**32.90%**
DEG-DEUTSCHE INVESTITIONS-UND ENTWICKLUNGSGESELLSCHAFT MBH		31,488,750	15.87
FINNISH FUND FOR INDUSTRIAL COOPERATION LTD		33,773,760	17.02
Company Total	**674**	**198,394,462**	**100%**

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Pakistan

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of TPL Insurance Limited (the Company)

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Code of Corporate Governance for Insurers, 2016 (both herein referred to as 'the Regulations') prepared by the Board of Directors of **TPL Insurance Limited** ('the Company') for the year ended **December 31, 2023** in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and provision lxxvi of the Code of Corporate Governance for Insurers, 2016.

The responsibility for compliance with the Code and the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and the Regulations, and report if it does not and to highlight any non-compliance with the requirements of the Code and Regulations. 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 and the Regulations.

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Code and Regulations as applicable to the Company for the year ended December 31, 2023.

KARACHI
DATED: February 21, 2024
UDIN: CR202310067BpJcD2ONv

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED DECEMBER 31, 2023

This statement is being presented in compliance with the Code of Governance for Insurers, 2016 **("2016 Code")** and Listed Companies (Code of Corporate Governance) Regulations, 2019 **("2019 Code")** (Collectively referred to as the **"Codes"**) for the purpose of establishing a framework of good governance, whereby an insurer is managed in compliance with the best practices of corporate governance.

TPL Insurance Limited (the "Company") has applied the principles contained in the Code in the following manner:

1. The total number of directors are 7 as per the following
   a. Male: 5
   b. Female: 2

2. The Company ensures representation of Independent and Non-Executive Directors and facilitates representing the minority's interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Director(s)	Mr. Aqueel E. Merchant
Executive Director(s)	Mr. Muhammad Aminuddin (Chief Executive Officer)
Non-Executive Director(s)	Mr. Jameel Yusuf S.St Mr. Muhammad Ali Jameel, Rana Assad Amin
Nominated Director	Mr. Benjamin Brink
Female Independent Director	Ms. Naila Kassim
Female Nominated Director	Ms. Ayla Majid

All Independent Directors meet the criteria of independence as laid down under the Codes.

NOTE: With regard to compliance with Regulation 6 of the CCG, it may be noted that the Company has not rounded up the fraction, as one, since the Board considers it already has a satisfactory representation of Independent Directors. There are currently seven non-executive directors, who are not involved in the day-to-day management of the company. The company aims to emphasize the significant presence of independent perspectives on the Board, ensuring a balanced and diverse decision-making process that takes into account the interests of various stakeholders

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

4. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.

5. The Company has prepared a Code of Conduct, and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

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

7. All powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ Shareholders as empowered by the relevant provisions of the Act and the Codes.

8. The meetings of the Board were presided over by the Chairman and in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirement of the Companies Act, 2017 and the Codes with respect to frequency, recording and circulating minutes of meeting of the Board.

9. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and the Codes. The Board has duly complied with the Directors' Training Program requirement and the criteria as prescribed in the 2019 Code.

10. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the 2016 Code.

11. An orientation of the Board of Directors was conducted to apprise them of their duties and responsibilities including the fiduciary duties as contained in the Companies Act, 2017.

12. The Board approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and condition of employment and complied with relevant requirements of the Codes. During the year, there was change in the position of the Company Secretary.

13. The Directors' Report for this year has been prepared in compliance with the requirements of the 2016 Code and fully describes the salient matters required to be disclosed.

14. The Financial Statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.

15. The Directors, Chief Executive Officer and other Executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.

16. The Company has complied with all the corporate and financial reporting requirements of the 2016 Code.

17. The Board has formed the following Management Committees:

Underwriting Committee:

Name of the Member	Category
Aqueel E. Merchant	Chairman
Syed Ali Hassan Zaidi	Member
Muhammad Aminuddin	Member
Shumail Iqbal	Secretary

Claim Settlement Committee:

Name of the Member	Category
Benjamin Brink	Chairman
Tariq Ali Farooqui	Member
Yousuf Zohaib Ali	Member
Muhammad Kumail Mushtaq Ali	Member
Ayla Majid	Member
Owais Alam	Secretary

Reinsurance and Co-insurance Committee:

Name of the Member	Category
Aqueel E. Merchant	Chairman
Syed Ali Hassan Zaidi	Member
Muhammad Aminuddin	Member
Shadab Khan	Secretary

Risk Management and Compliance Committee:

Name of the Member	Category
Ayla Majid	Chairperson
Syed Ali Hassan Zaidi	Member
Muhammad Aminuddin	Member
Kamran Rafique Shaikh	Member
Benjamin Brink	Member
Shadab Khan	Secretary

18. The Board has formed the following Board Committees:

Ethics, HR, Remuneration and Nomination Committee:

Name of the Member	Category
Naila Kassim	Chairperson
Mohammad Ali Jameel	Member
Rana Assad Amin	Member
Ayla Majid	Member
Nader Nawaz	Secretary

Compensation Committee

Name of the Member	Category
Mr. Aqueel E. Merchant	Chairperson
Mr. Rana Assad Amin	Member
Mr. Nader Nawaz	Secretary

Investment Committee:

Name of the Member	Category
Mohammad Ali Jameel	Chairperson
Rana Assad Amin	Member
Muhammad Aminuddin	Member
Benjamin Brink	Member
Yousuf Zohaib Ali	Secretary

19. The Board has formed an Audit Committee. It comprises of four members of whom one is an independent director, one is nominated director, and two are non-executive directors and with three member of the audit committee duly qualifying the requirement of being financially literate. The Chairman of the Committee is an independent director The composition of the Audit Committee is as follows:

Audit Committee:

Name of the Member	Category
Aqueel E. Merchant	Chairman
Rana Assad Amin	Member
Muhammad Ali Jameel	Member
Ayla Majid	Member
Hashim Sadiq Ali	Secretary

20. The terms of references of the Committees have been formed, documented and advised to the Committees for Compliance. The frequencies of the meetings are as follows:

Name of Committee	Frequency of Meeting
Underwriting Committee	Quarterly
Claim Settlement Committee	Quarterly
Reinsurance and Co-insurance Committee	Quarterly
Risk Management and Compliance Committee	Quarterly
Ethics, HR, Remuneration and Nomination Committee /Compensation Committee	Half Yearly
Investment Committee	Quarterly
Audit Committee	Quarterly

21. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company and is involved in the internal audit function on a regular basis.

22. The Chief Executive Officer, Chief Financial Officer, Compliance Officer, Company Secretary and the Head of Internal Audit possess such qualification and experience as is required under the 2016 Code. Moreover, the persons heading the underwriting, claim, reinsurance and risk management departments possess qualification and experience of direct relevance to their respective functions, as required under Section 12 of the Insurance Ordinance. 2000 (Ordinance No. XXXIX of 2000):

Name of Person	Designation
Mr. Muhammad Aminuddin	Chief Executive Officer
Mr. Yousuf Zohaib Ali	Chief Financial Officer
Mr. Kamran Rafique Shaikh	Compliance Officer
Ms. Shayan Mufti	Company Secretary
Mr. Hashim Sadiq Ali	Head of Internal Audit
Mr. Zia Mehdi	Head of Underwriting
Mr. Ovais Alam	Head of Claims
Ms. Shadab Khan	Head of Reinsurance
Syed Ali Hassan Zaidi	Chief Operating Officer
Syed Ali Hassan Zaidi	Head of Grievance Dept.
Ms. Shadab Khan	Head of Risk Management

23. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of Section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the international Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.

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

25. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the 2016 Code.

26. The Board ensures that the risk management system of the Company is in place as per the requirements of the 2016 Code. The Company has set up a risk management function/ department, which carries out its tasks as covered under the 2016 Code.

27. The Company has been rated by PACRA and the rating assigned by the rating agency on May 7, 2023 is AA with stable outlook.

28. The Board has set up a grievance department/function, which fully complies with the requirements of the 2016 Code.

29. The Company has obtained exemption/relaxation from the Securities and Exchange Commission of Pakistan ("SECP") in respect of the requirements of General Window Takaful Operations and the Conventional Insurance Companies operating Window Takaful Operations to present separate Income Statements and Balance Sheets for Conventional and Takaful Operations. This exemption was granted by the SECP through letter number IR/PRDD/GTR/2015/2799 dated July 12, 2023. As per this approval, the Company is permitted to consolidate the financial statements of conventional and Window Takaful Operations (including PTF) on a line-by-line basis, effective until the period ending on December 31, 2023.

30. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the 2019 Code other material principles contained in the 2016 Code have been complied with.

By Order of the Board

Chairman

Date: February 21, 2024

SUSTAINABILITY REPORT

TPLCares

TPLCares, the group's CSR platform, commits to creating a positive and lasting impact in the community via support for healthcare, education, gender equality, and sports-related initiatives.

Annual Giving

At TPL, we firmly believe in uplifting the community. Through our annual giving efforts, we ensure to support various charitable causes and organizations spanning across the education and healthcare sector of Pakistan. Each year, we allocate a portion of our resources to enrich communities, address societal challenges, and create sustainable impact.

Community Partners

Our contributions were dedicated to enhancing the well-being of individuals and fostering a prosperous society.

Some of the partner institutions are featured below:

- Jafaria Disaster Cell Welfare Organization (JDC)
- Sindh Institute of Urology and Transplantation (SIUT)
- Zafar and Atia Foundation Charitable Trust (Koohi Goth Hospital)
- Family Education Services Foundation (FESF)
- Karwan-e-Hayat Institute for Mental Health Care

Over PKR 8.0 Million was disbursed

Left to right: Mr. Zahid Saeed (CEO, Green Crescent Trust) receiving donation from Mr. Jameel Yusuf S.St., Chariman, TPL Corp.

FLOOD RELIEF

In response to the 2022 floods in Pakistan, we demonstrated our corporate social responsibility by matching our employees' donations, resulting in a total contribution of:

PKR 4.0 Million was distributed amongst various NGOs

Pink Ribbon

We sponsored the Pink Ribbon Fundraising Drive; an event dedicated to raising awareness and support for breast cancer. Through our sponsorship, we aimed to contribute to the fight against breast cancer and empower women to prioritize their health.

Old Associates of Kinnaird Society (OAKS)

We supported the OAKS annual fundraising event held at the British Deputy High Commission in Karachi in February. The event's purpose was to generate funds for the National Institute of Child Health (NICH), an institution committed to the noble mission of achieving excellence in healthcare.

Volunteer Program

Throughout the year, our employees have been actively engaged in various volunteering activities to bring a positive change in the society. Since the inception of this program, a total of over 230 volunteer hours have been recorded.

Karachi Down Syndrome Program (KDSP)

We attended an awareness session on down syndrome at KDSP followed by voluntary service by 15 passionate employees who volunteered their time to engage and work with uniquely-abled individuals.

a total of
45
volunteer hours

Child Life Foundation

In celebration of Universal Children's Day, CEO TPL Trakker distributed toys to children at the Civil Hospital Emergency Room. These toys were donated by our employees and brought joy to the young patients' day.

Blood Donation Drive

In collaboration with the Indus Hospital & Health Network (IHHN), we organized a Blood Donation Drive at the TPL Trakker office in November where our employees voluntarily donated to save lives.

60 lives saved

STEAM Pakistan

On International Women's Day, we participated in STEAM Pakistan's 'SAFEER Program' which seeks to inspire young minds. As part of our dedication to community service, our female employees volunteered at government schools across Karachi to empower girls and encourage them to pursue their dreams.

a total of
12
volunteer hours

Panah Shelter

In celebration of Mother's Day, TPL employees volunteered at Panah Shelter to support mothers who have been victims of social injustices. The activity also involved the distribution of clothes that were collected through a week-long donation drive within the company.

a total of
40
volunteer hours

Diversity & Inclusion

Embracing the principles of diversity and inclusion, we have taken substantial strides to cultivate a work environment that values and welcomes individuals from all backgrounds.

TPL Women Leaders Award

We introduced the TPL Women Leaders Award with the primary objective of recognizing and celebrating the significant contributions of women within our organization. This award serves as a platform to honour the exceptional achievements, leadership qualities, and relentless dedication displayed by women at TPL.

Pehchaan Program

As an equal opportunity employer, we proudly welcomed a new cohort of uniquely-abled individuals for internships under the 'Pehchaan Program' in partnership with Ida Rieu. This not only embodies our commitment to promoting diversity and inclusion within the workplace but also reflects our values of empathy, empowerment, and equality.

Day Care Centre

We celebrated World Children's Day by launching a day care centre at our TPL Insurance and Life office. This initiative is designed to provide a nurturing and secure environment for the children of our employees, thus, enabling them to effectively fulfill their work commitments.

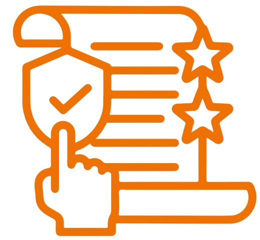
Climate2Equal

TPL takes pride in its involvement in the Climate2equal initiative, a project led by the International Finance Corporation (IFC) and the Pakistan Business Council (PBC). This collaboration focuses on increasing the inclusion of women within the workplace and incorporating climate action to help boost Pakistan's economy. Our active participation focuses on promoting gender equality and recognizing its contribution towards climate action.

11th Annual International Women Leaders' Summit

The 11th Annual 'International Women Leaders' Summit, organized by New World Concepts, convened global leaders to share their success stories and inspire others to assume leadership roles. This year, a selected group of our female employees attended the conference to gain insights from prominent global and local women leaders.

Employee Friendly Policies



• Flexible Working Hours

We have implemented a flexible working hours policy exclusively designed for our female employees. The policy empowers new mothers to customize their work schedules and responsibilities when returning from maternity leave. It is a clear demonstration of our commitment to supporting our employees through various stages of life.

• Gender-Inclusive Hiring

TPL Insurance has established a policy to allocate a minimum of 30% of available positions to the hiring of female staff across all departments. This proactive measure aims to address gender imbalances in the economy and create equitable opportunities for both men and women.

Awards

TPL has received numerous awards throughout the year which reflect the dedication and hard work of it's team and contributions to the industry.

GDEIB Awards 2023

TPL Insurance emerged as a winner at the GDEIB Awards 2023 for its exemplary practices in two specific categories:

- Work-life integration, flexibility, and benefits
- Community engagement, government relations, and philanthropy

Left to right: Ms. Dania Nizamani, Mr. Muhammad Aminuddin (CEO, TPL Insurance), Mr. Akif Saeed (Chairman, SECP), Ms. Maham Iqbal and Mr. Zahid Mubarik (CEO, HR Metrics).

International CSR Award 2023

The CSR Awards are organized by The Professionals Network (TPN); a leading corporate entity based out of Karachi. Established in 2011, the network recognizes corporations and NGOs for their efforts toward bringing positive socio-economic change in Pakistan. At the 13th International Corporate Social Responsibility Awards 2023, TPL Insurance won one award in the following category:

- Partnership of the Year

From Left to Right: Mr. Mehmood Tareen (Founder and Chief Executive, The Professionals Network), Mr. Hussam Shadab Khan (Digital Media Lead), Ms. Shamama Khan (Digital Brand Manager) and Ms. Farzana Abdullah (Head of Marketing at TPL Insurance). Presenting the award: Indonesian Consul General, Dr. June Kuncoro Hadiningrat.

Climate Action Initiatives

We have undertaken several climate action initiatives over the past year which are dedicated to reducing our carbon footprint and contributing to a more sustainable future.

Aabshar – Water Conservation

As a step toward sustainable operations and water conservation, we have installed Aabshar water tap nozzles in our offices and are planning to extend the installation of this water conservation system throughout TPL's regional offices. By implementing these measures, we aim to encourage responsible water usage across our organization.

Approx.
89%
reduction

Sustainable Waste Management

TPL has partnered with Garbage Can to perform regular waste audits and collections from our offices. This partnership provides us with insights into the quantity of waste produced and recycled, enabling us to reduce our environmental impact and foster a culture of responsibly managing our plastic, paper and organic waste.

Approx.
550 kg
waste recycled since the inception of the program

Weekly Sustainability Tips

To empower our employees across TPL to take responsibility for their actions, we have initiated a series of weekly emails to share tips that can be used in everyday life to create a sustainable environment for future generations.

Approx.
1,500
employees reached weekly

Renewable Energy

TPL Insurance has successfully transitioned to solar power. This transition demonstrates our commitment to reducing dependence on conventional energy sources and adopting sustainable energy solutions.

37kVA
Solar panels Installed

Employee Well-being

We have implemented a range of employee well-being initiatives aimed at promoting good physical and mental health, reinforcing a culture of care within our organization.

Hepatitis Screening

In partnership with The Health Foundation, we hosted a Hepatitis Screening Camp at our offices. The primary objective of this initiative was to promote awareness of the disease and provide a platform for early detection and timely treatment.

Approx.
200
employees tested

Comprehensive Health Screening

In collaboration with Healthx Pakistan, we took a proactive step in prioritizing employee well-being by conducting comprehensive health screenings at our head office.

Approx.
100
employees screened

TPL Recharge

A cycling activity was organized under the TPL Recharge program which focuses on nurturing the holistic wellness of our employees and fostering a healthy workplace.

Approx.
100
employees participated

Learning & Development Training

For the continuous growth of our employees in their professional endeavours, we regularly conduct trainings (soft and technical).

Soft Training
312
employees

Technical Training
102
employees

Awareness Sessions

Some of the well received awareness sessions in collaboration with Mentor Health were as follows:

- Mental Health
- Breast Cancer
- Diabetes

Approx.
488
attendees

Scaling for Impact

Over the years, TPL has supported over 50 non-profit organizations, educational institutes, and charitable trusts across Pakistan, ranging from local charities to international NGOs and universities. At TPL, we believe a collective change begins with understanding the challenges faced by our communities.

Management Objectives:

1. **Developing an inclusive work culture:** The management aims to foster an organizational culture that is conducive to innovation and excellent customer service. This includes promoting diversity in human capital, such as gender, Gen Z, and people with disabilities, and implementing policies to attract talent from all segments of society.

   KPI

   - Diversity Index - Measure the diversity of the workforce by tracking the percentage of employees from underrepresented groups (e.g., gender, Gen Z, people with disabilities) compared to the total workforce.
   - Employee Satisfaction Score - Conduct regular surveys to assess employee satisfaction with the organizational culture, focusing on inclusivity, innovation, and opportunities for growth.

2. **Investment in Technology:** The management prioritizes continuous investment in technology to maintain a competitive edge. This includes further development of the company's in-house system, which is already insurtech-ready, and adopting a modular approach where different modules can be outsourced for development and then incorporated into the system.

   KPI

   - Technology Adoption Rate - Track the percentage of employees using new technology tools/systems compared to the total workforce, indicating the successful implementation of technology initiatives.
   - System Uptime - Measure the availability of critical systems and applications to ensure smooth operations, with targets for minimal downtime.

3. **Focus on Sustainable Financial Growth:** While long-term financial priority is aimed at sustainable and profitable operations, the management recognizes the current growth phase. In the short to medium term, the focus is on delivering sustainable customer growth by improving customer retention and increasing the number of products per customer.

   KPI

   - Customer Lifetime Value (CLV) - Calculate the average CLV to assess the long-term value of acquiring and retaining customers, indicating the success of sustainable customer growth strategies.
   - Product Penetration Rate - Monitor the percentage of customers who purchase multiple products/services from TPL Insurance, reflecting cross-selling success and improved profitability per customer.

4. **Enhancing Brand Awareness and Positioning:** Management emphasizes improving awareness of TPL Insurance as a household name that provides reliability, convenience, and comfort to its customers. This involves positioning the company's products and value propositions effectively, focusing on innovative products, and differentiating itself from other insurers.

KPI

- Brand Recognition Score - Conduct market research to measure brand recognition and perception among target audiences, with the goal of increasing brand awareness over time.

- Net Promoter Score (NPS) - Survey customers to gauge their likelihood to recommend TPL Insurance to others, reflecting customer satisfaction and loyalty, which are indicative of effective brand positioning.

5. **Resource Allocation for Growth and Efficiency:** The management acknowledges the need to allocate resources effectively to achieve objectives. This includes prioritizing investments in technology and brand awareness over fixed costs, benchmarking expenses according to industry standards, and preparing efficiency plans to deliver growth while managing fixed costs.

KPI

- Technology Investment ROI - Evaluate the return on investment (ROI) for technology initiatives by comparing the benefits gained (e.g., increased efficiency, improved customer experience) to the costs incurred.

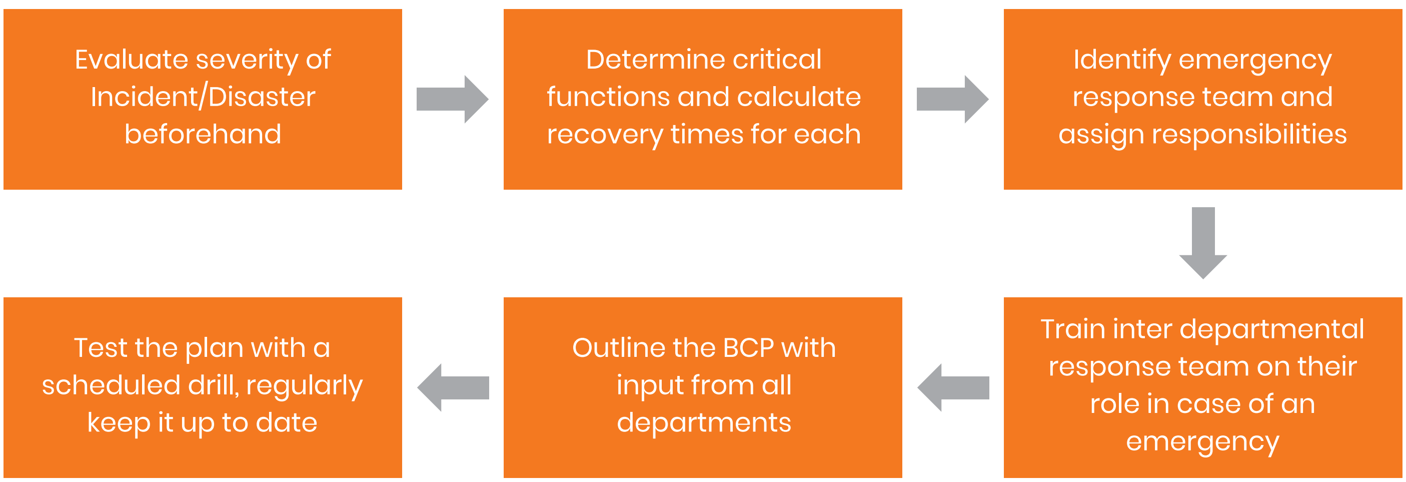
- Cost-to-Income Ratio - Monitor the ratio of operating expenses to total income to ensure efficient resource allocation and cost management, with the aim of maintaining profitability while achieving growth objectives.

BUSINESS CONTINUITY PLAN

Business continuity (BC) refers to maintaining business functions or quickly resuming them in the event of a major disruption, whether caused by a fire, flood, pandemics or malicious attack by cybercriminals. A business continuity plan outlines procedures and instructions an organization must follow in the face of such disasters; it covers business processes, assets, human resources, business partners and more.

The primary objective of a BCP is to strengthen the organization's ability to ensure staff safety and security as well as to maintain continuity of critical functions during a critical incident of any nature. The central elements of BCP are incident management (crisis/emergency/disaster response and recovery) and business continuity.

This Business Continuity Plan is established to safeguard the organization's staff, its assets, its critical operations and its credibility; it follows an all hazards approach, including all risk reflected in the Risk Assessment.



FORWARD LOOKING STATEMENT 2024

In light of the global economic recovery and Pakistan's ongoing efforts to foster economic stability and growth throughout 2023, TPL Insurance remains resolute in its commitment to flourish in the upcoming year. We continue to expand our operations, targeting all socio economic segments, to enhance awareness about insurance among the masses. Despite challenges, such as fluctuating sales in the automotive sector, we persist in our pursuit to expand by offering diversified insurance solutions and embracing technological advancements.

In the dynamic insurance landscape, TPL Insurance continues to shine as a beacon of reliability and innovation. Our financial performance in 2023 showcases robust results, reaffirming our stability and resilience despite economic challenges. Our diversified portfolio has ensured growth, avoiding excessive pressure on any specific segment. Throughout 2023, TPL introduced innovative insurance products tailored to emerging risks and comprehensive coverage. From health and auto to property and agriculture, TPL Insurance remained at the forefront, offering solutions like carculator, motorway insurance, cattle fattening insurance, and domestic staff insurance that resonated with our diverse customer base. Recognizing technology's power in driving efficiency and engagement, TPL Insurance has accelerated digital transformation initiatives and the investments in data analytics and automation position us as pioneers in the insurance industry's digitalization.

Amidst geopolitical shifts and global discussions on climate change, we remain vigilant to adapt our strategies accordingly, ensuring resilience and continuity in our operations while incorporating sustainable practices. Looking ahead, while technological advancements offer immense potential, challenges such as subdued growth, inflation, fiscal constraints, and political uncertainty persist. Additionally, cybersecurity threats and climate change require proactive measures.

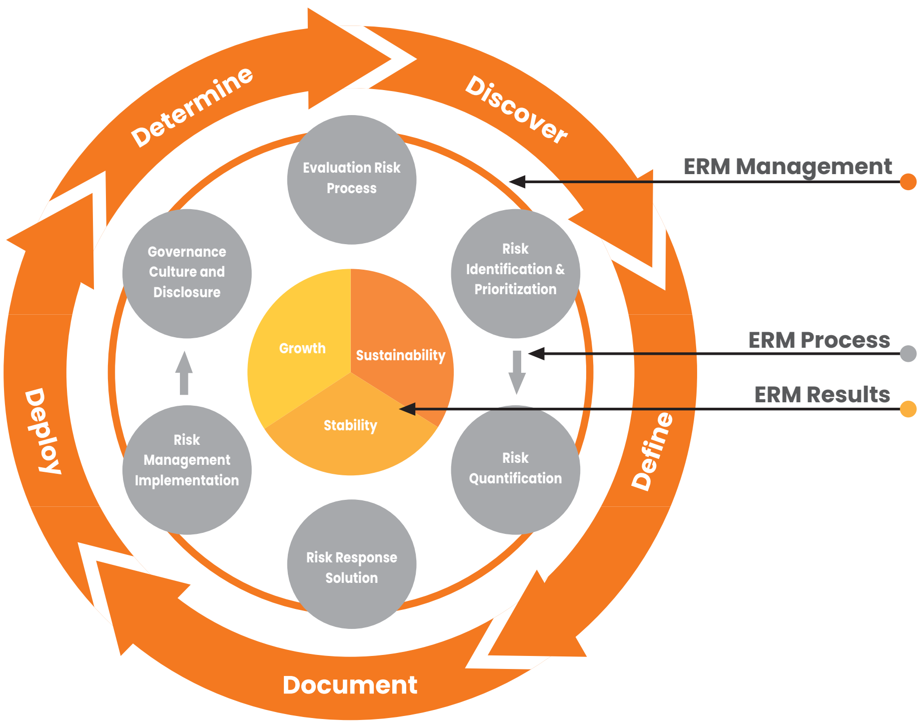
TPL's future hinges on our ability to adapt to the changing environment, embracing technology, diversifying offerings, and navigating industry shifts. We are poised to maintain our growth trajectory and emerge as a stronger, more resilient insurance player in the years to come.

ENTERPRISE RISK MANAGEMENT

The Enterprise Risk Management cycle and process has been placed to optimize the risk opportunities, not just to operate as an independent risk control structure. The Board of TPL Insurance (TPLI) approved the Enterprise Risk Management (ERM) Policy prepared by the Risk Management & Compliance Committee, which supervises the risk management and compliance activities with the Company.

The ERM program aims effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations such that all the measures for managing risks entity-wide are addressed and strategic objectives gets achieved. The risk control cycle as a part of ERM program incorporates the following aspects:

- Identification of Risk.
- Quantification & Prioritization of Risk.
- Risk Responses.
- Risk Management Implementation, Evaluation and Reporting.



The Risk Management & Compliance Committees, comprises of six members lead by the chairman, oversees and approves the company-wide risk management practices and provide an infrastructure to address the enterprise-wide risks. Each member has an understanding of risk management expertise commensurate with the Company's size, complexity and capital structure. The committee is responsible for:

- Overseeing the development and implementation of risk management policy / framework which will set the risk management tone in the Company. The policy / framework will provide the guidelines to help in the identification of risks, assess the priorities according to their impacts and likelihoods and implement the relevant procedures to mitigate those risks to an acceptable level.

- Overseeing compliance framework which will report on compliances with legislation and regulations of risks pertaining to the entity.

- Provide an analysis regarding Company's approved risk appetite level and communicate the same to the entire enterprise.

- Review and confirm that all responsibilities outlined in the framework have been carried out.
- Review and monitor the steps taken to mitigate the risks identified.
- Continually, obtain reasonable assurance from the management that all known and emerging risks have been identified, mitigated and managed and monitor the adequacy of risk identification process.
- Make such recommendations with respect to any of the above and other matters as the Committee deems necessary or appropriate.
- Receive and review risk based reports and ensure entity-wide risks are mitigated to an acceptable level.

The risk governance structure is reflected in the following hierarchical chart:

RISK MANAGEMENT METHODOLOGY

The company's risk management policy captures all sorts of risks including but not limited to insurance risk, financial risk, credit risk, operational risk, regulatory risks, technology and cyber risk, people and HR risks, environmental risks, reputational and group-wide risks, that can potentially deviate the company from achieving its strategic business objectives and plans.

Given the imperatives of risk management, the company's ERM policy covers systematic risk management methodology which covers the following phases:

Phase 1: Risk Assessment:

i. Risk Identification
ii. Risk Analysis
iii. Risk Evaluation

Phase 2: Risk Treatment

Phase 3: Review, Monitoring and Reporting

Phase 1: Risk Assessment

Risk Assessment process has covers the following:

i. Risk Identification:

The aim of the risk identification step is to identify a list of risks based on events, threats or vulnerabilities that might create, enhance, prevent, degrade, accelerate or delay the achievement of business's objectives, and to document these possible risks in the risk register.

For documenting the Risk Management activity a risk register template is in place. The process of Risk Analysis, Risk Evaluation and Risk Treatment are documented within the template which comprises of following components:

Risk Category	Risk Description	Likelihood	Impact	Inherent Risk	Existing Control(s)	Perceived Control Effectiveness	Residual Risk	Planned Controls

ii. Risk Analysis

Risk analysis involves consideration of the causes of risk, its consequence and likelihood that those consequences can occur.

Controls represent any process, policy, practice or other actions taken by management which reduce the likelihood of a risk occurring or the potential damage arising from the risk. The risk analysis process involves the assignment of an overall residual risk rating for each risk documented in the risk register through the following three steps.

1 - Analyse the inherent risk

- Assess the likelihood and consequence of a risk event if it were to occur in the absence of controls

2 - Identify and assess controls

- Identify the existing controls in place to address the risk, and assess how effective they are in operation

3 - Analyse the residual risk

- Reassess the likelihood and consequence of a risk event if it were to occur, taking into consideration the effectiveness of the control environment as assessed in Step 2

To support staff in risk assessment, TPL Insurance Limited has adopted standardized criteria and rating scales to be applied across all risk management activities. These criteria and rating scales and their application to the three risk assessment steps outlined above, have been detailed in the following section:

Step 1: Analyze the Inherent Risk

For each risk identified in the risk register, the likelihood of the risk occurring in the absence of controls should be assessed. Likelihood refers to the chance of something happening. The TPL Insurance Limited's risk likelihood criteria are outlined in the following table:

Probability Scale	Guiding Measures
Rare	There is less than 10% chance of occurrence.
Unlikely	There is 11-25% chance that the risk will occur.
Possible	There is 26 - 65% chance that the risk will occur.
Likely	There is 66 - 90% chance that the risk will occur.
Almost Certain	There is more than 90% chance that the risk will occur.

For each risk identified in the risk register, the consequence of the risk occurring in the absence of controls should also be assessed using the Consequence/ Impact Criteria. Consequence refers to the outcome of an event affecting objectives.

<table>
<tr><th>Consequence/ Impact Scale</th><th>Guiding Measures</th></tr>
<tr><td>Insignificant</td><td>The risk may cause temporary operational inefficiency; however, business may be able to run as usual.
<table>
<tr><th>Implications</th><th></th></tr>
<tr><td>Financial</td><td>Less than Rs. 10 Million</td></tr>
<tr><td>Operational</td><td>Temporary service disruption.</td></tr>
</table></td></tr>
<tr><td>Minor</td><td>The risk is likely to have a limited adverse effect on organizational operations, organizational assets, or individuals; and may cause temporary operational inefficiency. It may arise due to non-compliance with standard operating procedures or their absence etc.
<table>
<tr><th>Implications</th><th></th></tr>
<tr><td>Financial</td><td>More than Rs. 10 Million but less than Rs. 50 Million</td></tr>
<tr><td>Operational</td><td>Minor impact on product/ service delivery.</td></tr>
<tr><td>Legal/ Regulatory</td><td>Regulatory/ police investigation of organization and/or Board without adverse findings.</td></tr>
</table></td></tr>
<tr><td>Material</td><td>The risk is likely to have a material adverse effect on the organization or individuals associated with the organization (e.g., employees, customers). It may arise due to fundamental control weaknesses, non-compliance of policies, minor errors in financial information, etc.
<table>
<tr><th>Implications</th><th></th></tr>
<tr><td>Financial</td><td>More than Rs. 50 Million but less than Rs. 500 Million.</td></tr>
<tr><td>Operational</td><td>Widespread discontent of customers and suppliers.</td></tr>
<tr><td>Brand/ Reputation</td><td>Failure of prominent project, service or product.
Localized negative media coverage.
Investigation of serious individual misconduct.</td></tr>
<tr><td>Legal/ Regulatory</td><td>Regulatory / police investigation with adverse findings against organization and/or Board.</td></tr>
</table></td></tr>
</table>

Consequence/ Impact Scale	Guiding Measures
Major	The risk is likely to have a serious effect on organizational operations, reputation, organizational assets, or individuals. **Implications** **Financial**: More than Rs.500 Million but less than Rs. 1 Billion **Operational**: Widespread failure or loss of product/service standards. **Brand/ Reputation**: Loss of a large number of customers to competitor organization. Loss of suppliers/ service providers. Loss of significant skills from Board or Senior Management. Sustained public criticism of the organization. **Legal/ Regulatory**: Civil action against organization and/or Board due to negligence. New regulations that impede operations.
Critical	A risk that can prove catastrophic or terminal for the whole organization. It may affect organizational operations, reputation, organizational assets, or individuals; it may lead to loss of significant customer(s), litigations and hefty financial penalties. **Implications** **Financial**: More than Rs. 1 Billion **Operational**: Unable to deliver product/ services. Prohibited from service delivery at any level. Loss of significant number of customers to competitor organization. **Brand/ Reputation**: Collapse of organization. Major inquiry into systemic misconduct. Wholesale resignation of Board Members or Senior Management. **Legal/ Regulatory**: Criminal prosecution of organization and/or Board due to failure to comply with the law. It may be caused due to significant errors in financial information, non-compliance with regulatory requirements, or contractual terms, security breach of mission critical system; significant control weaknesses, etc.

Once a risk likelihood and consequence assessment has been made for each risk in the risk register, the inherent risk rating is then determined by combining the likelihood and indicative consequence level of the risk as per the following matrix.

Impact/ Consequence	Likelihood/ Probability: Rare	Unlikely	Possible	Likely	Highly Probable
Critical	Low	Medium	High	High	Extreme
Major	Low	Medium	Medium	High	High
Material	Low	Medium	Medium	Medium	High
Minor	Low	Low	Medium	Medium	Medium
Insignificant	Low	Low	Low	Low	Low

Step 2: Identify and Assess Controls

A control is any process, policy, device, practice, or other actions that prevent, detect or mitigate. The controls should be identified and assessed. The assessment of the control's operating effectiveness should be determined using the criteria below.

Control Effectiveness	Description
Unsatisfactory	The control is not applied.
Weak	The control design does not meet the objective; or The control is applied incorrectly.
Satisfactory	The control design meets the objective and the control is usually operational but occasionally not applied when it should be, or not as intended.
Good	The control design meets the objective and the control is operating majority of the time.
Very good	The control design meets the objective and the control is operating effectively.

Step 3: Analyze the Residual Risk

Once the inherent risk and the effectiveness of relevant controls have been considered, the residual risk can be assessed. The residual risk will be determined by following a similar process to analyzing the inherent risk (in Step 1) however, the likelihood and consequence will be reassessed based on the effectiveness of the current controls as assessed in Step 2.

Phase 2: Risk Evaluation

The purpose of risk evaluation is to assist in decision making based on the outcomes of risk analysis, about the risks that need treatment, and the implementation priority for these treatments. TPL Insurance Limited has adopted the following matrix to guide the communication escalation and risk management actions required for risks based on their overall risk rating (as determined in Step 3). However, this matrix is purposely broad and may be added to or amended where appropriate.

Risk Rating	Required action
Extreme	**Intolerable level of risk** • CEO to be informed ASAP and requested to provide urgent attention, guidance and approval of mitigation strategy. • Operations / activity should ideally be discontinued until level of risk is able to be reduced. Written instruction for such activity needs to be provided by the CEO of TPL Insurance Limited.
High	**Tolerable level of risk** • Issues to be highlighted to the CEO and to the Risk Management & Compliance Committee. • Action plan and attention of Senior Management required.
Medium	**Tolerable level of risk** • Action plan and attention of Concerned Manager required.
Low	**Tolerable level of risk** • Manage through routine procedures. • Concerned Manager to be intimated about it and its treatment. • Unlikely to need specific application of resources. • Protection to be sought in case of large impact through rare. ***Please Note:-*** There may be instances where existing control is deemed as effective, therefore, residual risk rating may be computed as LOW; for such instances no risk treatment plans will be required.

Phase 3: Risk Treatment

Risk treatment involves selecting one or more options for modifying risks and implementing those options; once implemented, treatments provide or modify the controls. Generally, there are a number of options when treating a risk:

- Mitigate the risk (e.g. implement controls to reduce the impact and likelihood of any negative event from occurring)
- Avoid the risk (e.g. avoid the activity/partnership/sponsorship altogether);
- Transfer the risk (e.g. obtain a specialized insurance premium, additional contract clause); or
- Accept the risk.

As a range of options may be available to treat a risk, efficiency of treatment and reduction of the overall cost of the risk is an important consideration. Management should consider what approaches are available to treat the risk, the cost-benefit ratio for each viable treatment, and how such treatments will be implemented.

RISKS & OPPORTUNITIES

The Company has taken initiatives to enhance its ERM Policy and Framework to embed risk management policies and procedures within its each departmental core activities and aims to align them with the strategic objectives and risk tolerances to prepare and avert for potential surprises.

Through its innovative practices, wider group engagement and attitude towards challenging market norms, the Company has successfully completed acquisitions by international stakeholders. This was a done through SWOT analysis conducted by relevant parties, placing trust into company's board, management and everyone in order take direct the Company to new heights of success. The Company has planned on building a new independent function as Risk Management and Actuarial Control to provide integration with operating activities and develop strategic viewpoint. The RMAC function would be headed by a senior risk and actuarial professional, possessing international experience, skills and qualification, in line with the best practices followed globally. This function would provide continuous invaluable feedback actively and shall assist in mitigating surprises in the underwriting and financial performance as well as achieve larger strategic objectives of the Company.

Below mentioned are key risks faced by the Company and their mitigating strategies put in place to alleviate these risks:

Key Risks	Mitigating Strategies
Political and Economic Risks	
Challenges in the business due to the political and economic uncertainty may become a snag in the achievement of Business objectives.	The Company is working on diversifying its insurance portfolio to reduce its exposure to political risk. This is done via active monitoring of the macro-economic indicators and geo-political development. The Company also has established the Strategy & Transformation Department to monitor and devise strategies to minimize exposure to political and economic risks.
Regulatory Risk	
The Company is operating in an industry with high regulations. Failure to meet those regulatory standards and requirements would expose the Company to various penalties and would increase reputational risk. Furthermore, the adoption of IFRS17 standard is a next regulatory risk and an industry-wide challenge for implementation with high implementation costs.	The Company is cognizant of its responsibilities and thus has established a Compliance Department which is responsible to keep tracks of important deadlines and ensures all the mandatory requirements are met timely. The Company is actively monitoring the developments of IFRS17 within the country and has submitted GAP analysis to the regulator during the year. It intends to engage consultants to implementation of IFRS17 standard as well as meeting regulatory requirements in defined timelines.
Reinsurance Risks	
Reinsurance risk is the risk that reinsurance partners are unable to discharge their liabilities which makes the Company liable to the insured fully.	The Company only deals with reinsurance counterparties having strong financial strength ratings to minimize these risks. Reinsurance diversification has been considered when assessing RI risks and the Company actively monitors the reinsurance exposures to safeguard its reinsurance assets.

Key Risks	Mitigating Strategies
Investment Risk	
Changes in the macro economic factors may affect the stock market and interest rates which impacts the Company's cash flows	The Company observes a prudent policy to minimize its risks through diversification of its portfolio and dedicating a specialized department to continuously monitor relevant fixed income, mutual funds and equity investments. The investments are set in structure to ensure cash flow requirements are matched and that the investment characteristics are suitable to the liabilities.
Liquidity Risk	
The Company may not be able to meet its financial obligations towards insured.	The Company manages its liquidity by sustaining strong cash flow position and regular monitoring of maturity profile of financial assets and liabilities.
Solvency Risk	
The Company may not be able to meet its Solvency requirements as defined by the commission.	The Company has high solvency margin, which are actively monitored on the quarterly basis with focus on change analysis. The Company assesses its solvency position before going into large contracts, keeping view of reinsurance impact.
Cyber Risk	
Any risk of financial loss, disruption or damage to the reputation of TPLI from failure of its information technology systems.	The Company has implemented strong controls including firewall, antivirus solutions and backup and recovery systems to minimize the risks posed by cyber risks.
People & Environment Risk	
People are the single most important asset in any business but they are also the most vulnerable asset.	At TPLI, High graduate Level Intake as per HR policy with background checks. Market based remuneration and adjustments made at annual appraisals. Long term benefits like PF is offered. Group insurance, health insurance covers are taken for each employee. Training is regularly imparted across the board.

Opportunities Assessment Developments

The insurance sector in Pakistan has remained dormant. This is reflected in very low level of insurance density and insurance penetration in the country. The Company is proficient of availing all arising opportunities, and focused to digitize its operations by providing innovative insurance solutions to the customers and providing them risk transfer solutions.

The Company is also concentrating on the other line of business and to maximize its return on earning assets. This includes development of new lines of business particularly livestock business to participate and safeguard economic growth of the Country. Furthermore the Company participated in bidding process of micro-health insurance product Punjab Sehat Card offered by Government of Punjab and Tharparkar district. The Company conducted a comprehensive risk and opportunity assessment with partnering companies and understood and assess potential solvency impact.

Materiality Approach

Financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework. Judgments about materiality are made in the light of surrounding circumstances. The primary purpose for setting overall materiality when preparing the accounts is that it is used to identify performance materiality which is needed.

Key sources of uncertainty

International Financial Reporting Standards require management to make judgments, estimates and assumptions while preparing financial statements which affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Debt Repayment

The Company has not defaulted in payment of any debts and there is not any pending litigation against company, other than in ordinary course of business, as at December 31, 2023.

QUALITY POLICY

TPL Insurance is committed to become the market leader in non-life insurance sector focusing on all client segments by provision of quality services through innovation, product development and customer engagement. Our management team has continual commitment to:

- Providing reliable services in a manner that satisfies customer needs and expectations to achieve the customer satisfaction.
- Communicate the quality policy among the internal and external stakeholders along with the bench mark to surpass the customer expectations.
- Ensuring the performance of all the employees related to their assigned tasks.
- Implement risk management through a process of plan, control and mitigate in line with business requirements and norms.
- Comply as a minimum with all applicable statutory and regulatory requirements for quality management systems.
- To monitor the effectives and effectiveness of the Quality Management System by establishing measurable quality objectives and conduct reviews of Quality Management Systems (QMS)
- Encourage continual improvement using strategy of risk based thinking.

BDO

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INDEPENDENT AUDITOR'S REPORT

To the members of TPL Insurance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **TPL INSURANCE LIMITED** (the Company), which comprise the statement of financial position as at December 31, 2023, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of comprehensive income, the statement of change in equity, 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 the Company's affairs as at December 31, 2023 and of the profit, its other comprehensive loss, its cash flows and the changes in equity 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1.	**Revenue Recognition - Premium Earned and Net Insurance Premium**	
	Refer note 3.2 and 22 to the financial statements relating to revenue recognition policy and net insurance premium respectively. The Company has recognized Rs. 3,949 million of premium earned and Rs. 3,084 million of net	Our audit procedures in respect of this matter included the following: ● Obtained an understanding, including the design and implementation of internal controls over process of capturing, processing

S.No.	Key Audit Matter	How the matter was addressed in our audit
	insurance premium which represent 96% and 75% of written gross premium, respectively. The revenue stream comprises of five segments: (i) Fire and property damage, (ii) Marine, aviation and transport, (iii) Motor, (iv) Health and (v) Miscellaneous. We identified revenue recognition as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be accurately recorded, recognized in the appropriate period and not properly disclosed in the financial statements.	in and recording of facultative premium income. ● Assessed the appropriateness of the Company's accounting policy for recording of premium and in line with the requirements of applicable law, accounting and reporting standards; ● Traced the premium recorded on sample basis from the underlying policies issued to insurance contract holders and applying substantive analytical procedures to determine any variations; ● Tested the policies on sample basis where policies were written close to year end and subsequent to year end, and evaluated that these were recorded in the appropriate accounting period; and ● Recalculated the unearned portion of premium income and ensured that appropriate amount has been recorded as provision for unearned premium in liabilities. ● Evaluated that adequate disclosures have been made for facultative premium as the applicable laws and accounting and reporting standards.
2.	**Valuation of outstanding claims including claims incurred but not reported (IBNR)**	
	Refer note 3.4 and 23 to the financial statements for accounting policy and details in respect of claims liabilities including claims incurred but not reported (IBNR). The Company's claim liabilities represent 20.41% of the Company's total liabilities. Valuation of liabilities for claims involves significant judgment because it requires a number of assumptions to be made with high estimation uncertainty such as loss ratios, trend of historical claims and estimates of the frequency and severity of claims. Claim liabilities are recognized on intimation of the insured event based on management judgment and estimate.	Our audit procedures in respect of this area includes the following: ● Obtained an understanding of the Company's policies and procedures including the design and implementation of internal controls over the capturing, processing and recording of information related to claims. ● Assessed and tested the operating effectiveness of selected key controls relating to the claims handling and reserving process, including controls over completeness and accuracy of the claims estimates recorded; ● Performed test of details on amounts recorded for a sample of claims recorded to

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S.No.	Key Audit Matter	How the matter was addressed in our audit
	The Company maintains provision for IBNR claims based on the advice of an independent actuary. The actuarial valuation process involves significant judgment and the use of actuarial assumptions. Based on the above factors, we have considered it as a key audit matter.	assess whether the claims are appropriately estimated and recorded in accordance with the requirements of company's policies and insurance regulations. ● Assessed the competence, capability and objectivity of the actuary involved by the company to value IBNR reserves for outstanding claims. ● Reviewed the valuation report of management actuary to: ● Understand the basis and methodology used for such valuation. ● Evaluate the completeness and accuracy of source data used for the purpose of valuation. ● Involved an external actuarial specialist to evaluate the: ● Relevance and reasonableness of assumptions of management expert's findings and conclusions and their consistency with other evidence; ● The relevance and reasonableness of assumptions and methods used; ● The relevance of the source data used. ● Evaluated the adequacy of disclosures given on outstanding claims including IBNR as per the insurance regulations and applicable accounting and reporting standards.

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 the Insurance Ordinance, 2000 and the 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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.

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by 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 and 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) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI
DATED: February 29, 2024
UDIN: AR202310067aOutiPID3

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	2023	2022
		---------- (Rupees) ----------	
ASSETS			
Property and equipment	6	289,562,608	410,064,741
Intangible assets	7	11,268,873	11,981,432
Investments			
Equity securities and mutual fund units	8	419,453,744	488,085,374
Government securities	9	241,114,000	173,150,127
Debt securities	10	250,000,000	250,000,000
Term deposits	11	1,345,908,470	828,800,000
Loans and other receivables	12	537,600,391	344,532,092
Insurance / reinsurance receivables	13	733,493,220	633,075,865
Reinsurance recoveries against outstanding claims		493,073,733	383,650,578
Salvage recoveries accrued		251,259,812	213,188,340
Deferred commission expense		260,639,187	238,890,919
Deferred taxation - net	14	4,715,073	-
Taxation - payment less provision		-	12,897,494
Prepayments	15	474,154,800	413,754,862
Cash and bank balances	16	1,996,505,095	1,569,424,161
Total assets		7,308,749,006	5,971,495,985
EQUITY AND LIABILITIES			
Equity			
Ordinary share capital	17	1,983,944,620	1,983,944,620
Share premium - net of share issuance cost	18	42,798,048	42,798,048
Other capital reserves	18	124,635,000	124,635,000
Accumulated profit / (losses)	18	459,883,570	(59,868,332)
Other comprehensive income reserve	18	69,583,621	107,507,443
Total shareholders' fund		2,680,844,859	2,199,016,779
Participant's Takaful Fund	19		
Ceded money		2,000,000	2,000,000
Accumulated deficit		(44,583,937)	(56,668,035)
Total participant's takaful fund		(42,583,937)	(54,668,035)
Total equity		2,638,260,922	2,144,348,744
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		952,473,571	827,148,524
Unearned premium reserves		2,023,776,566	1,888,870,811
Unearned reinsurance commission		90,601,307	79,618,696
Premium deficiency reserve		8,995,206	-
Premium received in advance		5,323,210	22,775,389
Insurance / reinsurance payables	20	430,390,917	380,390,167
Other creditors and accruals	21	839,963,115	382,675,678
Lease liability against right-of-use asset		130,218,766	235,290,468
Deferred taxation	14	-	10,377,508
Taxation - provision less payment		188,745,426	-
Total liabilities		4,670,488,084	3,827,147,241
Total equity and liabilities		7,308,749,006	5,971,495,985

Contingencies and commitments 22

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

CHIEF FINANCIAL OFFICER	CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
		----------- (Rupees) -----------	
Net insurance premium	23	3,084,669,250	2,967,029,185
Net Insurance claims expense	24	(1,506,438,419)	(1,415,410,264)
Reversal / (charge) of premium deficiency reserve		(8,995,203)	3,350,270
Net commission expense & other acquisition cost	26	(301,363,490)	(269,092,381)
Insurance claims and commission expense		(1,816,797,112)	(1,681,152,375)
Management expenses	27	(1,422,757,124)	(1,100,559,961)
Underwriting results		(154,884,986)	185,316,849
Investment income	28	445,455,205	84,863,782
Other income	29	86,160,574	61,848,136
Other expenses	30	(258,388,555)	(236,021,390)
Results of operating activities		118,342,238	96,007,377
Finance costs	31	(24,713,426)	(30,947,089)
Profit before tax		93,628,812	65,060,288
Gain on bargain purchase of net assets	1.4	1,078,861,009	-
Profit before tax for the period		1,172,489,821	65,060,288
Income tax expense	32	(45,470,435)	(46,796,741)
Profit / (loss) after tax		1,127,019,386	18,263,547
Other comprehensive income:			
Items that will be not reclassified to income statement:			
Changes in fair value of investments classified as financial assets at fair value through other comprehensive income'		(53,414,845)	(114,838,280)
Related tax impact		15,491,025	33,301,507
Other comprehensive (loss) / income for the year		(37,923,820)	(81,536,773)
Total comprehensive income for the year		1,089,095,566	(63,273,226)
Earning after tax per share - Rupees	33	5.62	0.03
Net profit attributable to shareholders' fund		1,114,935,288	5,450,089
Net surplus / (deficit) attributable to Participants' Takaful Fund		12,084,098	12,813,465
		1,127,019,386	18,263,547
Other comprehensive (loss) / income attributable to shareholders' fund		(37,923,822)	(81,536,773)
Other comprehensive loss attributable to Participants' Takaful Fund		-	-
		(37,923,822)	(81,536,773)

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

CHIEF FINANCIAL OFFICER	CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

	Share capital	Reserves								Total
		Capital reserves					Revenue reserves			
		Net share premium			Other Capital Reserves (Note 17.1)	Total	Accumulated losses Retained Earning	Unrealized appreciaiton / (diminuation) - fair value through other comprehensive income	Total	
		Share premium	Share issuance cost	Net share premium						
	(Rupees)									
Shareholders' Fund:										
Balance as at January 1, 2022	1,171,912,610	250,186,998	(29,025,061)	221,161,937	77,568,750	298,730,687	(65,318,421)	189,044,216	123,725,795	1,594,369,092
Net profit for the year	-	-	-	-	-	-	5,450,089	-	5,450,089	5,450,089
Other comprehensive income	-	-	-	-	-	-	-	(81,536,773)	(81,536,773)	(81,536,773)
Total comprehensive income	-	-	-	-	-	-	5,450,089	(81,536,773)	(76,086,684)	(76,086,684)
Share based payments reserve	-	-	-	-	47,066,250	47,066,250	-	-	-	47,066,250
Shares issued during the year	297,676,000	375,264,000	(39,271,879)	335,992,121	-	335,992,121	-	-	-	633,668,121
Bonus Share Issued	514,356,010	(514,356,010)	-	(514,356,010)	-	(514,356,010)	-	-	-	-
Balance as at December 31, 2022	1,983,944,620	111,094,988	(68,296,940)	42,798,048	124,635,000	167,433,048	(59,868,332)	107,507,443	47,639,111	2,199,016,779
Balance as at January 1, 2023	1,983,944,620	111,094,988	(68,296,940)	42,798,048	124,635,000	167,433,048	(59,868,332)	107,507,443	47,639,111	2,199,016,779
Net profit for the year	-	-	-	-	-	-	1,114,935,288	-	1,114,935,288	1,114,935,288
Other comprehensive loss	-	-	-	-	-	-	-	(37,923,822)	(37,923,822)	(37,923,822)
Total comprehensive income / (loss) for the year	-	-	-	-	-	-	1,114,935,288	(37,923,822)	1,077,011,466	1,077,011,466
Dividend Paid	-	-	-	-	-	-	(595,183,386)	-	(595,183,386)	(595,183,386)
Balance as at December 31, 2023	1,983,944,620	111,094,988	(68,296,940)	42,798,048	124,635,000	167,433,048	459,883,570	69,583,621	529,467,191	2,680,844,859

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

CHIEF FINANCIAL OFFICER　　CHAIRMAN　　CHIEF EXECUTIVE OFFICER　　DIRECTOR　　DIRECTOR

STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Ceded money	Accumulated surplus / (deficit)	Total
	----------------	(Rupees)	----------------
Participants' Takaful Fund:			
Balance as at January 1, 2022	2,000,000	(69,481,500)	(67,481,500)
Deficit for the year	-	12,813,465	12,813,465
Balance as at December 31, 2022	2,000,000	(56,668,035)	(54,668,035)
Balance as at January 1, 2023	2,000,000	(56,668,035)	(54,668,035)
Surplus for the year	-	12,084,098	12,084,098
Balance as at December 31, 2023	2,000,000	(44,583,937)	(42,583,937)

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

CHIEF FINANCIAL OFFICER

CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
Operating cash flow	------------- (Rupees) -------------	
(a) Underwriting activities		
Insurance premium received	3,979,833,426	3,778,892,004
Reinsurance premium paid	(894,145,240)	(713,234,185)
Claims paid	(2,185,663,600)	(1,947,388,189)
Reinsurance and other recoveries received	657,055,601	560,212,063
Commission paid	(504,128,524)	(452,853,675)
Commission received	183,281,277	148,282,227
Management and other expenses paid	(1,256,100,344)	(1,090,305,144)
Net cash flow from underwriting activities	(19,867,404)	283,605,101
(b) Other operating activities		
Income tax paid	(72,671,144)	(43,278,773)
Other operating payments	21,882,049	77,046,145
Loans advanced	(9,410,516)	(2,284,239)
Loan repayment received	3,133,309	6,303,570
Net cash used in other operating activities	(57,066,302)	37,786,703
Total cash generated / (used) from all operating activities	(76,933,706)	321,391,804
Investment activities		
Mark up / return received	340,779,042	104,391,741
Dividend received	32,864,832	-
Cash received on amalgamation with NHIC	218,835,700	-
Payment for investments	(125,915,547)	(527,048,634)
Proceeds from investments	1,126,617,780	748,946,586
Proceeds from sale of property and equipment	110,800	6,037,148
Fixed capital expenditure	(39,989,566)	(54,418,566)
Total cash generated from investing activities	1,553,303,041	277,908,275
Financing activities		
Cash Dividend Paid	(338,584,010)	-
Lease obligation paid	(181,924,053)	(194,655,434)
Proceeds from issuance of shares	-	633,668,141
Financial charges paid	(9,171,866)	(18,979,345)
Total cash used in financing activities	(529,679,929)	420,033,362
Net cash generated from all activities	946,689,406	1,019,333,441
Cash and cash equivalents at beginning of year	2,395,724,159	1,376,390,718
Cash and cash equivalents at end of year	3,342,413,565	2,395,724,159
Reconciliation to statement of comprehensive income		
Operating cash flows	(76,933,706)	321,391,804
Depreciation / amortization / bad debt expense	(173,796,533)	(167,844,430)
Charge of Premium deficiency reserve	(8,995,206)	(2,572,718)
Income tax paid	74,739,944	44,076,076
Provision for taxation	(41,798,891)	(46,796,741)
Financial charges	(24,713,426)	(30,947,089)
Investment Income	444,595,646	85,714,401
Surplus on Merger	1,078,861,009	-
Increase in assets other than cash	655,072,182	334,256,401
Increase in liabilities other than borrowings	(800,011,631)	(519,014,157)
Profit after taxation	1,127,019,388	18,263,547

Cash comprises of cash in hand, policy stamps, bank balances and term deposits which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

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

CHIEF FINANCIAL OFFICER   CHAIRMAN   CHIEF EXECUTIVE OFFICER   DIRECTOR   DIRECTOR

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 TPL Insurance Limited (the Company) was incorporated in Pakistan in 1992 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) to carry on general insurance business. The Company was allowed to work as Window Takaful Operator on September 04, 2014 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The Company is listed at Pakistan Stock Exchange Limited. The principal office of the Company is located at 20th Floor, Sky Tower – East Wing, Dolmen City, HC-3, Abdul Sattar Edhi Avenue, Block No. 4 Clifton, Karachi, Pakistan. The Company is owned 52.87% by TPL Corp Limited. Further 0.73% (December 31, 2022: 0.73%) shares are held by TPL Holdings (Private) Limited, the ultimate parent company.

1.2 The Company operates through the following locations in Pakistan;

Locations	**Address**
Head Office	19-B, S.M.C.H.S, Karachi Postal Code: 74900.
Lahore Branch	Tower 75, 4th Floor, Near Honda City Sales & Hyundai Central Motors, Kalma Chowk, Lahore.
Islamabad Branch	55-B, 10th Floor (South), ISE Towers, Jinnah Avenue, Blue Area, Islamabad.
Faisalabad Branch	P-6161, West Canal Road, adjacent to Toyota Faisalabad Motors & behind HBL Canal Road Br, Faisalabad.
Multan Branch	Haider Street, Shalimar Colony, Northern Bypass-Boson Road, Multan.
Hyderabad Branch	A-8/9, District Council Complex, Hyderabad.
Export Processing Zone Branch	Plot # N-4, Sector B-III, Phase-1, Export Processing Zone, Landhi, Karachi.

1.3 The status of the Company's compliance with regulatory minimum paid-up capital and solvency requirements is disclosed in note 38.4 and 39 respectively to the financial statements.

1.4 In accordance with Sections 279-282 & 285(8) of the Companies Act, 2017, the Honourable High Court of Sindh, at Karachi has sanctioned a scheme of arrangement (the "Scheme") pursuant to which all assets and liabilities of the Pakistan Branch of New Hampshire Insurance Company (NHIC), have been transferred to and vested in TPL Insurance Company limited ("TPL") as at September 22, 2023 (the "Completion Date"). Furthermore, as at the Completion Date, the registration of the Pakistan Branch with the Securities and Exchange Commission of Pakistan (the "SECP") has been revoked and NHIC has ceased to have any place of business in Pakistan in terms of the Companies Act, 2017. All the classes of assets and liabilities and respective amounts have been merged with and into the financial statements accordingly.

The following are details of assets and liabilities and related surplus as at the effective date of the Scheme:

	Rupees	
Assets:		
Investments	1,126,792,839	
Security deposits	135,986,539	
Cash and bank balances	12,566,000	
Other assets	58,447,461	
		1,333,792,839
Liabilities:		
Provision for income tax liability	180,000,000	
Other liabilities	74,931,830	
		254,931,830
Gain on bargain purchase of net assets		1,078,861,009

Other contingencies and tax implication on the sheme of arrangement have been disclosed in note 22.1 and 32.3 respectively.

2 BASIS OF PREPARATION

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012.

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 and Takaful Rules, 2012, shall prevail.

2.1.1 These financial statements have been prepared in accordance with the format prescribed under Insurance Rules, 2017.

2.1.2 In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator's Fund of the Window Takaful Operations (WTO) of the Company were presented as a single line item in the balance sheet and profit and loss account of the Company for the year ended December 31, 2018 respectively. Further, the PTF was not consolidated with the conventional insurance business. The similar requirements have been prescribed by General Takaful Accounting Regulations 2020 issued by SECP. However, as per SECP letter number ID/PRDD/ GTR/2015/2799 dated July 12, 2023, the Company has been granted relaxation from the above requirements and has been allowed line by line consolidation of financial statements of conventional and WTO (including PTF) upto the period ended December 31, 2023. Accordingly, these financial statements represent the consolidated financial position, results of operations and cashflows of the conventional business and WTO (including PTF) for the period ended December 31, 2023.

2.1.3 A separate set of financial statements of the General Takaful operations has been annexed to these financial statements as per the requirements of the Takaful Rules, 2012.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain investments and liabilities for insurance contracts which are carried at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees ('Rupees' or 'Rs.') which is also the Company's functional currency.

3 New standards, interpretations and amendments to published approved accounting standards

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2023

The following stantdards, amendments and interpretations are effective for the year ended December 31, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendmends to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements-Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendmends to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024

	Effective date (annual periods beginning on or after)
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

IFRS 1 standard has been issued by IASB effective from 01, July 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

4 MATERIAL ACCOUNTING POLICIES

4.1 Insurance contracts

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policy holders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its period, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

The Company underwrites non-life insurance contracts that can be categorised into Fire and Property Damage, Marine, Aviation and Transport, Health, Motor and Miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) of a facultative nature are included within the individual category of insurance contracts, other than those which fall under Treaty. The insurance risk involved in these contracts is similar to the contracts undertaken by the Company as insurer.

Fire and Property insurance contracts mainly compensate the customers for damage suffered to their property. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Marine, Aviation and Transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships and liabilities to third parties and passengers arising from their use.

Motor insurance covers physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

All other insurances like cash in hand, cash in transit, personal accident, travel are included under Miscellaneous Insurance cover.

The company neither issues investments contracts nor does it issue insurance contracts with discretionary participation features (DPF).

These contracts are made with group companies, corporate clients and individuals residing or located in Pakistan.

4.2 Premium

Premium income under a policy is recognized, evenly over the period of insurance from the date of issuance of the policy till the date of its expiry.
Administrative surcharge is recognised as income at the time policies are written.

Revenue from premiums is determined after taking into account the unearned portion of premium by applying 1/24th method as prescribed by the Insurance Rules, 2017. The unearned portion of premium income is recognised as liability.

Premium due but unpaid under insurance contracts are recognised when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognizes it as impairment loss.

4.3 Reinsurance contracts

Insurance contracts entered into by the Company with reinsurers for compensation of losses suffered on insurance contracts issued are reinsurance contracts. These reinsurance contracts include both facultative and treaty arrangement contracts and are classified in same categories of insurance contracts for the purpose of these financial statements. The Company recognises the entitled benefits under the contract as various reinsurance assets. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted reinsurance business being reinsured.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

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.

The deferred portion of reinsurance premium ceded is recognised as a prepayment which is calculated by using 1/24th method as prescribed by theInsurance Rules, 2017.

The Company assesses its reinsurance assets for impairment on statement of financial position date. If there is an objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the statement of comprehensive income.

4.4 Claims expense

Insurance claims include all claims incurred 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, and any adjustments to claims outstanding from previous years.

The Company recognises liability in respect of all claims incurred upto the statement of financial position 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 insurance contract.

The liability for claims include amounts relating to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs. Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates.

The provision for claims incurred but not reported (IBNR) is made at the statement of financial position date. In accordance with SECP circular no. 9 of 2016, the Company takes actuarial advice for the determination of IBNR claims.

The Company follows Chain ladder method for determination of provision for claims IBNR by analyzing the pattern of the incurred cases (on net of reinsurance basis) of a given accident year in the succeeding development years. Thereafter link ratios of the accumulated incurred claims (benefits) through the development years are used for the estimation of the incurred claims (benefits) ultimately expected.

4.5 Reinsurance recoveries against outstanding claims

Claims recoveries against outstanding claims from the reinsurer and salvage are recognised as an asset at the same time as the claims which give rise to the right of recovery are recognised as a liability and are measured at the amount expected to be received.

4.6 Commission

Commission expense incurred in obtaining and recording policies is deferred and recognised in statement of comprehensive income as an expense in accordance with the pattern of recognition of premium revenue.

Commission income from reinsurers is recognised at the time of issuance of the underlying insurance policy. These are deferred and recognised as liability and recognised in the statement of comprehensive income as revenue in accordance with the pattern of recognition of the reinsurance premiums.

4.7 Premium deficiency reserve

The Company is required as per Insurance Rules, 2017 and IFRS-4, to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after the statement of financial position date in respect of the unexpired policies in that class of business at the statement of financial position date. The charge for premium deficiency reserve is recorded as an expense in the statement of comprehensive income.

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 Health insurance as required by SRO 16 (I) / 2012 issued by Securities and Exchange Commission of Pakistan on January 09, 2012.

4.8 Staff retirement benefits

The Company operates a funded contributory provident fund (defined contribution plan) for all permanent employees. Equal contributions are made by the Company and the employees at the rate 8.33% of basic salary, to the fund.

4.9 Taxation

4.9.1 Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

4.9.2 Deferred

Deferred tax is accounted for using the statement of financial position liability method, in respect of temporary differences arising at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The carrying amount of deferred tax asset is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognised. Unrecognised deferred tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset is utilized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is charged or credited to the statement of comprehensive income except in the case of items credited or charged to equity in which case it is included in equity.

4.10 Management expenses

Underwriting expenses have been allocated to various classes of business on a basis deemed equitable by the management. Expenses not attributable to the underwriting business are charged as administrative expenses.

4.11 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current estimate.

4.12 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 deposits with banks (except for the deposit placed with statutory requirement) net off short term running finance, and short term maturity of three months or less from the date of acquisition.

4.13 Prepayments

Prepayments are recorded as an assets. It is be amortized as and when due over the period.

4.14 Property and equipment

4.14.1 Operating assets

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged to income over the useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 5.1 to the financial statements. Depreciation is charged on additions from the month of acquisition and no depreciation is charged in the month of disposal. An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain and loss on disposal of fixed assets is included in income currently.

The assets residual values, useful lives and methods are reviewed and adjusted, if appropriate at each financial year end.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised and assets so replaced, if any, are retired. Gain or loss on disposal of fixed asset is included in income currently.

4.14.2 Right of use asset

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented within note 5 and are subject to impairment in line with the Company's policy as described in note 3.16.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities.

4.14.3 Ijara

The rental paid / payable on Ijara under Islamic financial accounting standard - 'Ijara' (IFAS 2) are recorded as expense.

4.14.4 Capital work-in-progress

Capital work-in-progress is stated at cost less any impairment in value.

4.15 Intangible assets

These are stated at cost less accumulated amortisation and impairment, if any. Amortisation is charged to income over the useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 6 to the financial statements. Amortisation is calculated from the month the assets are available for use. While on disposal, no amortisation is charged in the month in which the assets are disposed off. Software development costs are only capitalised to the extent that future economic benefits are expected to be derived by the Company.

4.16 Financial instruments

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be 'at fair value through profit or loss' if:

i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or

iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees / counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Bank balances and loans and advances to employees / counter parties are recognised when funds are transferred to the banks / employees / counterparties. The Company recognises due to counterparties when funds reach the Company.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss' in which transaction cost is charged to profit and loss.

Financial assets

The Company classifies its financial assets as subsequently measured 'at amortised cost' or measured 'at fair value through profit or loss' or 'at fair value through other comprehensive income' based on following:

- The entity's business model for managing of the financial assets;
- The contractual cash flow characteristics of the financial asset.

Financial assets measured 'at amortised cost'

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company includes in this category short-term non-financing receivables, accrued income and other receivables.

Financial assets measured 'at fair value through profit or loss'

A financial asset is measured 'at fair value through profit or loss' if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

(c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets measured 'at fair value through other comprehensive income'

A financial asset is measured 'at fair value through other comprehensive income' if:

(a) Upon initial recognition the Company elects to classify irrevocably its equity investments as equity instruments designated at FVOCI when they need the definition of equity under IAS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined on an instrument-by-instrument basis.

(b) Gains and losses on these financial assets are never recycled to profit and loss.

(c) Dividends are recognized as other income in profit and loss when the right of payment has been established except when the company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated as FVOCI are not subject to impairment assessment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

(a) Transferred substantially all of the risks and rewards of the asset; or

(b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

The Company holds receivables with no financing component and which have maturities of less than 12 months 'at amortised cost' and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company uses credit rating of counter parties / instruments to determine probability of defaults and related allowance for expected credit losses.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.17 Impairment

The carrying amount of assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in statement of comprehensive income. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

Provisions for impairment are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Changes in the provisions are recognised as income or expense.

4.18 Foreign currency translations

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date. Foreign exchange gains and losses on translation are recognized in the statement of comprehensive income. All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

4.19 Revenue recognition

a) Premium

The revenue recognition policy for premiums is given under note 3.2.

b) Commission from reinsurers

The revenue recognition policy for commission from reinsurer is given under note 3.6.

c) Dividend income

Dividend income is recognized when the right to receive the dividend is established.

d) Gain / loss on sale / redemption of investments

Gain / loss on sale / redemption of investments is taken to statement of comprehensive income in the year of sale / redemption.

e) Income on amortized cost investments

Income on amortized cost investments is recognised on a time proportionate basis taking account the effective yield on the investment.

f) Mark up on bank accounts and deposits

Profit on bank accounts and deposits is recognised on accrual basis.

4.20 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Company presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the SECP (Insurance) Rules, 2017 as the primary reporting format.

The Company has five primary business segments for reporting purposes namely, fire and property, marine, health, motor and miscellaneous. The nature and business activities of these segments are disclosed in note no. 3.1.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

4.21 Share capital, reserve and dividend appropriation

Ordinary shares are classified as equity and are recorded at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Dividend declaration and reserve appropriations are recognized when approved.

4.22 Employees share option plan

Eligible employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of share option transactions is determined using intrinsic value method.

That cost is recognised in salaries and benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of income for the year represents the movement in cumulative expense recognised as at the beginning and end of that year. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

4.23 Contingencies

Contingencies are disclosed when the company has possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of entity, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of recourse embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability. Contingencies are reviewed at each statement of financial position date and adjusted to reflect the current estimate.

4.24 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the 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 Company's accounting polices. 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 judgments were exercised in application of accounting policies, are as follows:

Reinsurance recoveries against outstanding claims (note 3.5)
Provision against premium due but unpaid - (note 3.2)
Provision for outstanding claims including IBNR (note 3.4)
Premium deficiency reserve (note 3.7)
Provision for current and deferred tax (note 3.9)
Classification of investments and impairment (note 3.15)
Employee share scheme (note 3.21)
Useful lives and residual value of assets and methods of depreciation (note 3.14)
Provision for impairment (note 3.15)
Salvage recoveries - (note 3.5)
Contingencies (note 3.22)

6. PROPERTY AND EQUIPMENT

	Note	2023	2022
		(Rupees)	
Operating assets	6.1	153,138,464	162,971,474
Capital work-in-progress		-	3,600,000
Right-of-use assets	6.2	136,424,144	243,493,267
		289,562,608	410,064,741

6.1 Operating Assets

2023

	Cost				Accumulated Depreciation				Written Down Value	Depreciation Rate %
	As at January 1, 2023	Additions	Disposals / Write-offs	As at December 31, 2023	As at January 1, 2023	Charge for the Year	Disposals / Write-offs	As at December 31, 2023	As at December 31, 2023	
	(Rupees)									
Owned										
Leasehold Improvements	84,530,429	2,609,309	-	87,139,738	14,283,664	13,349,201	-	27,632,865	59,506,873	10 - 20
Computer equipments	94,070,383	8,457,108	(178,500)	102,348,991	69,091,608	14,343,440	(148,750)	83,286,298	19,062,693	33.33
Furniture and fixtures	53,051,244	267,000	-	53,318,244	18,858,167	7,338,038	-	26,196,204	27,122,040	10 - 20
Office equipments	41,374,509	6,261,450	-	47,635,959	12,927,940	8,623,708	-	21,551,648	26,084,311	20
Motor vehicles	86,991,821	22,394,699	-	109,386,520	81,885,534	6,138,439	-	88,023,973	21,362,547	20
	360,018,386	39,989,566	(178,500)	399,829,452	197,046,913	49,792,826	(148,750)	246,690,988	153,138,464	

2022

	Cost				Accumulated Depreciation				Written Down Value	Depreciation Rate %
	As at January 1, 2022	Additions	Disposals / Write-offs	As at December 31, 2022	As at January 1, 2022	Charge for the Year	Disposals / Write-offs	As at December 31, 2022	As at December 31, 2022	
	(Rupees)									
Owned										
Leasehold Improvements	62,454,293	22,101,136	(25,000)	84,530,429	3,329,680	10,960,651	(6,667)	14,283,664	70,246,765	10 - 20
Computer equipments	78,064,362	16,138,521	(132,500)	94,070,383	54,055,095	15,058,596	(22,083)	69,091,608	24,978,775	33.33
Furniture and fixtures	44,395,057	9,483,602	(827,415)	53,051,244	13,056,497	6,629,085	(827,415)	18,858,167	34,193,077	10 - 20
Office equipments	47,426,904	6,304,106	(12,356,501)	41,374,509	18,129,486	7,097,909	(12,299,455)	12,927,940	28,446,569	20
Motor vehicles	93,384,660	15,000	(6,407,839)	86,991,821	68,687,848	15,108,999	(1,911,313)	81,885,534	5,106,287	20
	325,725,276	54,042,365	(19,749,255)	360,018,386	157,258,606	54,855,240	(15,066,933)	197,046,913	162,971,474	

6.1.1 The remaining useful life of material operating assets are estimated to be 6 years.

6.2 Right-of-use assets

2023

	Cost				Accumulated Depreciation				Written Down Value	Depreciation Rate %
	As at January 1, 2023	Additions	Matured 6.2.1	As at December 31, 2023	As at January 1, 2023	Charge for the Year	Matured 6.2.1	As at December 31, 2023	As at December 31, 2023	
	(Rupees)									
Office Premises	186,631,219	-	-	186,631,219	67,942,546	35,502,279	-	103,444,824	83,186,395	20
Tracking Devices	206,107,418	34,640,144	(68,266,963)	172,480,599	92,714,907	97,672,035	(68,266,963)	122,119,979	50,360,620	50
Motor Vehicle	9,478,000	-	(9,478,000)	-	2,021,973	-	(2,021,973)	-	-	20
Office Equipment	5,394,616	-	-	5,394,616	1,438,564	1,078,923	-	2,517,488	2,877,129	20
	407,611,253	34,640,142	(77,744,963)	364,506,435	164,117,989	134,253,237	(70,288,936)	228,082,290	136,424,144	

2022

	Cost				Accumulated Depreciation				Written Down Value	Depreciation Rate %
	As at January 1, 2022	Additions	Matured	As at December 31, 2022	As at January 1, 2022	Charge for the Year	Matured	As at December 31, 2022	As at December 31, 2022	
	(Rupees)									
Office Premises	162,529,350	24,101,869	-	186,631,219	33,548,069	34,394,474	-	67,942,543	118,688,676	20
Tracking Devices	164,914,587	147,203,780	(106,010,949)	206,107,418	92,498,339	106,227,516	(106,010,949)	92,714,906	113,392,512	50
Motor Vehicle	9,478,000	-	-	9,478,000	505,493	1,516,480	-	2,021,973	7,456,027	20
Office Equipment	5,394,616	-	-	5,394,616	359,641	1,078,923	-	1,438,564	3,956,052	20
	342,316,554	171,305,649	(106,010,949)	407,611,253	126,911,542	143,217,392	(106,010,949)	164,117,986	243,493,268	

6.2.1 This represents right of use assets matured at the expiry of the lease term.

6.2.2 The tracking devices are not in possession of the Company.

7 INTANGIBLE ASSETS

2023

	Cost				Accumulated Depreciation				Written Down Value	Amortization Rate %
	As at January 1, 2023	Additions	Disposals	As at December 31, 2023	As at January 1, 2023	Charge for the Year	Disposals	As at December 31, 2023	As at December 31, 2023	
	(Rupees)									
Owned										
Software licences	34,994,475	3,600,000	-	38,594,475	23,013,042	4,312,560	-	27,325,602	11,268,873	20

	2022									
	Cost				Accumulated Depreciation				Written Down Value	Amortization Rate %
	As at January 1, 2022	Additions	Disposals/ Write off	As at December 31, 2022	As at January 1, 2022	Charge for the Year	Disposals/ Write off	As at December 31, 2022	As at December 31, 2022	
	(Rupees)									
Owned										
Software licences	34,538,926	455,549	-	34,994,475	17,215,476	5,797,567	-	23,013,043	11,981,432	20

7.1 The remaining useful life of material assets are estimated to be 3 years.

8 INVESTMENT IN EQUITY SECURITIES AND MUTUAL FUNDS UNITS

	Note	2023 Cost	2023 Impairment / Revaluation	2023 Carrying Value	2022 Cost	2022 Impairment / Revaluation	2022 Carrying Value
		(Rupees)			(Rupees)		
-Classified as 'At fair value through other comprehensive income'							
Related party							
Listed shares							
TPL Properties Limited (3% holding)		100,000,000	122,166,264	222,166,264	100,000,000	179,351,072	279,351,072
		100,000,000	122,166,264	222,166,264	100,000,000	179,351,072	279,351,072
Others							
Listed shares							
The Bank of Punjab		63,703	(1,715)	61,988	63,703	(23,958)	39,745
Hub Power Company Limited		357,000	813,900	1,170,900	357,000	273,800	630,800
Bank of Khyber		162,975	40,891	203,866	162,975	54,795	217,770
Bolan Castings Limited		39,704,010	(25,034,010)	14,670,000	39,704,010	(28,247,010)	11,457,000
Ghani Global Limited		6,411	(1,479)	4,932	-	-	-
Summit Bank Limited		9,120	25,600	36,480	9,120	18,080	27,200
		40,303,219	(24,156,813)	16,148,166	40,296,808	(27,924,293)	12,372,515
Unlisted shares							
FMD (Private) Limited	8.1	44,409,024	-	44,409,024	35,000,000	-	35,000,000
		44,409,024	-	44,409,024	35,000,000	-	35,000,000
-Classified as 'At fair value through profit or loss'							
Mutual funds							
AKD Opportunity Fund		78,578,681	10,067,275	88,645,956	93,198,550	(14,619,869)	78,578,681
Faysal Cash Fund		-	-	-	25,000,000	2,202,943	27,202,943
HBL Equity Fund		-	-	-	39,131,105	(13,752,478)	25,378,627
AKD Islamic Stock Fund		30,201,536	17,882,798	48,084,334	37,044,906	(6,843,370)	30,201,536
		108,780,217	27,950,073	136,730,290	194,374,561	(33,012,774)	161,361,787
		293,492,460	125,959,524	419,453,744	369,671,369	118,414,005	488,085,374

8.1 As of reporting date, the fair value of the investment amounts to Rs. 82.484 million.

	Note	2023	2022
9. INVESTMENT IN GOVERNMENT SECURITIES		------------ (Rupees) ------------	
- Classified as 'At amortized cost			
Pakistan Investment Bonds (PIBs)	9.1	241,114,000	173,150,127

9.1 This represents five and ten years Pakistan Investment Bonds having face value of Rs. 263.20 million (market value of Rs. 223.84 million) [2022: Rs. 188.20 million (market value of Rs. 156.73 million)]. These carry mark-up ranging from 7.50% to 10.50% (2022: 7.50% to 9.75%) per annum and will mature between March 26, 2025 to Oct 13, 2027. These have been deposited with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of Section 29 of the Insurance Ordinance, 2000 and circular No. 15 of 2008 dated July 07, 2008 issued by the Securities and Exchange Commission of Pakistan.

	Note	2023	2022
10. INVESTMENT IN DEBT SECURITIES		------------ (Rupees) ------------	
- Classified as 'At fair value through other comprehensive income			
Term Finance Certificate			
- JS Bank Limited	10.1	25,000,000	25,000,000
- U Microfinance Bank Limited	10.2	100,000,000	100,000,000
- Bank Al Habib Limited	10.3	50,000,000	50,000,000
- Soneri Bank Limited	10.4	25,000,000	25,000,000
- Bank Alfalah Limited	10.5	50,000,000	50,000,000
		250,000,000	250,000,000

10.1 These represent Term Finance Certificates of JS Bank Limited Tier 1 carrying mark up of 6 Months KIBOR plus 2.25% and are perpetual in nature.

10.2 These represent Term Finance Certificates of U Microfinance Bank Limited ADT 1 carrying mark up of 6 Months KIBOR plus 3.5% and are perpetual in nature.

10.3 These represent Term Finance Certificates of Bank Al Habib Limited ADT 1 carrying mark up of 6 Months KIBOR plus 1.65% and are perpetual in nature.

10.4 These represent Term Finance Certificates of Soneri Bank Limited Tier 2 carrying mark up of 6 Months KIBOR plus 1.70% and are perpetual in nature.

10.5 These represent Term Finance Certificates of Bank Alfalah Limited Tier 1 carrying mark up of 6 Months KIBOR plus 2.00% and are perpetual in nature.

	2023	2022
11. INVESTMENT IN TERM DEPOSITS	------------ (Rupees) ------------	
- Classified as 'At amortized cost'		
Deposits maturing within 12 months	1,345,908,470	826,300,000
Deposits maturing after 12 months	-	2,500,000
	1,345,908,470	828,800,000

11.1 These carry mark up of 4% to 20.80% per annum (2022: 9.57% to 15% per annum) and have maturities upto April 27, 2024. These also include term deposit amounting to USD 550,000 (2022: USD 400,000).

12. LOANS AND OTHER RECEIVABLES - Considered good

	Note	2023	2022
		------------ (Rupees) ------------	
Advance to a related party - unsecured	12.1	292,746,351	296,141,560
Receivable from related parties	12.2	6,835,156	698,887
Deposit for hospital enlistment	12.3	7,890,000	7,890,000
Accrued investment income		47,072,500	16,747,218
Loan and advance to employees	12.4	8,660,465	2,505,507
Advance ijara rentals		-	4,800,000
Security Deposit		11,097,311	8,106,755
Receivable from tax authorities	12.5	135,986,539	-
Other receivable		27,312,069	7,642,165
		537,600,391	344,532,092

12.1 This represents advance to a related party TPL Trakker Limited. A special resolution of the shareholders authorising the Company to extend advance upto Rs. 300 million was passed in Annual General Meeting of the Company held on April 27, 2023. The balance carries mark up at the rate of 1 year KIBOR + 3.5% with a floor of 10% per annum.

12.2 This represents receivable from following related parties:

	2023	2022
	------------ (Rupees) ------------	
TPL Properties Limited	131,570	-
TPL REIT Management Company Limited	1,955,517	698,887
TPL Security Services (Private) Limited	528,647	-
Astra Location Services (Private) Limited	1,435,671	-
TPL Life Insurance Limited	2,783,751	-
	6,835,156	698,887

12.3 These represent refundable deposits placed for various hospital enlistments for services to the policy holders.

12.4 These include loans given to employees for domestic purposes and are secured against provident fund balances of employees. These loans carry mark-up rate ranging from 0% - 5% (2022: 0% - 5%) per annum, and are maturing at various dates until September 2024.

12.5 This includes amounts deposited with sale tax authorities pursuant to the order of the high court. The Company had filed a suit in the High Court challenging the show cause notice of Sindh Revenue Board (SRB) whereby additional sales tax liability of Rs. 103.79 and Rs. 168.179 million respectively were calculated on reinsurance business and other matters from the period from January 2016 to December 2016 and January 2012 to December 2016. The amount deposited represents 50% of the disputed amount. Case details are disclosed in note no. 22.1.2.2 and 22.1.2.3 respectively.

13. INSURANCE / REINSURANCE RECEIVABLES - Unsecured

	2023	2022
	------------ (Rupees) ------------	
Due from insurance contract holders		
Considered good	459,514,269	393,574,259
Considered doubtful	79,372,245	57,613,236
Less: provision for impairment of receivables from Insurance contract holders	(79,372,245)	(57,613,236)
	-	-
	459,514,269	393,574,259
Due from other insurers / reinsurers		
Considered good	273,978,951	239,501,606
Considered doubtful	9,754,393	9,754,393
Less: provision for impairment of receivables from Insurance contract holders	(9,754,393)	(9,754,393)
	-	-
	273,978,951	239,501,606
	733,493,220	633,075,865

14. DEFERRED TAXATION - NET

	Note	2023	2022
		(Rupees)	
Deferred debits arising in respect of Provision for doubtful debts		25,259,003	18,879,003
Unrealized loss on investments classified at fair value through profit & loss		9,160,886	17,266,408
Accelerated depreciation		517,485	-
Deferred credits arising in respect of Accelerated depreciation		-	(230,344)
Unrealised gain on investments classified at fair value through other comprehensive income		(28,422,741)	(43,913,766)
Right of use assets		(1,799,560)	(2,378,809)
		4,715,073	(10,377,508)

14.1 Reconciliation of deferred tax

	2023	2022
Opening balance	(10,377,508)	(36,892,046)
Reversal for the year	15,092,581	26,514,538
Closing balance	4,715,073	(10,377,508)

15. PREPAYMENTS

	Note	2023	2022
Annual monitoring and other charges	15.1	18,737,768	22,309,465
Rent		112,602	120,000
Maintenance charges		-	359,020
Reinsurance premium ceded		438,169,029	372,099,992
Subscription		11,061,927	12,750,970
Insurance		6,073,474	6,115,415
		474,154,800	413,754,862

15.1 This includes prepaid annual monitoring charges amounting to Rs. 17.36 million (2022: Rs. 18.57 million) paid to TPL Trakker Limited (Associated company) against the tracking services provided to the insurance policyholders of the Company.

16. CASH AND BANK BALANCES

	Note	2023	2022
		(Rupees)	
Cash and cash equivalents			
- Cash in hand		595,952	400,911
- Policy and revenue stamps, bond papers etc.		419,070	746,081
Cash at bank			
- Current accounts		531,004,056	49,507,907
- Profit and loss sharing accounts	16.1	1,464,486,017	1,518,769,262
		1,995,490,073	1,568,277,169
		1,996,505,095	1,569,424,161

16.1 These accounts carry mark-up ranging between 4% to 20.58% (2022: 11% to 13.50%) per annum.

CASH AND CASH EQUIVALENT	2023	2022
	(Rupees)	
Cash and bank balances	1,996,505,095	1,569,424,159
Term deposit receipts	1,345,908,470	826,300,000
	3,342,413,565	2,395,724,159

17. ORDINARY SHARE CAPITAL

17.1 Authorized Capital

2023	2022		2023	2022
(Number of Shares)			(Rupees)	
250,000,000	250,000,000	Ordinary shares of Rs. 10/- each	2,500,000,000	2,500,000,000

17.2 Issued, subscribed and paid- up share capital

2023	2022		2023	2022
(Number of Shares)			(Rupees)	
198,394,462	117,191,261	Ordinary shares of Rs. 10 each, fully paid in cash	1,983,944,620	1,171,912,610
-	51,435,601	Bonus shares issued at 35%	-	514,356,014
-	29,767,600	Ordinary shares of Rs. 10 each, issued during the year	-	297,676,000
198,394,462	198,394,462		1,983,944,620	1,983,944,624

17.3 As at December 31, 2023 shares held by related parties are as follows:

	2023		2022	
	Number of Shares	Holding	Number of Shares	Holding
TPL Corp Limited	104,891,570	52.87%	104,891,570	52.87%
TPL Holdings (Private) Limited	1,453,936	0.73%	1,453,936	0.73%
Directors	1,674	0.00%	1,674	0.00%
	106,347,180	53.60%	106,347,180	53.60%

18. RESERVES

	Note	2023	2022
		(Rupees)	
Capital Reserves			
Share premium		111,094,988	111,094,984
Share issuance cost		(68,296,940)	(68,296,940)
Net share premium		42,798,048	42,798,044
Other capital reserves	18.1	124,635,000	124,635,000
		167,433,048	167,433,044
Revenue Reserves			
Retained earnings / (Accumulated losses)		459,883,570	(59,868,332)
Other comprehensive income	18.2	69,583,621	107,507,443
		529,467,191	47,639,111
		696,900,239	215,072,155

18.1 Other capital reserves

This represents reserve created in respect of employee share option scheme introduced in 2022, in accordance with the IFRS 2. All options granted to designated employees, have been vested and exercised. There are no further options in issue as at December 31, 2023.

	Note	2023	2022
18.2 Other comprehensive income reserve		------------ (Rupees) ------------	
Changes in fair value of investments classified as financial assets at fair value through other comprehensive income		98,006,362	151,421,207
Related deferred tax		(28,422,741)	(43,913,766)
		69,583,621	107,507,441

19. PARTICIPANTS' TAKAFUL FUND

		2023	2022
19.1 Ceded Money		2,000,000	2,000,000
19.2 Accumulated deficit			
Balance at beginning of the year		(56,668,035)	(69,481,500)
Surplus for the year		12,084,098	12,813,465
Balance at end of the year		(44,583,937)	(43,854,570)

20. INSURANCE / REINSURANCE PAYABLES

		2023	2022
Due to other insurers / reinsurers		430,390,917	380,390,167

21. OTHER CREDITORS AND ACCRUALS

	Note	2023	2022
Commission payable		99,657,270	103,923,310
Creditors		88,445,981	54,401,531
Federal Insurance Fee		3,162,824	2,769,910
Federal Excise Duty (FED) - net		45,142,231	39,261,068
Margin deposit from customers		26,615,740	22,443,890
Security deposit from salvage buyers		700,000	700,000
Withholding tax payable		33,924,965	29,923,692
Advance tax on premium		475,986	477,771
Accrued expenses		292,128,054	76,571,762
Dividend payable		204,626,648	1,511,369
Payable to related parties	21.1	1,861,371	17,831,648
Payable to Provident Fund	21.2	4,300,968	3,121,314
Deposits from customers		11,399,047	2,098,112
Others	21.3	27,522,030	27,640,301
		839,963,115	382,675,678

21.1 This represents payable to following related parties:

	2023	2022
TPL Security Services (Private) Limited	-	279,338
TPL Properties Limited	-	2,422,484
TPL Properties Management (Private) Limited	1,472,823	5,472,823
TPL Corp Limited	388,547	5,735,271
TPL Life Insurance Limited	-	3,921,730
	1,861,370	17,831,646

21.2 The investments made in collective investment schemes, listed equity and listed debt securities out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified there under.

21.3 This includes Rs. 25.85 million (2022: Rs. 13.00 million) in respect of time barred cheques. These time barred cheques include outstanding claims in respect of which cheques aggregating to Rs. 20.20 million (2022: Rs. 10.81 million) 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 11 of 2014 dated May 19, 2014:

	2023	2022
	(Rupees)	
- More than 6 months	37,565,850	25,837,194
- 1 to 6 months (included in provision for outstanding claims)	158,378,501	111,142,495
	195,944,351	136,979,689

Claims not encashed	AGE-WISE BREAKUP 1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	TOTAL
2023	158,378,501	11,982,965	12,393,382	13,189,503	195,944,351
2022	111,142,495	3,804,979	14,274,043	7,758,172	136,979,689

22 CONTINGENCIES AND COMMITMENTS

22.1 Contigencies

22.1.1 Claim related contingencies

22.1.1.1 DHA Cogen Limited

This suit was filed by DHA Cogen Limited before the High Court of Sindh at Karachi for recovery of loss amounting to Rs. 2.811 billion out of which the NHIC's share is Rs. 702.74 million. NHIC has contested the claim being not payable under the law of limitation. The matter has been decided in favour of NHIC (now stand amalgamated into TPLI) by the Sindh High Court in its order dated October 11, 2023. Till the date of finalisation of the financial statements, DHA Cogen has not filed appeal against this decision in the Supreme Court. Accordingly, no provision has been made in these financial statements.

22.1.2 Contingencies related to Sindh Sales Tax (SST)

As at 31 December 2023, four cases pertaining to the matter of Sindh Sales Tax were outstanding. The Total exposure of the cases amounted to Rs. 850.918 million. The details of the cases are mentioned below:

22.1.2.1 Suit No. 1252 of 2016 and CP D-8259 of 2019 – SST on reinsurance obtained from foreign reinsurance during July 2011 to March 2015

SRB, on 26 April 2016, issued a show cause notice to NHIC alleging therein that the NHIC is liable to pay an amount of Rs. 1.220 Billion by way of Sindh Sales Tax on reinsurance obtained by NHIC from foreign reinsurance during the period of July 2011 to March 2015 together with default surcharges and penalty.

NHIC being aggrieved, has filed an appeal before the Commissioner (Appeals)-SRB under section 57 of the Sindh Sales Tax on Services Act, 2011 which is pending adjudication. The management has submitted that the amount calculated by SRB is not correct and there is factual inaccuracy in the amount quoted in the subject SRB Order that needs rectification. The total amount of foreign reinsurance premium during the period from July 1, 2011 to March 31, 2015 amounts to Rs. 3,087 million as per NHIC record on which sales tax amount works out to Rs. 486 million.

NHIC has also filed petition before the Honourable High Court of Sindh and the SHC has granted stay against payment of demand with the direction that the respondent shall not enforce recovery of the impugned demand. The management, based on its assessment, expects favourable outcome of this case and accordingly no provision for any liability that may result has been made in the financial statements.

22.1.2.2 Suit No. 1141 of 2018 - SST on reinsurance services from foreigners and other matters January 2016 to December 2016

On 19 May 2018, NHIC received show cause notice (SCN), from Sindh Revenue Board (SRB) alleging therein that NHIC is liable to pay Sindh Sales Tax (SST) on services amounting to Rs. 103.793 million together with default surcharge and penalty. It was alleged in the SCN that NHIC did not charge and deposit sales tax on reinsurance services received from foreign reinsurers from the period January 2016 to December 2016, premium received from other insurance companies during the period January 2016 to December 2016 claiming the same to be exempt income, and stamp duty and FIF for the month of December 2016 amounting to Rs. 73.26 million, Rs. 30.24 million and Rs. 0.28 million respectively. NHIC has filed suit against SRB and Assistant Commissioner SRB (Defendants) against the aforementioned SCN. The Company believes that the reinsurance obtained by the NHIC is not subject to Sind Sales tax on services under the Act. The management, based on its assessment, expects favourable outcome of the matter and therefore no provision for any liability that may result has been made in the financial statements.

22.1.2.3 Suit No. 1091 of 2018 – Short Payment of SST from January 2012 to December 2016:

On 5 April 2018, NHIC received show cause notice (SCN), from Assistant Commissioner SRB alleging therein that NHIC is liable to pay Sindh Sales Tax (SST) on services amounting to Rs. 168.179 million. It was alleged in the SCN that a comparison of the financial statements of NHIC with the monthly Sindh Sales Tax returns filed with the SRB for Tax Years January 2012 to December 2016 reveals that NHIC has short declared sales of approximately Rs. 1.11 billion and has short paid Sindh Sales Tax of Rs. 168.179 million. NHIC has filed suit against the Sindh Revenue Board and Assistant Commissioner SRB (Defendants) for declaration and injunction.

NHIC contends that SCN has been issued without lawful authority and so also in violation of the order dated 20 May 2016 passed in Suit No. 1252/2016 filed by the NHIC challenging the alleged levy of Provincial Sales Tax on re-insurance business. The Honourable Court vide order dated 22 May 2018 restrained SRB from passing any final order pursuant to SCN. The management, based on its assessment, expects favourable outcome of the matter and therefore no provision for any liability that may result has been made in the financial statements.

22.1.2.4 CP 2068/2021 (New Hampshire Insurance Company Versus Province of Sindh and others) before the High Court of Sindh at Karachi.

On 30 January 2020, NHIC received show cause notice (SCN), from Sindh Revenue Board (SRB) alleging therein that NHIC has received consideration of Rs. 580.91 million, during the period from January 2012 to December 2013, on account of "Commission from re-insurer" and the receipts of commission from re-insurer are subject to Sindh Sales Tax (SST). It, further, has been alleged that NHIC has neither declared nor deposited the Sindh Sales tax (SST) amounting to Rs. 92.946 Million. The Company believes that SRB has attempted to create a tax, which does not exist under the Act. Further, the "commission from re-insurer" is not a commission in the conventional sense, rather it is a business discount/allowance on the premium payable to the reinsurer by the insurer. On 24.03.2021, the Honourable Court passed an order restraining SRB not to pass any final order pursuant to impugned Show Cause Notice.

The management, based on tax advisor's views, believes that the Company has strong grounds to contest the matter and therefore no provision for any liability that may result has been made in the financial statements.

22.1.2.5 During the year, Sindh Revenue Board has withdrawn Sind Sales Tax exemption on corporate health business with effect from July 01, 2023. The Company, along-with other industry player, has challenged the imposition of Sales Tax on corporate health business. The matter is pending adjudication with High Court of Sindh. Contingent liability exposure on this matter as at December 31, 2023 amounts to Rs. 28.3 million (2022: Rs. Nil).

22.1.3 Contingencies related to Income Tax

The returns of income tax have been filed up to and including tax year 2023. Except for the tax years mentioned below, all other assessment years are deemed to be assessed under section 120 of the Income Tax Ordinance,2001 (ITO).

NHIC (now stand amalgamated into TPLI) is contesting various cases related to income tax for several tax years. The main matters are the disallowance of commission paid to reinsurer on account of non deduction of withholding tax, incurred but not received (IBNR) provision and other matters. The details of the cases are as follows:

Tax Year	Details	"Contingency as at December 31, 2023 Rs. in '000'"
2012	The Additional Commissioner Inland Revenue (ACIR) passed an Order and creating tax demand of Rs. 42.697 million on account of certain additions / disallowances. The NHIC under protest has paid Rs. 30 million and filed an appeal before the Commissioner Inland Revenue-Appeals (CIRA) which has been decided in favour of NHIC except for disposal of fixed assets and exchange loss against which an appeal has been filed before ATIR which is pending for hearing. The management, based on its assessment, expects favourable outcome of the case.	12,697

Tax Year	Details	"Contingency as at December 31, 2023 Rs. in '000'"
2013	On 22 January 2018, the Additional Commissioner Inland Revenue (ACIR) passed an amended Order and raised a demand of Rs. 11.067 million on account of certain additions/ disallowances which include disallowance of commission paid to reinsurer on account of non deduction of withholding tax. The NHIC under protest paid Rs. 3 million and filed an appeal before the CIR-A which has been decided in favour of the NHIC except for gain on disposal of fixed assets against which management has filed an appeal before the ATIR. The management, based on their assessment, expects favourable outcome of this case	8,432
2014	On 18 March 2019, the Additional Commissioner Inland (ACIR) passed an amended Order and created an additional tax demand of Rs. 45.231 million on account of certain additions/ disallowances against which 10% of demand has been paid by the NHIC. The NHIC has filed appeal before the ATIR against the order of the CIR(A), which is pending adjudication. The management, on the basis of tax advisor views, expects that based on the issues involved and judgements of the higher courts/appellate fora, the NHIC has reasonable chance of a favourable outcome in appeal.	40,708
2015	On 28 April 2018, the Additional Commissioner Inland Revenue (ACIR) passed an amended Order and created an additional tax demand of Rs. 55.930 million on account of certain additions / disallowances. NHIC under protest has paid Rs. 30 million out of the total tax demand. Against the amended assessment Order, the NHIC also filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A). Pursuant to the appeal, the CIR-A has passed an appellate order whereby issues relating to taxability of dividend income at corporate tax rate, commission expense, provision for IBNR, gain on sale of non-trading assets, interest free loans and provision for defined benefit plan has been decided in favour of the NHIC whereas the the matter in respect of advertisement and sales promotion expenses has been remanded back. The NHIC as well as the tax department has filed further appeals before the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR(A), which are pending adjudication. The management on the basis of tax advisor views, expects that based on the issues involved and judgements of the higher courts/appellate fora, NHIC has reasonable chance of a favourable outcome in appeal.	25,930
2017	On 15 March 2019, the Additional Commissioner Inland Revenue (ACIR) passed an amended Order and created an additional tax demand of Rs. 56.671 million on account of certain additions / disallowances against which] 0% amount was paid by the NHIC. Against the above order, the company filed an appeal before the CIR(A) and also obtained stay against the tax demand. Pursuant to the appeal, the CIR(A) has passed an appellate order whereby issue relating to commission expense has been remanded back whereas the issue of disposal of assets at less than FMV has been decided against the company. The company has filed further appeal before the ATIR against the order of the CIR(A), which is pending adjudication. The management on the basis of tax advisor views, expects that based on the issues involved and judgements of the higher courts/appellate fora, NHIC has reasonable chance of a favourable outcome in appeal.	51,004
2018	The Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(5A) of the Ordinance, whereby an aggregate demand of Rs.10,660,260 was created. Against the above order, the company filed an appeal before the CIR(A) and also obtained stay against the tax demand. Pursuant to the appeal, the CIR(A) has passed an appellate order whereby issue relating to commission expense has been deleted whereas the issue of bad debts written off has been decided against the company. The company has filed further appeal before the ATIR against the order of the CIR(A), which is pending adjudication. The Management on the basis of tax advisor views, expects that based on the issues involved and judgements of the higher courts/appellate fora, the NHIC has reasonable chance of a favourable outcome in appeal.	10,660
2019	The Deputy Commissioner Inland Revenue (DCIR) has passed an order under section 161/205 of the Income Tax Ordinance, 2001 wherein tax amounting to Rs.32,602,791 has been levied on certain expenses. Further, penalty and default surcharge of Rs. 3,260,279 and Rs. 7,824,670 under sections 182 and 205 of the Ordinance, respectively have also been levied. The company has challenged the levy of tax on certain expenses before the Commissioner Inland Revenue Appeals, which has been annulled by the Commissioner (Appeals) with directions to re-examine the same which is pending. The Company has not contested certain issues and tax demand arising on such issues aggregating to Rs. 4,60 I ,809 has been paid by the company which has been charged to expense in current year. The management, based on its assessment, expects favourable outcome.	39,086
	Total	188,517

In light of above cases company has made a total provision of Rs. 180 million for any liability that may result.

22.2 Commitments

The Company has entered into various non-cancellable operating lease agreements. The lease term is five years.

The future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	(Rupees)	
No later than 1 year	-	1,755,956

These represent Ijarah liability of the company against two vehicles currently in use.

23 NET INSURANCE PREMIUM

		2023	2022
		(Rupees)	
	Written gross premium	4,084,589,781	3,823,156,212
Add:	Unearned premium reserve opening	1,888,870,811	1,688,811,536
Less:	Unearned premium reserve closing	(2,023,776,567)	(1,888,870,810)
	Premium earned	3,949,684,025	3,623,096,938
Less:	Reinsurance and other recoveries received	931,083,812	757,135,656
Add:	Prepaid reinsurance premium opening	372,099,991	271,032,088
Less:	Prepaid reinsurance premium closing	(438,169,028)	(372,099,991)
	Reinsurance expense	865,014,775	656,067,753
	Net insurance premium	3,084,669,250	2,967,029,185

24. NET INSURANCE CLAIMS EXPENSE

		2023	2022
	Claims paid / payable	2,185,663,601	1,947,388,189
Add:	Outstanding claims including IBNR closing	952,473,567	827,148,524
Less:	Outstanding claims including IBNR opening	(827,148,524)	(574,184,279)
	Claims expense	2,310,988,644	2,200,352,434
Less:	Reinsurance and other recoveries received	657,055,603	674,663,707
Add:	Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	744,333,540	596,838,918
Less:	Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(596,838,918)	(486,560,455)
	Reinsurance and other recoveries revenue	804,550,225	784,942,170
	Net insurance claims expense	1,506,438,419	1,415,410,264

25 CLAIM DEVELOPMENT

Claim development table is included in note 38.1.8 to the financial statements.

26. NET COMMISSION EXPENSE & OTHER ACQUISITION COST

		2023	2022
		------------ (Rupees) ------------	
Commissions paid or payable		499,862,486	471,947,948
Add:	Deferred commission - opening	238,890,919	181,245,659
Less:	Deferred commission - closing	(260,639,187)	(238,890,919)
	Commission expense	478,114,218	414,302,688
Less:	Commission received or receivable	187,733,339	161,864,477
Add:	Unearned commission - opening	79,618,696	62,964,526
Less:	Unearned commission - closing	(90,601,307)	(79,618,696)
	Commission from reinsurance	176,750,728	145,210,307
	Net commission expense & other acquisition cost	301,363,490	269,092,381

27. MANAGEMENT EXPENSES

	2023	2022
	------------ (Rupees) ------------	
Employee benefit costs	603,988,063	508,140,769
Annual monitoring fee	46,746,496	60,012,605
Travelling expenses	12,866,583	22,655,723
Business partner engagement expenses	134,448,131	70,716,045
Advertisement and marketing	216,015,584	78,188,857
Printing and stationary	7,882,050	6,565,799
Rent, rates and taxes	15,302,448	8,933,591
Outsourcing expenses	58,284,371	45,846,857
Communication	11,090,657	9,367,625
Utilities	17,082,992	11,519,147
Vehicle running expenses	27,978,569	27,618,926
Repair and maintenance	36,890,491	16,258,719
Depreciation - Operating assets	49,792,827	54,775,892
Depreciation - Right of use assets	126,269,279	130,955,463
Amortization expense	4,312,560	5,797,570
Annual supervision fee SECP	5,283,145	4,349,643
Bad and doubtful debts	22,000,000	14,267,620
Insurance	17,944,993	17,562,339
Preinspection charges	8,387,261	7,026,771
Others	190,624	-
	1,422,757,124	1,100,559,961

27.1 This includes Rs. 583.481 million being salaries and wages (2022: Rs. 399.953 million) and Rs. 20.506 million (2022: Rs. 16.54 million) being contribution to employees' provident fund.

27.2 This includes annual monitoring fee amounting to Rs. 41.380 million (2022: Rs. 52.811 million) charged by TPL Trakker Limited (Associated company) against the tracking services provided to the insurance policy holders of the Company.

28. INVESTMENT INCOME

	Note	2023	2022
		(Rupees)	(Rupees)
Dividend and markup income			
Dividend income		32,864,832	235,000
Return on debt securities		84,843,553	41,883,085
Return on term deposits and savings account		170,158,750	66,846,923
Return on PLS bank balances		113,441,571	69,160,546
		401,308,706	178,125,554
Net realized gains on investments - At fair value through profit and loss			
Realized gain / (loss) on disposal / redemption of mutual funds and equity securities		16,196,426	(59,986,512)
Net unrealized gains / (losses) on investments - At fair value through profit and loss			
Unrealized gain / (loss) on valuation of mutual funds		27,950,073	(33,017,908)
Total investment income		445,455,205	85,121,134
Less: Investment related expenses		-	(257,352)
		445,455,205	84,863,782

29. OTHER INCOME

	Note	2023	2022
Interest on advance to a related party	12.1	62,282,872	33,854,787
Income from other services		-	-
Exchange gain on bank balances		23,250,864	23,661,512
Gain sale of fixed assets		609,312	1,354,826
Others		17,526	2,977,011
		86,160,574	61,848,136

30. OTHER EXPENSES

	Note	2023	2022
Employee benefit costs		84,135,411	98,045,955
Legal and professional charges		39,992,406	33,223,596
Auditors' remuneration	30.1	3,609,501	3,554,594
Registration, subscription and association		16,908,649	14,056,720
Donations	30.2	33,772,912	9,749,156
Communication		6,530,177	5,920,672
IT related cost		46,429,165	35,111,529
Utilities		2,658,598	2,481,047
Depreciation - Right of use assets	6.2	7,983,958	12,289,873
Ijarah lease rentals		5,565,797	11,975,414
Others		10,801,981	9,612,833
		258,388,555	236,021,390

30.1 Auditor's Remuneration

	Note	2023	2022
Fee for audit of financial statements		856,680	840,240
Fee for review of financial statements		537,240	527,472
Fee for audit of financials for group reporting purpose		538,450	528,660
Special certifications		523,325	655,938
Out-of-pocket expenses		1,153,806	1,002,284
		3,609,501	3,554,594

30.2 Donations

These include donations made by the Company to the Patient Aid Foundation, SIUT and JDC amounting to Rs. 25 million, Rs. 2.5 million and 1 million respectively. None of the directors, sponsor shareholders, key management personnel and their spouses had any interest in the donee, except for Mr. Ali Jameel who is on the Board of Governors of Patient Aid Foundation.

	Note	2023	2022
31. FINANCE COSTS		------------ (Rupees)	------------
Bank charges		5,019,730	2,904,907
Mark up expense on lease obligation related to right-of-use assets		19,693,696	28,042,182
		24,713,426	30,947,089
32. TAXATION			
For the year			
Current	32.1	45,071,992	38,963,642
Deferred		398,443	6,786,969
		45,470,435	45,750,611
For the prior years			
Current		-	1,046,130
		45,470,435	46,796,741

32.1 The tax rate applicable on the Company for Tax Year 2023 is 29% (2022: 29%) subject to minimum tax @ 1.25% of turnover.

32.2 Relationship between tax expense and accounting profit is not produced for the year as the tax charged was based on minimum tax on turnover in that year.

32.3 The Company on the opinion of its tax advisor believes that gain on bargain purchase as a result of scheme of arrangement is not taxable under section 97A of the Income Tax Ordinance, 2001.

	2023	2022
33. EARNINGS PER SHARE – BASIC AND DILUTED	------------ (Rupees)	------------
Profit after tax for the year attributable to shareholders	1,113,110,822	5,450,089
	-------(Number of Shares)	-------
Weighted average number of ordinary shares of Rs.10 each	198,394,462	175,079,214
	------------ (Rupees)	------------
Earnings per share - basic	5.62	0.03

There is no dilutive effect on the basic earning per share of the Company.

34 COMPENSATION OF DIRECTORS AND EXECUTIVES

The aggregate amount charged 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 Officer		Directors		Executives		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees)							
Managerial remuneration	34,063,680	25,547,760	-	-	259,159,332	152,610,740	293,223,012	178,158,500
House rent allowance	13,936,320	10,452,240	-	-	85,310,892	48,797,769	99,247,212	59,250,009
Retirement benefits	2,579,784	1,934,840	-	-	13,800,696	9,033,047	16,380,480	10,967,887
Director fee	-	-	7,200,000	4,000,000	-	-	7,200,000	4,000,000
	50,579,784	37,934,840	7,200,000	4,000,000	358,270,920	210,441,556	416,050,704	252,376,396
Number of persons	1	1	7	3	70	37	78	41

34.1 In addition, the Chief Executive Officer, Directors and Executives are provided with free use of Company maintained cars and share option plan in accordance with their entitlement.

35 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

35.1 The related parties comprise Parent Company, associated undertakings, common directorships, employees provident fund, directors and key management personnel. The balances with / due from and transactions with related parties are as follows:

35.2 Balances and transactions with related parties

	2023	2022
	------------ (Rupees) ------------	
TPL Trakker Limited - (associated company)		
Opening balance - receivable	-	5,894,317
Interest charged during the year	62,282,872	33,811,003
Net expenses charged - group shared costs	(57,152,445)	(25,972,374)
Rent and other services on tracking units	(138,840,467)	(158,125,139)
Adjustment against advance	3,395,209	(13,244,520)
Insurance services rendered	3,979,863	9,453,086
Net payments made by the Company	126,334,968	148,183,627
Closing balance - receivable	-	-
Advance to TPL Trakker Limited - (associated company)		
Opening balance - receivable	296,141,560	169,697,040
Payments made during the year	-	113,200,000
Adjustment against receivable	(3,395,209)	13,244,520
Closing balance - receivable	292,746,351	296,141,560
TPL Properties Limited - common directorship		
Opening balance - (payable)	(2,422,484)	(499,174)
Net payments made during the year	-	(3,114,611)
Insurance services rendered	1,489,811	-
Expenses incurred by the Company / (on behalf of the Company)	1,064,243	1,191,301
Closing balance - receivable / (payable)	131,570	(2,422,484)
TPL Properties Management (Private) Limited - common directorship		
Opening balance - payable	(5,472,823)	(5,472,823)
Payments made by the company	4,000,000	-
Closing balance - payable	(1,472,823)	(5,472,823)

35.3 Balances and transactions with related parties (continued)

	2023	2022
TPL Security Services (Private) Limited - common directorship		
Opening balance - (payable)	(279,338)	(747,412)
Expenses incurred by the Company	(1,324,515)	72,825
Services received during the year	(3,739,800)	(4,639,751)
Payments made during the year	5,792,300	5,035,000
Insurance services rendered	80,000	-
Closing balance - receivable / (payable)	528,647	(279,338)

35.3 Balances and transactions with related parties (continued)

	2023	2022
	(Rupees)	
TPL Direct Insurance Limited Employees Provident Fund		
Opening balance - (payable)	(3,121,314)	(3,076,718)
Charge for the year	(47,281,978)	(30,483,750)
Contribution made during the year	46,102,324	30,439,154
Closing balance - (payable)	(4,300,968)	(3,121,314)
TPL Life Insurance Limited - common directorship		
Opening balance - receivable	3,802,474	1,546,891
Expenses incurred by the Company on behalf of TPL Life Insurance Limited	21,781,540	21,435,920
Services received from the Company	(300,706)	(3,887,100)
Insurance services rendered	224,647	-
Reinsurance services received	(7,724,204)	-
Net payments made during the year	(15,000,000)	(15,293,237)
Closing balance - receivable	2,783,751	3,802,474
TPL Corp Limited - parent company		
Opening balance - payable / (receivable)	(5,735,271)	12,472,651
Expenses incurred by the company on behalf of TPL Corp Limited	(64,821,331)	(84,793,118)
Net payments made during the year	70,168,055	66,585,196
Closing balance - (payable)	(388,547)	(5,735,271)
Astra Location Services (Private) Limited		
Opening balance - receivable / (payable)	-	-
Expenses incurred	1,435,671	-
Closing balance - receivable	1,435,671	-
TPL REIT Management Company Limited - common directorship		
Opening balance - receivable	698,888	82,747
Expenses incurred	1,256,629	590,141
Services rendered	-	26,000
Closing balance - receivable	1,955,517	698,888

35.4 Remuneration to the key management personnel are in accordance with the terms of their employment. Contribution to the provident fund is in accordance with the Company's staff services rules and other transactions with the related parties are in accordance with the agreed terms.

36. SEGMENT REPORTING

	For the year ended December 31, 2023					
	Fire & property damage	Marine, aviation & transport	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Gross Written Premium (inclusive of Administrative Surcharge)	657,837,900	80,726,931	2,737,713,932	475,371,233	132,939,785	4,084,589,781
Gross Direct Premium	645,733,384	75,410,312	2,654,577,369	397,117,508	127,603,254	3,900,441,827
Facultative Inward Premium	9,515,522	3,392,572	6,069,601	-	3,527,173	22,504,868
Administrative Surcharge	2,588,995	1,924,047	77,066,961	318,447	1,809,357	83,707,807
Insurance premium earned	584,203,035	77,391,190	2,758,471,774	395,381,898	134,236,128	3,949,684,025
Insurance premium ceded to reinsurers	(507,816,497)	(49,290,434)	(233,273,751)	-	(74,634,092)	(865,014,774)
Net insurance premium	76,386,538	28,100,756	2,525,198,023	395,381,898	59,602,036	3,084,669,251
Commission income	85,145,739	13,016,487	62,103,157	-	16,485,346	176,750,729
Net underwriting income	161,532,277	41,117,243	2,587,301,180	395,381,898	76,087,382	3,261,419,980
Insurance claims	(276,173,063)	(22,967,967)	(1,610,619,522)	(352,760,871)	(48,467,220)	(2,310,988,643)
Insurance claims recovered from reinsurers / salvage	269,661,210	16,098,215	477,042,544	10,080,138	31,668,118	804,550,225
Net Claims	(6,511,853)	(6,869,752)	(1,133,576,978)	(342,680,733)	(16,799,102)	(1,506,438,418)
Charge of premium deficiency reserve	-	-	-	(8,995,206)	-	(8,995,206)
Commission expense	(72,861,287)	(13,546,680)	(352,438,686)	(24,698,081)	(14,569,483)	(478,114,217)
Management expenses	(35,438,049)	(13,106,607)	(1,176,294,729)	(169,598,340)	(28,319,307)	(1,422,757,032)
Net insurance claims and expenses	(114,811,189)	(33,523,039)	(2,662,310,393)	(545,972,360)	(59,687,892)	(3,416,304,873)
Underwriting result	46,721,088	7,594,204	(75,009,213)	(150,590,462)	16,399,490	(154,884,892)
Investment income						439,908,998
Other income						86,160,574
Other expenses						(258,388,555)
Results of operating activities						112,796,125
Financial charges						(24,713,426)
Surplus on merger						1,078,861,009
Profit before tax						1,166,943,708
Corporate segment assets	868,945,372	62,354,370	966,446,879	186,727,211	161,259,529	2,245,733,361
Corporate unallocated assets						5,061,140,975
Total assets						7,306,874,336
Corporate segment liabilities	711,172,319	47,687,080	2,017,816,954	298,918,787	130,470,273	3,206,065,413
Corporate unallocated liabilities						1,459,416,282
Total liabilities						4,665,481,695

	For the year ended December 31, 2022					
	Fire & property damage	Marine, aviation & transport	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Gross Written Premium (inclusive of Administrative Surcharge)	452,641,566	67,143,983	2,764,279,833	397,435,955	141,654,875	3,823,156,212
Gross Direct Premium	433,096,044	66,405,994	2,664,931,933	397,117,508	139,999,487	3,701,550,966
Facultative Inward Premium	17,735,712	56,543	14,318,196	-	-	32,110,451
Administrative Surcharge	1,809,810	681,446	85,029,703	318,447	1,655,388	89,494,794
Insurance premium earned	375,183,874	59,474,374	2,678,386,449	406,289,216	103,763,025	3,623,096,938
Insurance premium ceded to reinsurers	(328,710,482)	(44,716,315)	(229,624,338)	708,394	(53,725,012)	(656,067,753)
Net insurance premium	46,473,392	14,758,059	2,448,762,111	406,997,610	50,038,013	2,967,029,185
Commission income	58,550,306	9,782,573	63,938,879	(26,073)	12,964,622	145,210,307
Net underwriting income	105,023,698	24,540,632	2,512,700,990	406,971,537	63,002,635	3,112,239,492
Insurance claims	(170,183,359)	(29,679,280)	(1,597,613,471)	(335,031,996)	(67,844,328)	(2,200,352,434)
Insurance claims recovered from reinsurers / salvage	146,116,023	18,607,341	605,571,108	(7,886,730)	22,534,428	784,942,170
Net Claims	(24,067,336)	(11,071,939)	(992,042,363)	(342,918,726)	(45,309,900)	(1,415,410,264)
Charge of premium deficiency reserve	-	-	-	3,350,270	-	3,350,270
Commission expense	(49,575,570)	(10,411,717)	(321,642,799)	(21,621,472)	(11,051,129)	(414,302,687)
Management expenses	(14,814,781)	(4,704,469)	(938,099,805)	(126,915,301)	(16,025,603)	(1,100,559,959)
Net insurance claims and expenses	(88,457,687)	(26,188,125)	(2,251,784,967)	(488,105,229)	(72,386,632)	(2,926,922,640)
Underwriting result	16,566,011	(1,647,493)	260,916,023	(81,133,692)	(9,383,997)	185,316,852
Investment income						84,863,782
Other income						61,848,136
Other expenses						(236,021,390)
Results of operating activities						96,007,380
Financial charges						(30,947,089)
Profit before tax						65,060,291
Corporate segment assets	673,936,629	55,719,292	973,641,313	98,991,055	153,641,776	1,955,930,065
Corporate unallocated assets						4,015,565,921
Total assets						5,971,495,985
Corporate segment liabilities	532,734,912	41,929,893	2,088,963,320	206,397,981	160,902,392	3,030,928,498
Corporate unallocated liabilities						796,218,743
Total liabilities						3,827,147,241

37. MOVEMENT IN INVESTMENTS

	At Amortized cost	At Fair value through other comprehensive income	At Fair value through profit and loss	Total
As at January 1, 2022	752,875,662	431,556,371	206,012,875	1,390,444,908
Additions	444,461,002	145,167,216	25,000,000	614,628,218
Disposals (sale and redemption)	(196,290,122)	-	(36,638,315)	(232,928,437)
Fair value net gains (excluding net realized gains)	-	-	(33,012,773)	(33,012,773)
Amortisation of premium / discount	903,585	-	-	903,585
As at December 31, 2022	1,001,950,127	576,723,587	161,361,787	1,740,035,501
Additions	517,108,470	9,409,024	-	526,517,494
Disposals (sale and redemption)	-	-	(52,581,570)	(52,581,570)
Fair value net gains (excluding net realized gains)	63,948,157	(53,409,157)	27,950,073	38,489,073
As at December 31, 2023	1,583,006,754	532,723,454	136,730,290	2,252,460,498

38 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

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

38.1 INSURANCE RISK MANAGEMENT

38.1.1 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.

The Company's major insurance contracts are in respect of motor vehicles through issuance of general insurance contracts relating to motor insurance. For these contracts the most significant risks arise from theft, accidents and terrorist activities.

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 and frequent investigation of possible false claims to reduce the insurance risk.

38.1.2 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.

38.1.3 UNCERTAINTY IN THE ESTIMATION OF FUTURE CLAIM PAYMENTS

Claims on motor insurance contracts are payable on a claim occurrence basis. The Company is liable for all insured events that occur during the term of the insurance contracts respectively, including the event reported after the expiry of the insurance contract term.

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 based on the management's best estimate which takes into account expected future patterns of reporting of claims and the claim actually reported subsequent to the balance sheet date. 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. Outstanding claims are reviewed on a periodic basis.

38.1.4 KEY ASSUMPTIONS

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected income. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate case to case basis with due regard to the claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Core estimates are reviewed regularly and are updated as and when new information is available.

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. During the year, the Company has not changed its assumptions for the insurance contracts.

38.1.5 SENSITIVITY ANALYSIS

The risks associated with the insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims number and expected loss ratios. The Company considers that the liability for claims recognized in the balance sheet is adequate. However, actual experience may differ from the expected outcome.

The claim liabilities are sensitive to the incidence of insured events and severity / size of claims. As the Company enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on profit before tax net of reinsurance. The impact of 10% increase / decrease in incidence of insured events on profit before tax and shareholder's equity is as follows:

	Underwriting results / profit before tax		Shareholder's equity	
	2023	**2022**	**2023**	**2022**
Average claim cost	--------- (Rupees) ---------		--------- (Rupees) ---------	
Fire & property damage	651,185	2,406,734	462,341	1,708,781
Marine, aviation & transport	686,975	1,107,194	487,752	786,108
Motor business	113,357,698	99,204,236	80,483,966	70,435,008
Health	34,268,073	34,291,873	24,330,332	24,347,230
Miscellaneous	1,679,910	4,530,990	1,192,736	3,217,003
	150,643,841	141,541,027	106,957,127	100,494,130

38.1.6 Concentration of risk

To optimise 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 insured property.

The adequate event limit is a multiple of the treaty capacity or the primary recovery from excess of loss treaty, which is very much in line with the risk management philosophy of the Company.

Reinsurance ceded does not relieve the Company from its obligation towards policy holders and, as a result the Company remains liable for the portion of outstanding claims reinsured to the extent that reinsurer fails to meet the obligation under the reinsurance agreements.

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

38.1.7 The concentration of risk by type of contracts based on single risk with maximum exposure is summarised below:

	Gross sum insured		Reinsurance		Net	
	2023	2022	2023	2022	2023	2022
	------- (Rupees) -------		------- (Rupees) -------		------- (Rupees) -------	
Fire & property damage	32,898,821,480	18,017,520,000	32,737,622,986	17,987,520,000	161,198,494	30,000,000
Marine, aviation & transport	544,715,485	1,658,646,278	524,715,485	1,638,646,278	20,000,000	20,000,000
Motor business	75,000,000	67,077,050	58,004,250	46,229,769	16,995,750	20,847,281
Health	1,800,000	1,800,000	-	-	1,800,000	1,800,000
Miscellaneous	1,829,000,000	2,646,000,000	1,792,420,000	2,593,080,000	36,580,000	52,920,000

38.1.8 Claims development table

The following table shows the development of claims over a period of time on gross basis. For each class of business the uncertainty about the amount and timings of claims payment is usually resolved within a year.

Analysis on gross basis

Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
	-----	-----	-----	-----	-----	(Rupees)	-----	-----	-----	-----	
Estimate of ultimate claims cost:											
At end of accident year	708,662,241	872,154,380	1,119,834,954	1,189,630,891	1,341,453,975	1,210,488,108	1,634,557,771	1,938,583,064	2,254,927,227	2,455,735,015	
One year later	706,207,696	897,562,104	1,149,396,121	1,230,902,945	1,357,839,571	1,287,541,912	1,484,700,070	1,869,147,970	2,038,126,726	-	
Two years later	698,292,362	899,731,568	1,144,863,477	1,237,132,102	1,363,015,496	1,290,367,150	1,478,534,960	1,463,852,253	-	-	
Three years later	697,553,067	899,980,112	1,145,603,367	1,236,822,201	1,357,214,722	1,298,896,551	1,460,758,770	-	-	-	
Four years later	697,681,017	900,959,825	1,143,148,973	1,236,670,364	1,359,727,997	1,296,529,340	-	-	-	-	
Five years later	698,623,467	901,085,560	1,143,506,520	1,242,789,941	1,363,069,902	-	-	-	-	-	
Six years later	698,172,267	901,094,060	1,148,083,959	1,248,300,421	-	-	-	-	-	-	
Seven years later	698,172,267	901,291,405	1,149,793,751	-	-	-	-	-	-	-	
Eight years later	698,341,391	901,304,401	-	-	-	-	-	-	-	-	
Nine years later	698,354,387	-	-	-	-	-	-	-	-	-	
Estimate of cumulative claims	698,354,387	901,304,401	1,149,793,751	1,248,300,421	1,363,069,902	1,296,529,339	1,460,758,770	1,463,852,253	2,038,126,726	2,455,735,015	14,075,824,966
Cumulative payments to date	(698,188,763)	(901,280,901)	(1,146,212,751)	(1,242,301,992)	(1,358,868,620)	(1,286,529,339)	(1,459,976,020)	(1,457,539,331)	(2,001,203,763)	(1,571,249,918)	(13,123,351,398)
Liability for outstanding claims	165,624	23,500	3,581,000	5,998,429	4,201,282	10,000,000	782,750	6,312,922	36,922,963	884,485,097	952,473,567

39 FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

39.1 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.

39.1.1 Management of credit risk

The Company's policy is to enter into financial contracts in accordance with the guidelines set by the Board of Directors. Credit risk is managed and controlled by the management of the Company in the following manner:

- Credit rating and / or credit worthiness of the counter party is taken into account along with the financial background so as to minimize the risk of default. Collaterals are obtained wherever appropriate / relevant.

- The risk of counterparty exposure due to failed agreements causing a loss to the Company is mitigated by a periodic review of the credit ratings, financial statements, credit worthiness, etc. on a regular basis and makes provision against those balances considered doubtful of recovery.

- Loans given to employees are deductible from the salary of the employees.

- Cash is held with reputable banks only.

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.

39.1.2 Exposure to credit risk

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

	2023		2022	
	Balance as per the financial statements	Maximum exposure	Balance as per the financial statements	Maximum exposure
	------------- (Rupees) -------------		------------- (Rupees) -------------	
Investment in government securities	241,114,000	241,114,000	173,150,127	173,150,127
Investment in debt securities	250,000,000	250,000,000	250,000,000	250,000,000
Term deposits	1,345,908,470	1,345,908,470	828,800,000	828,800,000
Loans and other receivables	537,600,391	537,600,391	344,532,092	344,532,092
Insurance / reinsurance receivables	733,493,220	733,493,220	633,075,865	633,075,865
Reinsurance recoveries against outstanding claims	493,073,733	493,073,733	383,650,578	383,650,578
Salvage recoveries accrued	251,259,808	251,259,808	213,188,340	213,188,340
Bank balances	1,995,490,144	1,995,490,144	1,568,277,167	1,568,277,167
	5,847,939,766	5,847,939,766	4,394,674,169	4,394,674,169

39.1.3 Past due / impaired assets

Age analysis of premium due but unpaid at the reporting date was:

	2023		2022	
	Gross	Impairment	Gross	Impairment
	--------- (Rupees) ---------		--------- (Rupees) ---------	
0-90 days	551,759,287	-	483,605,192	-
Over 90 days	270,860,571	79,372,245	216,838,302	57,613,236
Total	822,619,858	79,372,245	700,443,494	57,613,236

Age analysis of amount due from other insurers / reinsurers at the reporting date was:

	2023		2022	
	Gross	Impairment	Gross	Impairment
	--------- (Rupees) ---------		--------- (Rupees) ---------	
Upto 1 year	-	-	-	-
1-2 years	-	-	-	-
Over 2 years	9,754,393	(9,754,393)	9,754,393	(9,754,393)
Total	9,754,393	(9,754,393)	9,754,393	(9,754,393)

Age analysis of reinsurance recoveries against outstanding claims at the reporting date was:

	2023		2022	
	Gross	Impairment	Gross	Impairment
	--------- (Rupees) ---------		--------- (Rupees) ---------	
Upto 1 year	369,146,330	-	285,129,317	-
1-2 years	55,517,684	-	58,994,497	-
Over 2 years	68,409,719	-	39,526,764	-
Total	493,073,733	-	383,650,578	-

In respect of the aforementioned insurance and reinsurance assets, the Company takes into account its past history / track record of recoveries and financial position of the counterparties while creating provision for impairment. Further, reinsurance recoveries are made when corresponding liabilities are settled.

39.1.4 Credit Rating and Collateral

The credit quality of Company's bank balances can be assessed with reference to external credit rating as follows:

Long term Rating	Rating Agency	Amount (in Rupees) 2023	Amount (in Rupees) 2022
AAA	JCR-VIS	137,352,325	42,807,561
AAA	PACRA	904,070,696	533,286,665
AA+	PACRA	948,642,504	571,659,689
AA+	JCR-VIS	-	-
AA	PACRA	49,083,159	3,625,597
AA	JCR-VIS	165,097,190	170,660,517
AA-	JCR-VIS	-	-
AA-	PACRA	528,197,896	390,553,240
A+	PACRA	100,000,000	189,083,764
A+	JCR-VIS	50,389,086	73,755
A	PACRA	186,084	346,975
A	JCR-VIS	-	41,988
A-	JCR-VIS	128,580,746	154,133,792
BBB-	JCR-VIS	579,798,928	590,803,624
		3,591,398,615	2,647,077,167

The Company enters into re-insurance / co-insurance arrangements with re-insurers / other insurers having sound credit ratings accorded by reputed credit rating agencies. The Company is required to comply with the requirements of circular no. 32 / 2009 dated October 27, 2009 issued by SECP which requires an insurance company to place at least 80% of their outward treaty cessions with reinsurers rated 'A' or above by Standard & Poors with the balance being placed with entities rated at least 'BBB' by reputable ratings agency. An analysis of all reinsurance assets relating to outward treaty cessions recognised by the rating of the entity from which it is due is as follows:

	Reinsurance recoveries against outstanding claims	Prepaid reinsurance premium ceded	2023	2022
	(Rupees)			
A or above (including PRCL)	493,073,733	438,169,029	931,242,762	755,750,570

39.1.5 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 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 industry segments.

Sector-wise analysis of premium due but unpaid at the reporting date was:

	2023		2022	
	(Rupees)	%	(Rupees)	%
Individuals	36,401,016	5%	17,847,673	3%
Corporate	706,846,597	95%	624,982,585	97%
	743,247,613	100%	642,830,258	100%

39.1.6 Settlement risk

The company's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

This risk is addressed more or less in accordance with the parameters set out in the credit risk management above.

39.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or may face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

39.2.1 Management of liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to fulfil its obligation; monitoring balance sheet liquidity ratios against internal and external requirements and maintaining debt financing plans.

39.2.2 Maturity analysis for financial assets and liabilities

The table below analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to maturity date and represents the undiscounted cash flows. The amounts in the table are the gross nominal undiscounted cash flows (including interest payments).

39.3 Market risk

	2023		
	Carrying amount	**Upto one year**	**More than one year**
	----------	(Rupees)	----------
Financial assets			
Investments			
Equity securities and mutual fund units	419,453,744	419,453,744	-
Government Securities	241,114,000	-	241,114,000
Debt securities	250,000,000	250,000,000	-
Term deposits	1,345,908,470	1,345,908,470	-
Loans and other receivables	537,600,391	537,600,391	-
Cash and bank balances	1,996,505,095	1,996,505,095	-
	4,790,581,700	4,549,467,700	241,114,000
Financial liabilities			
Other creditors and accruals	839,963,115	839,963,115	-
Lease liability against right-of-use asset	130,218,766	61,472,034	68,746,732
	970,181,881	901,435,149	68,746,732

	2022		
	Carrying amount	**Upto one year**	**More than one year**
	----------	(Rupees)	----------
Financial assets			
Investments			
Equity securities and mutual fund units	488,085,374	488,085,374	-
Government Securities	173,150,127	24,443,113	148,707,014
Debt securities	250,000,000	250,000,000	-
Term deposits	828,800,000	826,300,000	2,500,000
Loans and other receivables	344,532,092	344,532,092	-
Cash and bank balances	1,569,424,161	1,569,424,161	-
	3,653,991,754	3,502,784,740	151,207,014
Financial liabilities			
Other creditors and accruals	382,675,678	382,675,678	-
Lease liability against right-of-use asset	235,290,468	115,378,355	119,912,113
	617,966,146	498,054,033	119,912,113

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will effect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Company is exposed to interest rate risk, currency risk and other price risk.

39.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from balances held in profit and loss sharing accounts with reputable banks and government securities. The Company limits interest rate risk by monitoring changes in interest rates. Other risk management procedures are the same as those mentioned in the credit risk management.

39.3.1.1 Sensitivity analysis

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instrument is as follows:

	2023	2022	2023	2022
Financial assets	**Effective interest rate (in %)**		**(Rupees)**	
Assets subject to fixed rate				
- Government securities	7.50% - 10.50%	9.10% - 13.60%	241,114,000	173,150,127
- Term deposits	4.00% - 20.00%	9.57% - 15.00%	1,345,908,470	828,800,000
- Loan to employees	0% - 5.00%	0% - 5.00%	8,660,465	2,505,507
Assets subject to variable rate				
- Debt securities	23.14% - 24.99%	17.31% - 20.54%	250,000,000	250,000,000
- Advance to related parties	17.36% - 20.86%	10.53% - 14.94%	292,746,351	296,141,560
- Bank balances	11.00% - 20.00%	11.00% - 13.50%	1,464,486,088	1,518,769,260

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.

Cash flow sensitivity analysis for variable rate instruments.

A hypothetical change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit for the year by the amounts shown below.

It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

39.3.1.2 Exposure to interest rate risk

	2023		2022	
	Profit and loss 100 bps		**Profit and loss 100 bps**	
	Increase	**Decrease**	**Increase**	**Decrease**
	(Rupees)		**(Rupees)**	
Cash flow sensitivity - Variable rate financial assets	20,072,324	(20,072,324)	20,649,108	(20,649,108)

A summary of the Company's interest rate gap position, categorised by the earlier of contractual re-pricing or maturity date, is as follows:

39.3.2 Price risk

	2023			
	less than 1 year	**1 year to 5 years**	**More than 5 years**	**Total**
	(Rupees)			
Assets				
Investment in government securities	-	241,114,000	-	241,114,000
Investment in debt securities	250,000,000	-	-	250,000,000
Term deposits	1,345,908,470	-	-	1,345,908,470
Loans and other receivables	537,600,391	-	-	537,600,391
Bank balances	1,464,486,088	-	-	1,464,486,088
Total assets	3,597,994,949	241,114,000	-	3,839,108,949
Liabilities				
Lease liability against right-of-use asset	16,086,586	114,132,180	-	130,218,766
Total interest sensitivity gap	3,581,908,363	126,981,820	-	3,708,890,183

	2022			
	less than 1 year	1 year to 5 years	More than 5 years	Total
	(Rupees)			
Assets				
Investment in government securities	24,443,113	148,707,014	-	173,150,127
Investment in debt securities	250,000,000	-	-	250,000,000
Term deposits	826,300,000	2,500,000	-	828,800,000
Loans and other receivables	344,532,092	-	-	344,532,092
Bank balances	1,518,769,262	-	-	1,518,769,262
Total assets	2,964,044,467	151,207,014	-	3,115,251,481
Liabilities				
Lease liability against right-of-use asset	115,378,358	119,912,114	-	235,290,472
Total interest sensitivity gap	2,848,666,109	31,294,900	-	2,879,961,009

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Company is exposed to equity price risk since it has investments in quoted equity securities at the balance sheet date.

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favourable. Company strives to maintain above average levels of shareholders' capital to provide a margin of safety against short term equity price volatility. Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold. The Company has no significant concentration of price risk.

39.3.2.1 Sensitivity analysis

The table below summarizes Company's equity price risk as of December 31, 2023 and 2022 and shows the effects of a hypothetical 10% increase / decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse in Company's equity investment portfolio because of the nature of equity markets.

	Hypothetical price change	Estimated fair value after change in prices	Increase / (decrease) in shareholders' equity	Increase (decrease) in profit before tax
	(Rupees)			
2023	10% increase	461,399,118	29,781,216	41,945,374
	10% decrease	377,508,370	(29,781,216)	(41,945,374)
2022	10% increase	536,893,911	34,654,062	48,808,537
	10% decrease	439,276,837	(34,654,062)	(48,808,537)

39.4 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pak Rupees.

39.5 Capital Management

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 businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

The minimum paid up capital requirements for non-life insurer is Rs. 500 million prescribed by SECP under Insurance Rules, 2017. The company is in compliance with the prescribed minimum paid up capital requirement at the year end. In addition, the Company is also required to maintain minimum solvency in accordance with the rules and regulations set by the SECP. The Company's status of compliance with solvency requirement is disclosed in note 40 to the financial statements.

39.6 Fair value of financial assets and liabilities

IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

	2023		
	Fair value measurement using		
	Level 1	Level 2	Level 3
	(Rupees)		
At fair value through other comprehensive income	238,314,430	250,000,000	44,409,024
At fair value through profit or loss	136,730,290	-	-
At amortized cost	-	241,114,000	-
	375,044,720	491,114,000	44,409,024

	2022		
	Fair value measurement using		
	Level 1	Level 2	Level 3
	(Rupees)		
At fair value through other comprehensive income	291,723,587	250,000,000	35,000,000
At fair value through profit or loss	161,361,787	-	-
At amortized cost	-	173,150,127	-
	453,085,374	423,150,127	35,000,000

39.6.1 Transfers during the year

During the year ended December 31, 2023:

- There were no transfers between Level 1 and Level 2 fair value measurements
- There were no transfers into or out of Level 3 fair value measurements

39.6.2 Valuation techniques

Fair value of investments classified in level 1 is assessed using level 2 inputs usually closing market price as per rates prescribed by Financial Market Association of Pakistan by using PKRV rates at reporting date per certificates multiplied by the number of certificates held.

Fair value of Investments at fair value through profit or loss is determined using level 1 inputs i.e., quoted market prices of listed securities / NAVs of open end mutual funds.

40 STATEMENT OF SOLVENCY

This statement represents the consolidated solvency position of the Company including Conventional business, Participants' Takaful Fund and Operator's Fund. The solvency position of Participants' Takaful Fund is disclosed in the separate financial statements of WTO.

	2023	2022
	------------- (Rupees) -------------	
Assets		
Property and equipment	289,562,608	410,064,737
Intangible assets	11,268,873	11,981,429
Investments		
Equity securities and mutual fund units	419,453,744	488,085,374
Government Securities	241,114,000	173,150,127
Debt securities	250,000,000	250,000,000
Term deposits	1,345,908,470	828,800,000
Loans and other receivables	537,600,391	344,532,094
Insurance / reinsurance receivables	733,493,220	633,075,865
Reinsurance recoveries against outstanding claims	493,073,733	383,650,576
Salvage recoveries accrued	251,259,812	213,188,340
Deferred commission expense	122,901,670	105,175,728
Deferred wakala fee	423,639,673	411,109,909
Deferred taxation	4,715,073	-
Taxation - provision less payment	-	12,959,029
Prepayments	474,154,800	413,754,862
Cash and bank balances	1,996,505,095	1,567,497,688
Assets under takaful / Operations - Operator's Fund	140,775,328	136,626,186
Total Assets (A)	7,735,426,490	6,383,651,944
In-admissible assets		
Property and equipment	193,666,440	226,742,687
Intangible assets	11,268,869	11,981,429
Investments		
Equity securities	222,166,264	279,351,072
Debt securities	-	-
Loans and other receivables	308,241,972	284,257,523
Insurance/ reinsurance receivable	204,745,870	151,175,198
Deferred taxation	4,715,073	-
Taxation - payment less provisions	-	12,959,029
Prepayments	17,360,000	18,570,917
Cash and bank balances	26,615,740	22,443,890
Total of In-admissible Assets (B)	988,780,228	1,007,481,745
Total of Admissible Assets (C=A-B)	6,746,646,262	5,376,170,200

	2023	2022
	------------- (Rupees) -------------	
Total Liabilities		
Underwriting Provisions		
Outstanding claims including IBNR	952,473,571	827,148,524
Unearned premium reserves	2,023,776,566	1,888,870,811
Unearned reinsurance commission	90,601,307	79,618,696
Premium deficiency reserve	8,995,206	-
Premium received in advance	5,323,210	22,775,389
Insurance / reinsurance payables	430,390,917	380,390,166
Other creditors and accruals	839,963,115	347,570,720
Lease liability against right-of-use asset	130,218,766	235,290,468
Deferred Taxation	-	10,377,508
Taxation less provision for payment	188,745,426	-
Total liabilities of Takaful Operations - OF	456,312,190	446,214,865
Total Liabilities (D)	5,126,800,274	4,238,257,147
Total Net Admissible Assets (E= C-D)	1,619,845,988	1,137,913,052
Minimum Solvency Requirement	(616,933,850)	(593,405,837)
Excess Solvency	1,002,912,138	544,507,216

40.1 As described in note 2.1.2 to the financial statements, the comparative figures have been restated to correspond to the current year's presentation.

41 CORRESPONDING FIGURES

Certain corresponding figures have been reclassified for better presentation, however, there are no material reclassifications to report during the year.

42 NUMBER OF EMPLOYEES

The total average number of employees during the year end as at December 31, 2023 and 2022 are as follows.

	2023	2022
At year end	349	318
Average during the year	329	325

43 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on 21 February 2024 by the Board of Directors of the Company.

44 GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.

CHIEF FINANCIAL OFFICER | CHAIRMAN | CHIEF EXECUTIVE OFFICER | DIRECTOR | DIRECTOR

SHARIAH ADVISOR'S REPORT 2023

بسم الله الرحمن الرحيم

الحمد للهرب العالمين والصلاة والسلام على رسوله الكريم:أما بعد

INTRODUCTORY WORDS:

First of all, I would like thanks Allah almighty to giving me an opportunity to provide my expertise in the light of Shariah for Takaful operations of TPL Insurance Limited - **Window Takaful Operations** as Shariah Advisor.

TPLI (WTO) has successfully completed another financial year ended 31st December2023 and entered in 10th year of Takaful operation with significant growth in Takaful operations which is clear by the company's financial report for 2023 and in other side with a big increase in Takaful fund(PTF) contributions with large number of participants.

In the capacity of company's Shariah Advisor I, think this is my primary responsibility to ensure that the all financial contracts, policies, operational process and transactions entered into by the company with its participants and stakeholders are in compliance with the requirements of Shariah guidelines and in line with Takaful rules 2012. On other side, It is the responsibility of the company's management as Takaful operator and in capacity of Wakeel of PTF to ensure that the advises and instructions given by the Shariah Advisor and the guidelines set by the regulator are fully complied with Shariah rules such as policies, products and services being offered by the company are also approved by the Shariah Advisor.

SCOPE & OBJECTIVES OF SHARIAH REVIEW

The scope of the Shariah Review is to evaluate and monitor the overall functions of TPLI- WTO in accordance with the Shariah Principles and advise the company in the light of guidelines laid by SECP.

The objective of the Shariah Review is to determine that appropriate procedures and control mechanism is effectively in place for all major functions such as Policy issuance, Claims Settlements, Re-Takaful Arrangements, Financial transactions of the TPLI - WTO.

SHARIAH ADVISOR'S VIEW

I think it is appropriate to share my view on some basic points:

1. **Operations;**

   As per Shariah compliance report 2023, the Takaful operations in motor Takaful and other than motor (Commercial line Takaful products) overall are in line with Takaful rules.

2. **Training;**

   Various in house mandatory training sessions on Takaful operations during the year23 arranged by the company, and conducted under supervision of Shariah Compliance for WTO's employees and staff Specially Sales, Underwriting, Claims and Finance departments of company.

3. **Shariah Compliance:**

   An effective Shariah compliance function is fundamental requirement in achieving the objectives of Takaful Operations to operate as per Shariah principles, The Company has a reliable Shariah compliance mechanism to monitor the functions of Takaful operations on regular basis, hence an experienced and expert Islamic scholar acts as Shariah Compliance Officer. Shariah Compliance Officer ensures and supervise on regular basis that the functions of TPLI-WTO including policy issuance, re-Takaful arrangements, claim settlements and financial arrangements are undertaken as per the applicable regulatory guidelines and instructions issued by the Shariah Advisor.

4. Segregation

Segregation of all aspects of Window Takaful Operations is the essential part of valid Takaful contracts, Alhamdulillah, TPLI (WTO) has taken significant steps in this regard and all the Takaful Funds, Investments, Bank accounts, financial systems and other related issues are kept separate from its conventional insurance business, as per requirement of Shariah and Takaful Rules 2012.

5. Investments

The investments have been made from the Participant Takaful Fund (PTF) and Operator's Fund, into Shariah Compliant avenues only, including Islamic Banks and Shariah

Compliant Equities, Further all bank accounts related to Window Takaful Operations have been opened in Islamic Banking Institutions (IBIs) or Islamic Branches/Windows of conventional banks with approval of Shariah advisor.

CONCLUSION:

In my opinion and as my best knowledge, the overall structure and operations of TPLI - WTO are in accordance with Shariah Principles and Takaful Rules issued by SECP.

As Shariah Advisor, I feel that it is my responsibility to mention here that we could make Takaful operation much better and there is room for further improvement by enhancing customized Takaful products, and by introducing a comprehensive Takaful awareness program.

The primary responsibility for ensuring Shariah compliance lies with the management of TPLI-WTO. The services provided were reviewed and operations undertaken by TPLI - WTO during the year ended 31 December 2023in my opinion, were found overall in conformity with the principles and guidelines of SECP.

At this stage, it may be helpful that we should refresh our motive and intention for spreading Takaful by its right way. So hopefully the management will continue its efforts to promote Takaful as well and solve other related issues on its priority.

Finally, I pray that almighty Allah Ta'ala guide us to the righteous path in this regard to exercise and promote Takaful with its true spirit.

Allah Ta'ala knows better.

Karachi: 29 February 2024

Mufti Muhammad Talha Iqbal
Shariah Advisor

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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 **TPL Insurance 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 December 31, 2023 (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 Report, 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.

BDO'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 July 14, 2023. 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 complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1 "Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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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 are 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; and
  - 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.

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 Shariah matters was provided by the internal Shariah experts.

Opinion

In our opinion, the Statement of Compliance of the Takaful Operations of the Operator as of December 31, 2023 is presented, in all material respects, in accordance with Takaful Rules, 2012.

KARACHI
DATED: March 11, 2024

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

STATEMENT OF COMPLIANCE WITH THE TAKAFUL RULES, 2012 AND SHARIA RULES AND PRINCIPLES

The financial arrangements, contracts and transactions, entered into by TPL Insurance Limited - Window Takaful Operations (the Operator) for the year ended 31 December 2023 are in compliance with the Takaful Rules, 2012 and the Sharia Rules and Principles determined by the Shariah Advisor of the Operator, (Sharia 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 Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the Board of Directors have been implemented;

- The Operator has imparted trainings / orientations and ensured availability of all manuals / agreements approved by Shariah Advisor / Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff, management;

- All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts and transactions, entered into by Window Takaful Operations are in accordance with the polices approved by Shariah Advisor;

- The assets and liabilities of Operator are segregated from the TPL Insurance Limited's other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.

This has been duly confirmed by the Shariah Advisor of the Operator.

Muhammad Aminuddin
Chief Executive Officer

Date: 21st February, 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of TPL Insurance Limited – Window Takaful Operations

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **TPL INSURANCE LIMITED – WINDOW TAKFUL OPERATIONS**, (the Company), which comprise the statement of financial position as at December 31, 2023, the statement of comprehensive income, the cash flows statement, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, profit and loss account, statement of comprehensive income, the cash flows statement and the statement of changes in equity 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 the Company's affairs as at December 31, 2023 and of the profit and total comprehensive loss, its cash flows and the changes in equity 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1.	**Compliance with laws and regulations**	
	The Company is in highly regulated industry and is governed by stringent laws and regulations which mainly include Insurance Ordinance, 2000, General Takaful Accounting Regulations, 2019, Takaful Rules, 2012 and Companies Act,	Our audit procedures in respect of this area included the following: • Obtained an understanding of the relevant legal and regulatory framework within which the Company operates and assessed the

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S.No.	Key Audit Matter	How the matter was addressed in our audit
	2017, and various circulars issued by the SECP from time to time to regulate the business of the Company. The Company is required to comply with these rules and regulations. We have considered compliance with laws and regulation as a key audit matter since failure to comply with any of these applicable laws and regulations could have a material financial impact on the business of the Company.	design and operation of its key controls over this framework; ● Discussed the applicable policies and procedures with senior management and reviewed minutes of the Board of Directors meetings, and internal audit reports for any recorded instances of potential non-compliance, and maintained a high level of vigilance when carrying out our other audit procedures for indications of non-compliance; and ● Reviewed the Company's documentation and correspondence with the regulators.
2.	**Revenue Recognition - Contribution Earned**	
	Refer the financial statements relating to revenue recognition policy and net insurance contribution respectively. The Company earns revenue primarily from contribution income, which amounts to Rs. 1,055 million (2022: 932 million) representing 13.19% increase. This income stream comprises of five segments: (i) Fire and property damage, (ii) Marine, aviation and transport, (iii) Motor, (iv) Health and (v) Miscellaneous. We have identified revenue recognition from contribution income as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be recognized in the appropriate period.	Our audit procedures in respect of this matter included the following: ● Obtained an understanding of, evaluated the design and tested the controls over the process of policy-writing, processing and recording of contribution; ● Assessed the appropriateness of the Company's accounting policy for recording of contribution and in line with the requirements of applicable law, accounting and reporting standards; ● Traced the contribution recorded on sample basis from the underlying policies issued to insurance contract holders and applying substantive analytical procedures to corroborate with economic environment and usual policy-writing patterns; ● Tested the policies on sample basis where policies were written close to year end and subsequent to year end, and evaluated that these were recorded in the appropriate accounting period; and ● Recalculated the unearned portion of contribution income and ensured that appropriate amount has been recorded as provision for unearned contribution in liabilities.

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S.No.	Key Audit Matter	How the matter was addressed in our audit
3.	**Valuation of outstanding claims including claims incurred but not reported (IBNR)**	
	As disclosed in notes to these financial statements, outstanding claims including IBNR amounting to Rs. 358 million as at December 31, 2023. The outstanding claims including IBNR represented 22.9% of the Company's total liabilities. We focused on this area because the valuation of outstanding claims including IBNR are significant in magnitude and requires use of judgement and estimates. Outstanding claims including IBNR are estimates for settlement of claims in future which are impacted by a number of factors which includes the trends in severity of historical claims, frequency of historical claims and changes in government regulations. Determination of IBNR involves complex and subjective judgements about future events, both internal and external to the business, for which small changes in assumptions can materially impact the valuation of these liabilities.	Our audit procedures in respect of this area includes the following: We assessed and tested the operating effectiveness of selected key controls relating to the claims handling and reserving process, including controls over completeness and accuracy of the claims estimates recorded; Substantive tests were performed on the amounts recorded for a sample of claims notified, focusing on those with significant impact on the financial statements, to assess whether the claims are appropriately estimated and recorded; We used an external actuarial specialist to assist us in evaluation of general principles, actuarial assumptions and methods adopted for actuarial valuations by the actuary of the Company for identification of IBNR; Assessed of competence, capability and objectivity of management's expert; Assessed the data provided by the Company to its actuary for completeness and accuracy and assured that the same has been provided to us; and Considered the adequacy of the Company's disclosures about the estimates used.

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 the Insurance Ordinance, 2000 and the 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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.

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and 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 Zulfikar Ali Causer.

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

KARACHI
DATED: February 29, 2024
UDIN: AR202310067OiA1hM6eE

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	Operator's Fund 2023	Operator's Fund 2022	Participants' Takaful Fund 2023	Participants' Takaful Fund 2022
		---- (Rupees) ----		---- (Rupees) ----	
ASSETS					
Equipment	6	-	-	24,986,767	29,770,914
Investments					
Mutual funds	7	-	-	48,084,336	30,201,537
Term deposits	8	-	-	580,000,000	315,000,000
		-	-	628,084,336	345,201,537
Takaful / retakaful receivables	10	-	-	269,590,572	281,255,809
Retakaful recoveries against outstanding claims		-	-	92,520,854	62,058,884
Salvage recoveries accrued		-	-	134,701,528	113,839,699
Deferred wakala fee		-	-	423,639,672	411,109,909
Receivable from Participants' Takaful Fund	11	37,432,096	825,223	-	-
Accrued investment income		-	-	16,675,712	1,990,521
Deferred commission expense		137,737,519	133,715,193	-	-
Deferred taxation - net	12	-	-	3,402,079	3,229,741
Taxation		997,730	984,595	-	-
Prepayments	13	-	-	73,127,099	64,708,247
Bank balances	14	3,037,811	1,926,400	32,887,405	122,667,240
Total assets		179,205,156	137,451,411	1,699,616,024	1,435,832,501
EQUITY AND LIABILITIES					
RESERVES ATTRIBUTABLE TO:					
- OPERATOR'S FUND (OF)					
Statutory fund		50,000,000	50,000,000	-	-
Accumulated losses		(762,960,130)	(551,589,286)	-	-
		(712,960,130)	(501,589,286)	-	-
- WAQF / PARTICIPANTS' TAKAFUL FUND (PTF)					
Seed money		-	-	2,000,000	2,000,000
Accumulated deficit		-	-	(44,583,939)	(56,668,038)
Balance of WAQF / PTF		-	-	(42,583,939)	(54,668,038)
Qard-e-Hasna	9	(173,900,000)	(173,900,000)	173,900,000	173,900,000
LIABILITIES					
PTF underwriting provisions					
Outstanding claims (including IBNR)		-	-	357,999,976	278,571,201
Unearned contribution reserve		-	-	982,223,145	935,336,354
Unearned retakaful commission		-	-	16,726,058	12,273,995
Contribution deficiency reserve		-	-	5,360,906	-
Unearned wakala fee		423,639,672	411,109,909	-	-
Contribution received in advance		-	-	736,649	12,893,138
Takaful / retakaful payables	15	-	-	74,751,527	16,511,889
Other creditors and accruals	16	32,672,517	35,104,956	58,846,994	39,600,160
Payable to TPL Insurance Limited	17	609,753,097	366,725,832	2,983,070	1,437,683
Payable to Operator's Fund	11	-	-	37,432,096	825,223
Taxation - provision less payments		-	-	31,239,542	19,150,896
Total liabilities		1,066,065,286	812,940,697	1,568,299,963	1,316,600,539
Total fund and liabilities		179,205,156	137,451,411	1,699,616,024	1,435,832,501

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER	CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
		------------- (Rupees) -------------	
Participants' Takaful Fund			
Contribution earned net of wakala fee		1,055,288,557	932,307,341
Less: Contribution ceded to retakaful		(152,000,518)	(104,549,371)
Net takaful contribution	18	903,288,039	827,757,970
Net claims - reported / settled		(841,723,163)	(755,375,582)
- IBNR		(30,959,058)	(13,980,078)
	19	(872,682,221)	(769,355,660)
Reversal of contribution deficiency reserve		(5,360,906)	-
Other direct expenses	23	(69,965,035)	(66,731,068)
Deficit before investment income		(44,720,123)	(8,328,758)
Investment and Other income	26	98,806,513	48,013,649
Less: Modarib's share of investment income	27	(29,641,954)	(14,404,095)
Financial costs		(444,029)	(4,797,303)
Surplus / (deficit) before taxation		24,000,407	20,483,493
Taxation	28	(11,916,308)	(7,670,028)
Surplus / (deficit) transferred to accumulated fund		12,084,099	12,813,465
Other comprehensive income:			
Total comprehensive income / (loss) for the year		12,084,099	12,813,465
Operator's Fund			
Wakala fee	22	815,756,488	723,839,760
Net commission expense	21	(225,396,227)	(205,934,607)
Management expenses	24	(696,829,997)	(480,822,803)
		(106,469,736)	37,082,350
Investment income		3,885,954	986,073
Modarib's share of PTF investment income		29,641,954	14,404,095
		(72,941,828)	52,472,518
Other expenses	25	(138,429,016)	(115,858,260)
Loss before taxation		(211,370,844)	(63,385,742)
Taxation		-	-
Loss after tax for the year		(211,370,844)	(63,385,742)
Other comprehensive income		-	-
Total comprehensive loss for the year		(211,370,844)	(63,385,742)

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER	CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

STATEMENT OF CHANGES IN FUND
AS AT DECEMBER 31, 2023

	Attributable to Operator's Fund		
	Statutory fund	**Accumulated loss**	**Total**
	---------------------- (Rupees) ----------------------		
Balance as at January 01, 2022	50,000,000	(488,203,544)	(438,203,544)
Net loss for the year	-	(63,385,742)	(63,385,742)
Balance as at December 31, 2022	50,000,000	(551,589,286)	(501,589,286)
Balance as at January 01, 2023	50,000,000	(551,589,286)	(501,589,286)
Net loss for the year	-	(211,370,844)	(211,370,844)
Balance as at December 31, 2023	50,000,000	(762,960,130)	(712,960,130)

	Attributable to Participants' Takaful Fund		
	Ceded Money	**Accumulated deficit**	**Total**
	---------------------- (Rupees) ----------------------		
Balance as at January 01, 2022	2,000,000	(69,481,503)	(67,481,503)
Deficit for the year	-	12,813,465	12,813,465
Balance as at December 31, 2022	2,000,000	(56,668,038)	(54,668,038)
Balance as at January 01, 2023	2,000,000	(56,668,038)	(54,668,038)
Surplus for the year	-	12,084,099	12,140,078
Balance as at December 31, 2023	2,000,000	(44,583,939)	(42,527,960)

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER | CHAIRMAN | CHIEF EXECUTIVE OFFICER | DIRECTOR | DIRECTOR

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2023

	Operator's Fund		Participants' Takaful Fund	
	2023	2022	2023	2022
	(Rupees)		(Rupees)	
Operating activities				
(a) Takaful activities				
Contribution received	-	-	1,928,291,926	1,780,645,924
Retakaful contribution paid	-	-	(114,176,893)	(139,862,742)
Claims paid	-	-	(1,088,367,888)	(994,227,023)
Retakaful and other recoveries received	-	-	243,790,643	260,686,155
Commission paid	(265,146,238)	(273,539,894)	-	-
Commission received	27,556,246	10,998,249	-	-
Wakala fee paid by PTF	819,300,000	794,600,000	(819,300,000)	(794,600,000)
Mudarib fee paid by PTF	2,500,000	14,700,000	(2,500,000)	(14,700,000)
Net cash inflow / (outflow) from takaful activities	584,210,008	546,758,355	147,737,788	97,942,314
(b) Other operating activities				
Income tax paid	2,068,800	797,303	-	-
Direct expenses paid	-	-	(8,676,269)	(22,141,312)
Management and other expenses paid	(835,259,013)	(603,580,191)	-	-
Other operating receipts / (payments)	246,205,662	52,163,436	20,196,205	(26,507,463)
Net cash outflow from other operating activities	(586,984,551)	(550,619,452)	11,519,936	(48,648,775)
Total cash generated from / (used in) all operating activities	(2,774,543)	(3,861,097)	159,257,724	49,293,539
Investment activities				
Profit / return received	3,885,954	986,074	64,861,291	46,360,906
Payment for investment in mutual funds units / TDRs	-	-	-	-
Qard e Hasna (returned) / received by PTF	-	-	-	-
Proceeds from sale / redemption of mutual funds units / TDRs	-	-	-	-
Total cash (used in) / generated from investing activities	3,885,954	986,070	64,861,287	46,360,902
Financing activities				
Lease obligation paid	-	-	(45,051,616)	(43,110,013)
Payment of financial charges under lease obligation	-	-	(1,347,226)	(3,288,829)
Total cash used in financing activities	-	-	(46,398,842)	(46,398,842)
Net cash generated / (used) from all activities	1,111,411	(2,875,027)	177,720,169	49,255,599
Cash and cash equivalents at beginning of the year	1,926,396	4,801,423	435,167,236	385,911,637
Cash and cash equivalents at end of the year	3,037,807	1,926,396	612,887,405	435,167,236
Reconciliation to profit and loss account				
Operating cash flows	(2,774,543)	(3,861,097)	159,257,724	49,293,539
Depreciation	-	-	(38,386,900)	(45,434,797)
Amortization	-	-	-	-
Bad debt expense	-	-	(13,000,000)	-
Reversal of contribution deficiency reserve	-	-	(5,360,906)	-
Income tax paid	-	-	-	-
Provision for taxation	-	-	(11,916,308)	(7,670,028)
Investment income	3,885,954	986,073	98,806,513	48,013,649
Increase / (decrease) in assets other than cash and cash equivalants	40,642,336	36,920,518	60,779,516	107,325,124
Increase in liabilities	(253,124,590)	(97,431,236)	(238,039,561)	(138,714,027)
(Deficit) / surplus after taxation	(211,370,843)	(63,385,742)	12,140,078	12,813,460

Definition of cash

Cash comprises of cash in hand, policy stamps, bank balances and term deposits which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER	CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

1 STATUS AND NATURE OF BUSINESS

1.1 TPL Insurance Limited (the Company or the Operator) was incorporated in Pakistan in 1992 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) to carry on general insurance business. The Operator was allowed to work as Window Takaful Operator (the Operator) on 04 September 2014 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The Operator is listed at Pakistan Stock Exchange Limited. The principal office of the Operator is located at 20th Floor, Sky Tower – East Wing Dolmen City, HC-3, Abdul Sattar Edhi Avenue, Block No. 4 Clifton Karachi, Pakistan.

1.2 For the purpose of carrying on the takaful business, the Operator formed a Waqf / Participant Takaful Fund (PTF) on 20 August 2014 under the Waqf deed. The Waqf deed governs the relationship of Operator and Participants for management of takaful operations.

2 BASIS OF PREPARATION

These financial statements have been prepared in line with the format issued by the SECP through General Takaful Accounting Regulations, 2019 and SECP circular no. 25 of 2015 dated 9 July 2015.

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 and PTF remain separately identifiable.

2.1 Statement of compliance

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

- International Financial Re porting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017, SECP Takaful Rules 2012 and General Takaful Accounting Regulations 2019.

Where the provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017, SECP Takaful Rules 2012 and General Takaful Accounting Regulations 2019 differ with that issued under IFRS, the provisions and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017, SECP Takaful Rules 2012 and General Takaful Accounting Regulations 2019 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except investments which are carried at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is also the Company's functional currency. All financial information presented in Pak Rupees has been rounded to nearest Rupees, unless otherwise stated.

3 New standards, interpretations and amendments to published approved accounting standards

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2023

The following standtards, amendments and interpretations are effective for the year ended December 31, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

Standard or Interpretation	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements-Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023

New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standard or Interpretation	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendmends to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendmends to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

IFRS 1 standard has been issued by IASB effective from 01, July 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 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.

A separate Participant's Takaful Fund (PTF) is created in which all contribution received under general takaful contribution net off any government levies and administrative surcharge are credited. The role of takaful operator is of the management of the PTF. At the initial stage of the setup of the PTF, the takaful operator makes an initial donation to the PTF. The terms of the takaful contracts are in accordance with the generally accepted principles and norms of insurance business suitably modified with guidance by the Shariah Advisor of the Takaful operator.

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.

The Operator underwrites non-life takaful contracts that can be categorised into Fire and Property Damage, Marine, Aviation and Transport, Motor, Health and Miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Takaful contracts entered into by the Operator under which the contract holder is another Takaful Operator (inwards retakaful) of a facultative nature are included within the individual category of takaful contracts, other than those which fall under Treaty. The takaful risk involved in these contracts is similar to the contracts undertaken by the Operator as takaful operator.

Fire and Property takaful contracts mainly compensate the customers for damage suffered to their property. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the covered properties in their business activities (business interruption cover).

Marine, Aviation and Transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships and liabilities to third parties and passengers arising from their use.

Motor takaful covers physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance 1965.

All other takaful contracts like cash in hand, cash in transit, personal accident, infidelity, public liabilities, health, crop, livestock, travel, bankers and other financial institutions packages, product liabilities, professional indemnity, workers compensation etc. are included under miscellaneous takaful cover.

4.2 Contribution

Contribution income net off administrative surcharge under a policy is recognised over the period of takaful from the date of inception of the policy to which it relates to its expiry as follows:

Administrative surcharge is recognised as income at the time policies are written in Operator's fund.

Contribution income net off administrative surcharge under a policy is recognised after taking into account the unearned portion of premium by applying 1/24th method as prescribed by the SECP (Insurance) Rules, 2002. The unearned portion of contribution is recognised as liability.

Contribution due but unpaid under takaful contracts are recognised when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Operator reduces the carrying amount of the receivable accordingly and recognizes it as impairment loss.

4.3 Re-takaful contracts

Re-takaful expense is recognised evenly in the period of indemnity. The portion of retakaful contribution not recognised as an expense is shown as a prepayment which is calculated in the same manner as of unearned contribution.

Rebate from retakaful operators is recognised at the time of issuance of the underlying takaful policy by the Operator. This income is deferred and brought to account as revenue in accordance with the pattern of recognition of the retakaful contribution to which it relates. Receivable against claims from the retakaful operators are recognised as an asset at the same time as the claims which gives rise to the right of recovery are recognised as a liability and are measured at the amount expected to be recovered after considering an impairment in relation thereto.

Amount due from other takaful / re-takaful operators are carried at cost less provision for impairment, if any. Cost represents the fair value of consideration to be received in the future.

Amount due to takaful / re-takaful operators represent the balance due to re-takaful operators.

Re-takaful assets or liabilities are derecognised when the contractual rights are extinguished or expired.

4.4 Claims expense

Takaful claims include all claims incurred 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, and any adjustments to claims outstanding from previous years.

The PTF recognises liability in respect of all claims incurred upto the balance sheet 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 a takaful contract.

The provision for claims incurred but not reported (IBNR) is made at the balance sheet date. In accordance with SECP circular no. 9 of 2016, the Operator takes actuarial advice for the determination of IBNR claims. Provision for IBNR claims is estimated using Chain Ladder (CL) methodology. The CL Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

4.5 Retakaful recoveries against outstanding claims

Claims recoveries against outstanding claims from the retakaful operators and salvage are recognised as an asset at the same time, claims which give rise to the right of recovery are recognised as a liability and are measured at the amount expected to be received.

4.6 Commission

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

Commission income from retakaful is recognised at the time of issuance of the underlying takaful policy. These are deferred and recognised as liability and recognised in the profit and loss account as revenue in accordance with the pattern of recognition of the retakaful contributions.

4.7 Contribution deficiency reserve

The PTF is required as per SEC (Insurance) Rules, 2002 and IFRS-4, to maintain a provision in respect of contribution deficiency for the class of business where the unearned contribution reserve is not adequate to meet the expected future liability, after retakaful, from claims and other expenses, including retakaful expense, commissions and other underwriting 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 contribution deficiency reserve is recorded as an income/expense in the profit and loss account and the same shall be recognised as a liability.

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. Further actuarial valuation has been carried out to determine the amount of contribution deficiency reserve in respect of Health insurance as required by SRO 16 (I) / 2012 issued by Securities and Exchange Commission of Pakistan on 9 January 2012.

4.8 Wakala and Mudarib fees

The Takaful operator manages the general takaful operations for the Participants. During the year, wakala fee has been charged at 45% of the gross contribution on all classes of business except health business i-e 10% . Wakala fee under a policy is recognised, evenly over the period of takaful from the date of issuance of the policy.

The Takaful operator also manages the participants' investment as Mudarib and charges 30% of the investment / deposit income earned by the Participants' Takaful Fund as Mudarib's share .

Administrative surcharge is included in Wakala Fee at the date of inception of policy to which it relates.

4.9 Revenue recognition

4.9.1 Contribution

The revenue recognition policy for contributions is given under note 3.2.

4.9.2 Commission from retakaful operators

The revenue recognition policy for commission from retakaful is given under note 3.6.

4.9.3 Dividend income

Dividend income is recognized when the right to receive the dividend is established.

4.9.4 Gain / loss on sale / redemption of investments

Gain / loss on sale / redemption of investments is taken to profit and loss account in the year of sale / redemption.

4.9.5 Income on investment classified as 'At amortized cost'

Income classified as 'At amortised cost' is recognised on a time proportionate basis taking account the effective yield on the investment.

4.9.6 Profit on bank accounts and deposits

Profit on bank accounts and deposits is recognised on accrual basis.

4.10 Management expenses

Underwriting expenses have been allocated to various classes of business on a basis deemed equitable by the management. Expenses not attributable to the underwriting business are charged as administrative expenses.

4.11 Takaful surplus

Takaful surplus attributable to the participants is calculated after charging all direct cost and setting aside various reserves. Allocation to participants, if applicable, is made after adjustment of claims paid to them during the year.

4.12 Qard-e-Hasna

Qard-e-hasna is provided by Operator's Fund to Participants Takaful Fund in case of deficit in PTF. Qard-e-Hasna is recognised at the amount provided to Participant Takaful Fund less impairment, if any.

4.13 Provisions

Provisions are recognised when the Operator / PTF has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current estimate.

4.14 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand, stamps in hand and deposits with banks (except for the deposit placed with statutory requirement) net off short term running finance, and short term maturity of three months or less from the date of reporting

4.15 Prepayments

Prepayments are recorded as an assets. They are to be amortized as and when due over the period.

Summary of new accounting policies in respect of adoption of IFRS 9

4.16 Financial instruments

In the current period, the Operator has adopted IFRS 9 "Financial Instruments". See above for an explanation of the impact. Comparative figures for the year ended December 31, 2019 have not been restated as allowed by IFRS 9. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 "Financial Instruments Recognition and Measurement".

Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Bank balances and loans and advances to counter parties are recognised when funds are transferred to the counterparties. The Company recognises due to counterparties when funds reach the Company.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss' in which transaction cost is charged to profit and loss.

Financial assets

The Company classifies its financial assets as subsequently measured 'at amortised cost' or measured 'at fair value through profit or loss' or 'at fair value through other comprehensive income' based on following:

- The entity's business model for managing of the financial asset;
- The contractual cash flow characteristics of the financial asset.

Financial assets classified 'at amortised cost'

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. The Company includes in this category short-term non-financing receivables, accrued income and other receivables.

Financial assets measured 'at fair value through profit or loss'

A financial asset is measured 'at fair value through profit or loss' if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and profit (SPPI) on the principal amount outstanding; or

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

(c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured 'at fair value through profit or loss'. The Company includes in this category short-term payables, including accrued and other liabilities.

Financial liabilities measured at fair value through profit and loss

Currently the Company does not have any financial liability measured at fair value.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

(a) Transferred substantially all of the risks and rewards of the asset; or

(b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

The Company holds receivables with no financing component and which have maturities of less than 12 months 'at amortised cost' and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company uses credit rating of counter parties / instruments to determine probability of defaults and related allowance for expected credit losses.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.17 Impairment

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

Provisions for impairment are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Changes in the provisions are recognised as income or expense.

4.18 Taxation

4.18.1 Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

4.18.2 Deferred

Deferred tax is accounted for using the balance sheet liability method, in respect of temporary differences arising at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset is utilized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the profit and loss account except in the case of items credited or charged to equity in which case it is included in equity.

4.19 Right of use asset

At the inception of the contract, the Operator assesses whether a contract is, or contains, a lease. The Operator applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Operator recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of lease term. or useful life of the asset

At the commencement date of the lease, the Operator recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The Operator determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Operator cannot readily determine the profit rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities.

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

Provisions for impairment are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Changes in the provisions are recognised as income or expense.

4.20 Staff retirement benefits

The Operator operates funded contributory provident fund (defined contribution plan) for all permanent employees. Equal contributions are made by the Operator and the employees at the rate 8.33% of basic salary, to the fund.

4.21 Financial instruments

Financial assets and financial liabilities within the scope of IAS - 39 are recognised at the time when the Operator becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual right to future cash flows from the asset expire or is transferred along with the risk and reward of the asset. Financial liabilities are de-recognised when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial asset and liabilities is recognised in the profit and loss account of the current year.

Financial instruments carried on the balance sheet include bank deposits, investments, contribution due but unpaid, contribution received in advance, amount due from other takaful / retakaful operator, accrued investment income, retakaful recoveries against outstanding claims, sundry receivables, advances and deposits, provision for outstanding claims, amount due to other takaful / retakaful operators, accrued expenses, other creditors and accruals, short term running finance and obligation under finance lease. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.22 Off setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if the Operator has a legally enforceable right to set-off and the Operator intends either to settle the assets and liabilities on a net basis or to realise the asset and settle the liability simultaneously.

4.23 Foreign currency translations

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses on translation are recognized in the profit and loss account. All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

4.24 Operating segments

An operating segment is a component of the Operator that engages in business activities from which it may earn revenues and incur expenses. The Operator presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2017 as the primary reporting format.

The Operator has five primary business segments for reporting purposes namely, Fire and Property, Marine, Health,Motor and Miscellaneous. The nature and business activities of these segments are disclosed in note no. 3.1.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

4.25 Contingencies

Contingencies are disclosed when the Operator has possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Operator, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of recourse embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

Contingencies are reviewed at each balance sheet date and adjusted to reflect the current estimate.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting 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 polices. 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 judgments were exercised in application of accounting policies are as follows:

- Retakaful recoveries against outstanding claims (note 3.5)
- Provision against contribution due but unpaid - (note 3.2)
- Provision for outstanding claims including IBNR (note 3.4)
- Contribution deficiency reserve (note 3.7)
- Provision for current and deferred tax (note 3.18)
- Classification of investments and impairment (note 3.16)
- Provision for impairment (note 3.17)
- Contingencies (note 3.24)

6. EQUIPMENT - PTF

	Note	2023	2022
		(Rupees)	
Right-of-use assets	6.1	24,986,767	29,770,914
		24,986,767	29,770,914

6.1 Right of use assets - PTF

2023

	Cost				Accumulated Depreciation				Written Down Value	Depreciation Rate %
	As at January 1, 2023	Additions	Disposals 6.2	As at December 31, 2023	As at January 1, 2023	Charge for the Year	Disposals 6.2	As at December 31, 2023	As at December 31, 2023	
	(Rupees)									
Tracking devices	103,700,650	33,602,753	(73,221,526)	64,081,877	73,929,736	38,386,900	(73,221,526)	39,095,110	24,986,767	50
	103,700,650	33,602,753	(73,221,526)	64,081,877	73,929,736	38,386,900	(73,221,526)	39,095,110	24,986,767	

2022

	Cost				Accumulated Depreciation				Written Down Value	Depreciation Rate %
	As at January 1, 2022	Additions	Disposals 6.2	As at December 31, 2022	As at January 1, 2022	Charge for the Year	Disposals 6.2	As at December 31, 2022	As at December 31, 2022	
	(Rupees)									
Tracking devices	54,921,392	26,479,415	22,299,843	103,700,650	6,195,096	45,434,797	22,299,843	73,929,736	29,770,914	50
	54,921,392	26,479,415	22,299,843	103,700,650	6,195,096	45,434,797	22,299,843	73,929,736	29,770,914	

6.2 These represent right of use assets matured at the expiry of lease term.

7. MUTUAL FUNDS

	2023			2022		
	Cost	Unrealized Gain	Carrying Value	Cost	Unrealized Gain	Carrying Value
	(Rupees)			(Rupees)		
Classified as 'At fair value through profit and loss'						
AKD Islamic Income Fund	30,201,537	17,882,799	48,084,336	37,044,907	(6,843,370)	30,201,537
	30,201,537	17,882,799	48,084,336	37,044,907	(6,843,370)	30,201,537

8. TERM DEPOSITS - PTF

	Note	2023	2022
- Classified as 'At amortized cost'		(Rupees)	
Deposits maturing within 12 months		580,000,000	312,500,000
Deposits maturing after 12 months		-	2,500,000
	8.1	580,000,000	315,000,000

8.1 These carry profit rate of 17.31% to 19.50% per annum (2022: 9.50% to 15.00% per annum) and have maturities upto 27 April 2024.

9. QARD-E-HASNA

	2023	2022
	------------ (Rupees) ------------	
Balance as at the beginning of the year	173,900,000	173,900,000
Qard e Hasna received by PTF during the year	-	-
Balance as at the end of the year	173,900,000	173,900,000

9.1 In accordance with the Takaful Rules, 2012, if at any point in time, assets in participant takaful fund are not sufficient to cover its liabilities, the deficit shall be funded by way of an interest free loan (Qard-e-Hasna) from Operator Fund. In the event of future surplus in the Participant Takaful Fund to which a Qard-e-Hasna has been made, the Qard-e-Hasna shall be repaid prior to distribution of surplus to participants.

	Note	2023	2022
		------------ (Rupees) ------------	
10. TAKAFUL / RETAKAFUL RECEIVABLES - PTF			
Due from takaful contract holders			
Considered good		208,881,606	233,633,197
Considered doubtful		32,626,766	19,626,766
Less: provision for impairment of receivables from takaful contract holders		(32,626,766)	(19,626,766)
		-	-
Due from other takaful operators			
Considered good		60,708,966	47,622,612
Considered doubtful		-	-
Less: provision for impairment of receivables from takaful contract holders		-	-
		-	-
		269,590,572	281,255,809
11. RECEIVABLE / PAYABLE BETWEEN OF & PTF			
Wakala fee		9,202,873	216,621
Mudarib fee		27,483,382	341,428
Taxes and duties receivable		745,841	267,174
		37,432,096	825,223
12. DEFERRED TAXATION - PTF			
Deferred debits arising in respect of			
Provision for doubtful debts		9,461,762	5,691,762
Deferred credits arising in respect of			
Unrealised gain on investments classified at fair value through profit or loss		(3,354,662)	1,831,350
Right of use assets		(2,705,021)	(4,293,371)
	12.1	3,402,079	3,229,741
12.1 Reconciliation of deferred tax			
Opening balance		3,229,741	132,675
Charge / (reversal) for the year		172,338	3,097,066
Closing balance		3,402,079	3,229,741
13. PREPAYMENTS - PTF			
Prepaid			
- annual monitoring and other charges		7,074,050	8,219,870
- retakaful contribution ceded		66,053,049	56,488,377
		73,127,099	64,708,247

14. BANK BALANCES

	Note	Operator's Fund 2023	Operator's Fund 2022	Participants' Takaful Fund 2023	Participants' Takaful Fund 2022
		(Rupees)		(Rupees)	
Profit and loss sharing (PLS) Accounts	14.1	3,037,811	1,926,400	32,887,405	122,667,240
		3,037,811	1,926,400	32,887,405	122,667,240

14.1 These accounts carry mark-up at raging between 11% to 15.50% (2022: 9% to 12%) per annum.

14.2 Cash and cash equivalents for the purpose of statement of cash flows

	Operator's Fund 2023	Operator's Fund 2022	Participants' Takaful Fund 2023	Participants' Takaful Fund 2022
	(Rupees)		(Rupees)	
Bank balances	3,037,811	1,926,400	-	122,667,240
Term deposit receipts	-	-	-	312,500,000
	3,037,811	1,926,400	-	435,167,240

15. TAKAFUL/ RETAKAFUL PAYABLE - PTF

	2023	2022
	(Rupees)	
Amount due to other takaful / retakaful operator	74,751,527	16,511,889

16. OTHER CREDITORS AND ACCRUALS

	Note	Operator's Fund 2023	Operator's Fund 2022	Participants' Takaful Fund 2023	Participants' Takaful Fund 2022
		(Rupees)		(Rupees)	
Creditors		1,609,331	1,609,331	-	-
Federal Insurance Fee		-	-	1,734,086	1,370,934
Federal Excise Duty (FED) - net		11,252,038	7,594,974	8,800,913	4,126,262
Commission payable		13,904,232	22,075,672	-	-
Lease obligation against right-of-use assets		-	-	15,659,109	14,966,185
Withholding tax payable		4,052,464	1,970,527	9,043,433	4,727,397
Deposits from customers		-	-	11,399,047	2,098,112
Others	15.1 & 15.2	1,854,452	1,854,452	12,210,406	12,311,270
		32,672,517	35,104,956	58,846,994	39,600,160

16.1 This includes Rs. 1.34 million (2022: Rs. 1.34 million) and Rs. 11.54 million (2022: Rs. 11.54 million) in respect of time barred cheques under OF and PTF respectively.

16.2 This includes outstanding claims in respect of which cheques aggregating to Rs. 73.93 million (2022: 52.25 million) have been issued by the Operator for claim settlement but the same have not been encashed by the claimant.

16.3 The following is the ageing as required by SECP circular 11 of 2014 dated 19 May 2014:

	2023	2022
	(Rupees)	
- More than 6 months	12,885,137	12,885,137
- 1 to 6 months (included in provision for outstanding claims)	73,936,168	52,251,590
	86,821,305	65,146,727

Claims not encashed	AGE-WISE BREAKUP				
	1 to 6 months	7 to 12 months	13 to 24 months	Beyond 24 months	TOTAL
2023	73,936,168	2,649,912	3,841,206	6,394,019	86,821,305
2022	52,251,590	2,330,814	4,682,635	5,871,688	65,136,727

17. PAYABLE TO TPL INSURANCE LIMITED

This represents payable in respect of funds provided by TPL Insurance limited to meet expenses and to provide Qard-e-Hasna to Participants' Takaful Fund.

18. NET TAKAFUL CONTRIBUTION - PTF

	2023	2022
	(Rupees)	
Written Gross contribution	1,917,931,836	1,815,105,529
Less: Wakala Fee	(828,286,252)	(794,062,116)
Contribution Net of Wakala Fee	1,089,645,584	1,021,043,413
Add: Unearned contribution reserve opening net of deferred wakala fee	524,226,445	435,490,373
Less: Unearned contribution reserve closing net of deferred wakala fee	(558,583,472)	(524,226,445)
Contribution Earned	1,055,288,557	932,307,341
Retakaful contribution ceded	161,565,190	127,186,080
Add: Prepaid retakaful contribution opening	56,488,377	33,851,668
Less: Prepaid retakaful contribution closing	(66,053,049)	(56,488,377)
Retakaful expense	152,000,518	104,549,371
Net takaful contribution	903,288,039	827,757,970

19. NET TAKAFUL CLAIMS EXPENSE - PTF

	2023	2022
Claims paid or payable	1,088,367,888	994,227,023
Add: Outstanding claims including IBNR closing	357,999,976	278,571,201
Less: Outstanding claims including IBNR opening	(278,571,201)	(254,447,322)
Claims expense	1,167,796,663	1,018,350,902
Less: Retakaful and other recoveries received	243,790,643	260,686,155
Add: Retakaful and other recoveries in respect of outstanding claims net of impairment - closing	227,222,385	175,898,586
Less: Retakaful and other recoveries in respect of outstanding claims net of impairment - opening	(175,898,586)	(187,589,499)
Retakaful and other recoveries revenue	295,114,442	248,995,242
Net takaful claims expense	872,682,221	769,355,660

20. CLAIM DEVELOPMENT TABLE

The following table shows the development of claims over a period of time on gross basis. For each class of business the uncertainty about the amount and timings of claims payment is usually resolved within a year.

Accident year	2016	2017	2018	2019	2020	2021	2022	2023	Total
	(Rupees)								
Estimate of ultimate claims cost:									
At end of accident year	381,323,105	480,355,303	613,435,787	615,034,813	699,971,869	998,504,003	926,736,143	1,203,954,974	
One year later	389,247,844	487,410,451	618,233,766	650,180,499	686,466,349	948,486,417	1,050,799,244	-	
Two years later	388,529,318	488,089,816	622,872,513	651,899,027	687,507,733	1,001,042,440	-	-	
Three years later	388,573,048	488,148,611	618,034,536	655,187,703	688,385,992	-	-	-	
Four years later	387,430,091	488,168,486	618,299,461	665,244,563	-	-	-	-	
Five years later	387,787,638	488,731,536	620,356,681	-	-	-	-	-	
Six years later	388,114,684	489,282,766	-	-	-	-	-	-	
Seven years later	388,401,862	-	-	-	-	-	-	-	
Estimate of cumulative claims	388,401,862	489,282,766	620,356,681	665,244,563	688,385,992	1,001,042,440	1,050,799,244	1,203,954,974	6,107,468,521
Cumulative payments to date	(388,128,604)	(488,740,816)	(618,293,181)	(645,244,563)	(686,932,941)	(992,176,811)	(1,058,948,512)	(871,003,117)	(5,749,468,545)
Liability for outstanding claims	273,258	541,950	2,063,500	20,000,000	1,453,050	8,865,629	(8,149,268)	332,951,857	357,999,976

21. NET COMMISSION EXPENSE - OF

	2023	2022
	(Rupees)	
Commissions paid or payable	256,974,799	263,859,355
Add: Deferred commission - opening	133,715,191	93,381,277
Less: Deferred commission - closing	(137,737,517)	(133,715,191)
Commission expense	252,952,473	223,525,441
Less: Commission from retakaful		
Commission received or receivable	32,008,309	24,580,499
Add: Unearned commission - opening	12,273,995	5,284,330
Less: Unearned commission - closing	(16,726,058)	(12,273,995)
Commission from retakaful	27,556,246	17,590,834
Net commission expense	225,396,227	205,934,607

22. WAKALA FEE

The Operator manages the general takaful operations of the participants and charges Wakala fee for its services. wakala fee is charged at 45% for all classes of business except for health for which 10% wakala fee is charged.

23. OTHER DIRECT EXPENSES - PTF

	Note	2023	2022
		(Rupees)	
Tracker monitoring fee		16,208,742	24,115,458
Depreciation - Tracking devices	6.1	38,386,900	45,434,797
Annual supervision fee SECP		2,369,393	1,978,116
Bad and doubtful debts		13,000,000	-
		69,965,035	71,258,371

24. MANAGEMENT EXPENSES - OF

	2023	2022
	(Rupees)	
Employee benefit costs	336,526,054	265,730,469
Travelling and conveyance	7,168,917	11,847,733
Business partner engagement expenses	74,910,916	36,980,713
Advertisement and marketing	120,358,127	40,888,594
Printing and stationary	4,391,668	3,433,562
Rent, rates and taxes	8,526,116	4,671,791
Outsourcing expenses	32,474,498	23,975,457
Communication	6,179,419	4,898,769
Utilities	9,518,137	6,023,898
Vehicle running expenses	15,588,913	14,443,223
Repair and maintenance	20,554,399	8,502,441
Depreciation - Operating assets	27,743,236	28,644,865
Depreciation - Right of use assets	20,382,071	18,565,304
Amortization expense	2,402,844	3,031,819
Insurance	9,998,472	9,184,165
Others	106,210	-
	696,829,997	480,822,803

25. OTHER EXPENSES - OF

	2023	2022
Employee benefit costs	46,929,237	51,272,795
Legal and professional charges	22,307,053	17,374,166
Auditors' remuneration	921,354	765,200
Registration, subscription and association	9,431,344	7,350,914
Donations	18,837,930	5,098,288
Communication	3,642,417	3,096,195
IT related cost	25,747,096	18,361,454
Utilities	1,482,918	1,297,455
Lease rentals	3,104,514	6,262,502
Others	6,025,153	4,979,292
	138,429,016	115,858,260

26. INVESTMENT & OTHER INCOME - PTF

	2023	2022
Return on savings account	25,136,131	10,561,217
Other Income	669,211	850,620
Return on Term Deposits	55,118,372	43,445,182
	80,923,714	54,857,019
Net realized gains on investments - Fair value through Profit or (Loss)		
Realized gains on disposal of mutual funds	-	-
Net unrealized gains on investments - Fair value through Profit or (Loss)		
Unrealized loss on mutual funds	17,882,799	(6,843,370)
	98,806,513	48,013,649

27. MODARIB'S SHARE OF INVESTMENT INCOME

The Operator manages the Participants' investments as a Modarib and charges 30% Modarib's share of investment income earned by PTF.

28. TAXATION PTF

	2023	2022
	(Rupees)	
For the year		
Current	12,088,646	10,767,094
Deferred	(172,339)	(3,097,066)
	11,916,308	7,670,028

28.1 Relationship between tax expense and accounting deficit is not produced as the tax charged is based on minimum tax turnover.

29. TRANSACTIONS WITH RELATED PARTIES - PTF

	2023	2022
	(Rupees)	
TPL Insurance Limited - Conventional		
Opening balance - payable	1,437,683	25,684,845
Rental and other services charges	48,416,785	64,769,769
Payments made by PTF - net	(46,871,398)	(89,016,931)
Closing balance - payable	2,983,070	1,437,683
Operator's Fund		
Opening balance - payable (including Qard-e-Hasna)	174,725,223	178,925,053
Wakala fee charged during the year	828,286,252	794,062,115
Modarib fee charged during the year	29,641,954	14,404,095
Taxes and other movement	144,528,110	195,797,106
Payments made during the year	(965,849,443)	(1,008,463,146)
Closing balance - payable	211,332,096	174,725,223
TPL Life Insurance Limited - common directorship		
Opening balance - payable	-	8,526,893
Retakaful claims recovered during the year	-	(8,526,893)
Closing balance - payable	-	-

30. SEGMENT INFORMATION

30.1 Participants' Takaful Fund

	For the year ended December 31, 2023					
	Fire & property damage	Marine	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Gross Written Contribution						
(inclusive of Administrative Surcharge)	102,877,737	17,103,240	1,605,693,725	175,673,871	16,583,263	1,917,931,836
Gross Direct Contribution	97,650,742	15,308,298	1,557,487,950	175,520,063	15,942,154	1,861,909,207
Facultative Inward Premium	4,545,618	1,341,345	1,683,034	-	-	7,569,997
Administrative Surcharge	681,376	453,598	46,522,740	153,808	641,109	48,452,631
Gross Wakala Fees during the year	(46,669,739)	(7,945,937)	(748,149,682)	(17,705,815)	(7,815,078)	(828,286,251)
Takaful contribution earned net of Wakala fee expense	57,428,055	8,806,686	848,133,484	137,089,535	3,830,797	1,055,288,557
Takaful contribution ceded to retakaful operators	(93,343,282)	(12,770,033)	(41,679,917)	-	(4,207,286)	(152,000,518)
Net takaful contribution	(35,915,227)	(3,963,347)	806,453,567	137,089,535	(376,489)	903,288,039
Retakaful rebate	-	-	-	-	-	-
Net underwriting income	(35,915,227)	(3,963,347)	806,453,567	137,089,535	(376,489)	903,288,039
Takaful claims	(33,885,114)	(6,155,781)	(986,396,373)	(140,416,448)	(942,947)	(1,167,796,663)
Retakaful claims and other recoveries	30,340,294	4,982,636	258,676,008	618,829	496,676	295,114,443
Net Claims	(3,544,820)	(1,173,145)	(727,720,365)	(139,797,619)	(446,271)	(872,682,220)
Reversal of Contribution deficiency reserve	-	-	-	(5,360,906)	-	(5,360,906)
Other direct expenses	-	-	(70,409,060)	-	-	(70,409,060)
Surplus / (deficit) before investment income	(39,460,047)	(5,136,492)	8,324,142	(8,068,990)	(822,760)	(45,164,147)
Investment income						98,806,513
Less: Modarib's share of investment income						(29,641,954)
Surplus transferred to balance of PTF						24,000,412
Corporate segment assets	150,350,815	11,177,984	760,555,416	76,341,274	20,141,006	1,018,566,495
Corporate unallocated assets						681,049,531
Total assets						1,699,616,026
Corporate segment liabilities	107,892,135	9,224,383	1,126,646,900	116,869,949	17,335,827	1,377,969,194
Corporate unallocated liabilities						185,374,580
Total liabilities						1,316,600,539

	For the year ended December 31, 2023					
	Fire & property damage	Marine	Motor	Health	Miscellaneous	Aggregate
30.2 Operator's Fund	---------- (Rupees) ----------					
Wakala fee	47,588,923	7,621,407	741,781,393	15,370,430	3,394,335	815,756,488
Net commission expense	5,929,862	654,662	(222,834,371)	(9,909,515)	763,135	(225,396,227)
Management expenses	(4,330,979)	(1,357,152)	(636,209,497)	(54,574,231)	(1,119,630)	(697,591,489)
	49,187,805	6,918,916	(117,262,474)	(49,113,316)	3,037,840	(107,231,228)
Modarib's share of PTF investment income						29,641,954
Investment income						3,885,954
Other expenses						(138,579,283)
Loss before taxation						(212,282,603)
Corporate segment assets	8,381,171	349,670	119,935,832	6,766,619	2,304,225	137,737,517
Corporate unallocated assets						41,467,641
Total assets						179,205,158
Corporate segment liabilities	24,000,430	952,572	384,338,993	9,172,348	5,175,330	423,639,673
Corporate unallocated liabilities						643,337,373
Total liabilities						1,066,977,046

30. SEGMENT INFORMATION (CONTINUED)

30.3 Participants' Takaful Fund

	For the year ended December 31, 2022					
	Fire & property damage	Marine	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Gross Written Contribution (inclusive of Administrative Surcharge)	94,613,811	11,618,010	1,559,290,498	143,415,938	6,167,272	1,815,105,529
Gross Direct Contribution	92,235,242	11,184,370	1,501,070,999	143,285,938	5,900,932	1,753,677,481
Facultative Inward Premium	1,922,694	90,094	9,570,339	-	-	11,583,127
Administrative Surcharge	455,875	343,546	48,649,160	130,000	266,340	49,844,921
Gross Wakala Fees during the year	(42,826,946)	(5,417,055)	(728,437,761)	(14,458,594)	(2,921,760)	(794,062,116)
Takaful contribution earned net of Wakala fee expense	38,008,814	6,183,140	760,393,518	121,345,219	6,376,650	932,307,341
Takaful contribution ceded to retakaful operators	(61,294,458)	(9,003,568)	(30,358,994)	708,394	(4,600,745)	(104,549,371)
Net takaful contribution	(23,285,644)	(2,820,428)	730,034,524	122,053,613	1,775,905	827,757,970
Retakaful rebate	-	-	-	-	-	-
Net underwriting income	(23,285,644)	(2,820,428)	730,034,524	122,053,613	1,775,905	827,757,970
Takaful claims	(5,905,233)	(994,791)	(889,566,553)	(115,360,994)	(6,523,331)	(1,018,350,902)
Retakaful claims and other recoveries	5,177,566	809,318	237,164,646	5,394,999	448,713	248,995,242
Net Claims	(727,667)	(185,473)	(652,401,907)	(109,965,995)	(6,074,618)	(769,355,660)
Reversal of contribution deficiency reserve	-	-	-	-	-	-
Other direct expenses	-	-	(71,528,371)	-	-	(71,528,371)
Surplus / (deficit) before investment income	(24,013,311)	(3,005,901)	6,104,246	12,087,618	(4,298,713)	(13,126,061)
Investment income						48,013,649
Less: Modarib's share of investment income						(14,404,095)
Surplus transferred to balance of PTF						20,483,493
Corporate segment assets	167,608,942	8,251,427	737,466,514	47,583,775	1,832,808	962,743,466
Corporate unallocated assets						473,089,036
Total assets						1,435,832,502
Corporate segment liabilities	88,987,404	3,772,821	1,056,327,261	87,201,100	4,859,149	1,241,147,735
Corporate unallocated liabilities						75,452,804
Total liabilities						1,316,600,539

	For the year ended December 31, 2022					
	Fire & property damage	Marine	Motor	Health	Miscellaneous	Aggregate
30.4 Operator's Fund	-- (Rupees)					--
Wakala fee	31,433,654	5,409,585	667,605,927	13,612,069	5,778,526	723,839,761
Net commission expense	2,575,911	405,756	(197,669,752)	(10,683,325)	(563,198)	(205,934,608)
Management expenses	(2,186,653)	(694,843)	(439,505,823)	(36,408,126)	(2,027,357)	(480,822,802)
	31,822,912	5,120,498	30,430,352	(33,479,382)	3,187,971	37,082,351
Modarib's share of PTF investment income						14,404,095
Investment income						986,073
Other expenses						(115,858,260)
Loss before taxation						(63,385,741)
Corporate segment assets	7,367,387	240,388	120,862,860	4,714,426	530,130	133,715,191
Corporate unallocated assets						3,736,220
Total assets						137,451,411
Corporate segment liabilities	24,919,614	628,042	377,970,703	6,836,963	754,587	411,109,909
Corporate unallocated liabilities						401,830,788
Total liabilities						812,940,697

31. MOVEMENT IN INVESTMENTS

	At Amortized cost	At Fair value through other Comprehensive Income	At Fair value through profit and loss	Total
As at January 01, 2022	282,500,000	-	37,044,907	319,544,907
Additions	182,500,000	-	-	182,500,000
Disposals (sale and redemption)	(150,000,000)	-	-	(150,000,000)
Fair value net gains (excluding net realized gains)	-	-	6,843,370	(6,843,370)
As at December 31, 2022	315,000,000	-	30,201,537	345,201,537
Additions	330,000,000	-	-	330,000,000
Disposals (sale and redemption)	(65,000,000)	-	-	(65,000,000)
Fair value net gains (excluding net realized gains)	-	-	17,882,799	17,882,799
As at December 31, 2023	580,000,000	-	48,084,336	628,084,336

32. MANAGEMENT OF TAKAFUL AND FINANCIAL RISK

The Operator issue contracts that transfer takaful risk or financial risk or both. This section summarises the takaful risks and the way the Operator manages them.

32.1 Takaful risk management

32.1.1 Takaful risk

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

The Operator's major takaful contracts are in respect of motor vehicles through issuance of general takaful contracts relating to motor takaful. For these contracts the most significant risks arise from theft, accidents and terrorist activities.

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 insured events. Further, the Operator adopts strict claim review policies including active management and prompt pursuing of the claims and regular detailed review of claim handling procedures and frequent investigation of possible false claims to reduce the takaful risk.

32.1.2 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 covered 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 PTF's net retentions.

32.1.3 Uncertainty in the estimation of future claim payments

Claims on motor takaful contracts are payable on a claim occurrence basis. The PTF is liable for all covered events that occur during the term of the takaful contracts respectively, including the event reported after the expiry of the takaful contract term.

An estimated amount of the claim is recorded immediately on the intimation to the Company. 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 claims is determined based on actuary advice and is estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

There are several variable factors which affect the amount and timing of recognised 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 recognised amount. Outstanding claims are reviewed on a periodic basis.

32.1.4 Key assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected income. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate case to case basis with due regard to the claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Core estimates are reviewed regularly and are updated as and when new information is available.

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 estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Operator, in which case information about the claim event is available. IBNR provisions are initially estimated at a gross level and a separate calculation is carried out to estimate the size of the reinsurance recoveries. The estimation process takes into account the past claims reporting pattern and details of reinsurance programs.

The details of estimation of outstanding claims (including IBNR) are given under note 3.4.

32.1.5 Sensitivity analysis

The risks associated with the takaful contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Operator makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Operator considers that the liability for claims recognised in the balance sheet is adequate. However, actual experience may differ from the expected outcome.

The claim liabilities are sensitive to the incidence of covered events and severity / size of claims. As the Operator enters into short term takaful contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on profit before tax net of retakaful. The impact of 10 % increase / decrease in incidence of covered events on gross claim liabilities, underwriting results, net claim liabilities, profit before tax and shareholder's equity is as follows:

Average claim cost	PTF			
	Underwriting results		Fund balance	
	2023	2022	2023	2022
	(Rupees)			
Fire & property damage	354,482	72,767	251,682	51,665
Marine	117,315	18,547	83,294	13,168
Motor business	72,772,037	65,240,191	51,668,146	46,320,536
Health	13,979,762	10,996,600	9,925,631	7,807,586
Miscellaneous	44,627	607,462	31,685	431,298
	87,268,223	76,935,567	61,960,438	54,624,253

32.1.6 Concentration of risk

To optimise 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 insured property.

The adequate event limit is a multiple of the treaty capacity or the primary recovery from excess of loss treaty, which is very much in line with the risk management philosophy of the Operator.

Retakaful ceded does not relieve the Operator from its obligation towards participants and, as a result the Operator remains liable for the portion of outstanding claims retakaful to the extent that retakaful operator fails to meet the obligation under the retakaful agreements.

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

The concentration of risk by type of contracts based on single risk with maximum exposure is summarised below:

	Gross sum covered		Retakaful		Net	
	2023	2022	2023	2022	2023	2022
	(Rupees)					
Fire & property damage	6,430,156,356	6,796,168,817	6,400,156,356	6,349,052,447	30,000,000	447,116,370
Marine, aviation & transport	200,000,000	191,472,283	180,000,000	171,472,283	20,000,000	20,000,000
Motor business	100,000,000	63,900,000	75,000,000	38,975,000	25,000,000	24,925,000
Health	1,800,000	1,800,000	-	-	1,800,000	1,800,000
Miscellaneous	80,000,000	185,000,000	64,000,000	-	16,000,000	185,000,000
	6,811,956,356	7,238,341,100	6,719,156,356	6,559,499,730	92,800,000	678,841,370

33. 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:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Operator's risk management policies are established to identify and analyse the risks faced by the Operator, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Operator's activities.

33.1 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.

33.1.1 Management of credit risk

The Operator's policy is to enter into financial contracts in accordance with the guidelines set by the Board of Directors. Credit risk is managed and controlled by the management of the Operator in the following manner:

- Credit rating and / or credit worthiness of the counter party is taken into account along with the financial background so as to minimize the risk of default. Collaterals are obtained wherever appropriate / relevant.

- The risk of counterparty exposure due to failed agreements causing a loss to the Operator is mitigated by a periodic review of the credit ratings, financial statements, credit worthiness, etc. on a regular basis and makes provision against those balances considered doubtful of recovery.

- Cash is held with reputable banks only.

  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.

33.1.2 Exposure to credit risk

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

	OF		PTF	
	Balance as per the financial statement	Maximum exposure	Balance as per the financial statement	Maximum exposure
2023	----------------------	(Rupees)	----------------------	
Term deposits	-	-	580,000,000	580,000,000
Takaful/ retakaful receivable	-	-	269,590,572	269,590,572
Retakaful recoveries against outstanding claims	-	-	92,520,854	92,520,854
Salvage recoveries accrued	-	-	134,701,528	134,701,528
Bank balances	3,037,811	3,037,811	32,887,405	32,887,405
	3,037,811	3,037,811	1,109,700,359	1,109,700,359

	OF		PTF	
	Balance as per the financial statement	Maximum exposure	Balance as per the financial statement	Maximum exposure
2022	----------------------	(Rupees)	----------------------	
Term deposits	-	-	315,000,000	315,000,000
Takaful/ retakaful receivable	-	-	281,255,809	281,255,809
Retakaful recoveries against outstanding claims	-	-	62,058,884	62,058,884
Salvage recoveries accrued	-	-	113,839,699	113,839,699
Bank balances	1,926,400	1,926,400	122,667,240	122,667,240
	1,926,400	1,926,400	894,821,632	894,821,632

33.1.3 Past due / impaired assets

Age analysis of premium due but unpaid at the reporting date was:

	PTF 2023	PTF 2022
	(Rupees)	
0-90 days	217,300,320	209,327,486
Over 90 days	52,290,253	71,928,323
Total	269,590,572	281,255,809

The above balance is considered good and is not impaired.

33.1.4 Credit Rating and Collateral

The credit quality of Operator's bank balances can be assessed with reference to external credit rating as follows:

Rating Long term	Rating Agency	OF 2023	OF 2022
		(Rupees)	
AAA	JCR-VIS	2,648,725	1,852,645
A+	JCR-VIS	389,086	73,755
		3,037,811	1,926,400

Rating Long term	Rating Agency	PTF 2023	PTF 2022
		(Rupees)	
AAA	JCR-VIS	88,901,228	16,750,735
AA+	PACRA	49,534,471	26,054,373
AA	JCR-VIS	65,254,510	15,255,966
AA	PACRA	49,363,486	-
A+	PACRA	-	89,083,764
A-	JCR-VIS	101,282,581	103,981,810
AA-	PACRA	78,523,587	-
BBB-	JCR-VIS	179,930,476	186,194,638
		612,790,339	437,321,286

The Operator enters into re-takaful / co-takaful arrangements with re-takaful / other takaful operators having sound credit ratings accorded by reputed credit rating agencies. The Operator is required to comply with the requirements of circular no. 32 / 2009 dated October 27, 2009 issued by SECP which requires an insurance company to place at least 80% of their outward treaty cessions with reinsurers rated 'A' or above by Standard & Poors with the balance being placed with entities rated at least 'BBB' by reputable ratings agency. An analysis of re-takaful assets relating to outward treaty cessions recognised by the rating of the entity from which it is relates is as follows:

	Rating	PTF 2023	PTF 2022
		(Rupees)	
Prepaid re-takaful ceded	A or above (including PRCL)	66,053,049	56,488,377

33.1.5 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 effect 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.

Sector-wise analysis of contribution due but unpaid at the reporting date was:

	PTF 2023		PTF 2022	
	(Rupees)	%	(Rupees)	%
Individuals	19,989,361	2%	6,118,828	2%
Corporate	249,601,211	98%	275,136,981	98%
	269,590,572	100%	281,255,809	100%

33.1.6 Settlement risk

The Operator's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale. This risk is addressed more or less in accordance with the parameters set out in the credit risk management above.

33.2 Liquidity risk

Liquidity risk is the risk that the Operator will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Operator could be required to pay its liabilities earlier than expected or may face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

33.2.1 Management of liquidity risk

The Operator's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Operator's reputation. Due to nature of the business, the Operator maintains flexibility in funding by maintaining committed credit lines available. The Operator's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to fulfil its obligation; monitoring balance sheet liquidity ratios against internal and external requirements and maintaining debt financing plans.

33.2.2 Maturity analysis of assets and liabilities

The table below analyses the Operator's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to maturity date and represents the undiscounted cash flows. The amounts in the table are the gross nominal undiscounted cash flows (including profit payments).

OF

	2023		
	Carrying amount	Upto one year	More than one year
	(Rupees)		
ASSETS			
Receivable from Participants' Takaful Fund	37,432,096	37,432,096	-
Bank balances	3,037,811	3,037,811	-
Total assets	40,469,907	40,469,907	-
LIABILITIES			
Other creditors and accruals	32,672,517	32,672,517	-
Payable to TPL Insurance Limited	609,753,097	609,753,097	-
Total liabilities	642,425,614	642,425,614	-

	2022		
	Carrying amount	Upto one year	More than one year
	(Rupees)		
ASSETS			
Receivable from Participants' Takaful Fund	825,223	825,223	-
Bank balances	1,926,400	1,926,400	-
Total assets	2,751,623	2,751,623	-
LIABILITIES			
Other creditors and accruals	35,104,956	35,104,956	-
Payable to TPL Insurance Limited	366,725,832	366,725,832	-
Total liabilities	401,830,788	401,830,788	-

	PTF		
	2023		
	Carrying amount	Upto one year	More than one year
	---------------- (Rupees) ----------------		
ASSETS			
Investments			
Mutual Funds	48,084,336	48,084,336	-
Term deposits	580,000,000	580,000,000	-
Accrued investment income	16,675,712	16,675,712	-
Prepayments	73,127,099	73,127,099	-
Bank balances	32,887,405	32,887,405	-
Total assets	750,774,552	750,774,552	-
LIABILITIES			
Other creditors and accruals	58,846,994	58,846,994	-
Payable to TPL Insurance Limited	2,983,070	2,983,070	-
Payable to Operator's Fund	37,432,096	37,432,096	-
Total liabilities	99,262,160	99,262,160	-

	PTF		
	2022		
	Carrying amount	Upto one year	More than one year
	---------------- (Rupees) ----------------		
ASSETS			
Investments			
Mutual Funds	30,201,537	30,201,537	-
Term deposits	315,000,000	312,500,000	2,500,000
Accrued investment income	1,990,521	1,990,521	-
Prepayments	64,708,247	64,708,247	-
Bank balances	122,667,240	122,667,240	-
Total assets	534,567,545	532,067,545	2,500,000
LIABILITIES			
Other creditors and accruals	39,600,160	39,600,160	-
Payable to TPL Insurance Limited	1,437,683	1,437,683	-
Payable to Operator's Fund	825,223	825,223	-
Total liabilities	41,863,066	41,863,066	-

33.3 Market risk

Market risk is the risk that changes in market prices, such as profit rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will effect the Operator's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Operator is exposed to profit rate risk, currency risk and other price risk.

33.3.1 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. profit rate exposure arises from balances held in profit and loss sharing accounts with reputable banks and government securities. The Operator limits profit rate risk by monitoring changes in profit rates. Other risk management procedures are the same as those mentioned in the credit risk management.

33.3.1.1 Sensitivity analysis

At the balance sheet date the profit rate profile of the Operator's profit-bearing financial instrument are as follows:

OF

	2023	2022	2023	2022
Financial assets	**Effective profit rate (in %)**		**-------------- (Rupees) --------------**	
Assets subject to variable rate				
- Bank balances	9.00% - 18.50%	9.00% - 12.00%	3,037,811	1,926,400

PTF

	2023	2022	2023	2022
Financial assets	**Effective profit rate (in %)**		**-------------- (Rupees) --------------**	
Assets subject to fixed rate				
- Term deposits	17.31% - 19.50%	9.50% - 15.00%	580,000,000	315,000,000
Assets subject to variable rate				
- Bank balances	9.00% - 18.50%	9.00% - 12.00%	32,887,405	122,667,240

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 profit rates at the reporting date would not affect profit and loss account and Fund of the Operator.

At the commencement date of the lease, the Operator recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The Operator determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Operator cannot readily determine the profit rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities.

The Operator is exposed to cash flow profit rate risk in respect of its balances with profit and loss sharing account with banks. A hypothetical change of 100 basis points in profit rates at the reporting date would have decreased / increased profit for the year by the amounts shown below.

It is assumed that the changes occur immediately and uniformly to each category of instrument containing profit rate risk. Variations in market profit rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	2023		2022	
	Profit and loss 100 bps		Profit and loss 100 bps	
	Increase	Decrease	Increase	Decrease
	(Rupees)		(Rupees)	
OF				
Cash flow sensitivity	30,378	(30,378)	19,264	(19,264)
PTF				
Cash flow sensitivity	6,128,874	(6,128,874)	4,376,672	(4,376,672)

33.3.1.2 Exposure to profit rate risk

A summary of the Operator's profit rate gap position, categorised by the earlier of contractual re-pricing or maturity date, is as follows:

OF

	2023			
	less than 1 year	1 year to 5 years	More than 5 years	Total
	(Rupees)			
Assets				
Bank deposits	3,037,811	-	-	3,037,811
Total assets	3,037,811	-	-	3,037,811
Total profit sensitivity gap	3,037,811	-	-	3,037,811

OF

	2022			
	less than 1 year	1 year to 5 years	More than 5 years	Total
	(Rupees)			
Assets				
Bank deposits	1,926,400	-	-	1,926,400
Total assets	1,926,400	-	-	1,926,400
Total profit sensitivity gap	1,926,400	-	-	1,926,400

PTF

	2023			
	less than 1 year	1 year to 5 years	More than 5 years	Total
	(Rupees)			
Assets				
Term deposits	580,000,000	-	-	580,000,000
Bank deposits	32,887,405	-	-	32,887,405
Total assets	612,887,405	-	-	612,887,405
Total profit sensitivity gap	612,887,405	-	-	612,887,405

PTF

	2022			
	less than 1 year	1 year to 5 years	More than 5 years	Total
	(Rupees)			
Assets				
Term deposits	312,500,000	2,500,000	-	282,500,000
Bank deposits	122,667,240	-	-	122,667,240
Total assets	435,167,240	2,500,000	-	437,667,240
Total profit sensitivity gap	435,167,240	2,500,000	-	437,667,240

33.3.2 Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from profit/mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. the Operator is not exposed to any price risk at the balance sheet date as it has no financial instrument that is linked to market price.

33.3.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Operator, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pak Rupees.

33.4 Fund management

The Operator's objective when managing capital is to safe guard the Operator'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 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.

33. STATEMENT OF SOLVENCY

	2023	2022
	------------ (Rupees) ------------	
Equipment	24,986,767	29,770,914
Investments		
Mutual funds	48,084,336	30,201,537
Term deposits	580,000,000	315,000,000
Takaful / retakaful receivable	269,590,572	281,255,809
Retakaful recoveries against outstanding claims	92,520,855	62,058,885
Salvage recoveries accrued	134,701,528	113,839,699
Loans and other receivables	16,675,712	1,990,521
Deferred Wakala fee	423,639,673	411,109,909
Deferred taxation	3,402,079	3,229,741
Prepayments	73,127,099	64,708,247
Cash and bank deposits	32,887,405	122,667,240
Total Assets (A)	1,699,616,026	1,435,832,502
Inadmissible Assets		
Property and equipment	15,664,609	14,804,729
Takaful/ retakaful receivable	53,635,710	57,613,236
Deferred taxation	3,402,079	3,229,741
Total of In-admissible Assets (B)	72,702,398	75,647,706
Total of Admissible Assets (C=A-B)	1,626,913,628	1,360,184,796
Total Liabilities		
Underwriting Provisions		
Outstanding claims including IBNR	357,999,976	278,571,201
Unearned premium reserves	982,223,145	935,336,354
Unearned reinsurance commission	16,726,058	12,273,995
Premium deficiency reserve	5,360,906	-
Premium received in advance	736,648	12,893,137
Insurance / reinsurance payables	74,751,527	16,511,888
Other creditors and accruals	58,846,994	24,633,975
Lease liability against right-of-use asset	-	14,966,185
Qard-e-Hasna	173,900,000	173,900,000
Payable to TPL Insurance Limited	2,983,070	1,430,483
Payable to Operator's Fund	37,432,096	835,569
Deferred Taxation	-	-
Taxation less provision for payment	31,239,542	19,150,896
Total liabilities of Takaful Operations - OF	-	-
Total Liabilities including Qard-e-Hasna	1,742,199,963	1,490,500,537
Net deficit as at December 31	(115,286,335)	(130,315,741)
Deficit already financed by Qard-e-Hasna	173,900,000	173,900,000
	58,613,665	43,584,259

35 GENERAL

35.1 Figures have been rounded off to the nearest Rupee.

36 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue on 21 February 2024 by the Board of Directors of the Operator.

CHIEF FINANCIAL OFFICER	CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting ("AGM") of TPL Insurance Limited ("Company") will be held on April 25, 2024 at 11:30 a.m. at PSX Auditorium, Stock Exchange Building, Stock Exchange Road, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To approve the minutes of the Extraordinary General Meeting held on June 27, 2023.

   "**RESOLVED THAT** the minutes of Extraordinary General Meeting of TPL Insurance Limited held on June 27, 2023 at 11:00 am be and are hereby approved."

2. To receive, consider and adopt the Annual Audited Financial Statements of the Company together with the Directors', Auditors' and Chairman's Review Report thereon for the year ended December 31, 2023.

   "**RESOLVED THAT** the Annual Audited Financial Statements of TPL Insurance Limited, together with the Chairman's Review Report, Directors' and Auditors' Report thereon for the year ended 31 December 2023 be and are hereby approved."

3. To appoint Auditors for the year ending December 31, 2024 and fix their remuneration. M/s. BDO Ebrahim & Co., Chartered Accountants retire and being eligible, have offered themselves for re-appointment.

   "**RESOLVED THAT** M/s. BDO Ebrahim & Co., Chartered Accountants be and are hereby appointed as Auditors of M/s. TPL Insurance Limited on the basis of consent received from them, at a fee mutually agreed for the period ending December 31, 2024."

4. To elect directors of the Company for a three-year term. The Board of the directors in its meeting fixed the number of directors at Seven (7). The term of the following Seven (7) directors, in pursuance to the Section 158 of the Companies Act, 2017, will expire on May 01, 2024:

   1. Mr. Jameel Ahmed Yusuf S.St
   2. Mr. Muhammad Ali Jameel
   3. Rana Assad Amin
   4. Mr. Benjamin Brink
   5. Ms. Naila Kassim
   6. Mr. Aqueel E Merchant
   7. Ms. Ayla Majid

5. To ratify the payment of interim cash dividend of Rs. 3/- per ordinary share (i.e. 30%), already paid to the shareholders for the year ended December 31, 2023 as approved by the Board of Directors.

   "**RESOLVED THAT** the interim cash dividend of Rs. 3/- per ordinary share (i.e. 30%) already paid to the shareholders for the year ended December 31, 2023, as approved by the Board of Directors, be and is hereby ratified."

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017 to authorize the Company for renewal of advance of Rs. 300 million to the associated company TPL Trakker Limited.

   "**RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized for renewal of advance of Rs. 300 million to the associated company TPL Trakker Limited."

Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

Renewal of advance of amount up to Rs. 300 million to TPL Trakker Limited:

TPL Insurance Limited (the "Company") is desirous to renew advance made to TPL Trakker Limited which was initially approved by the members in April, 2019.

The information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

S.No.	Requirement	Information
i.	Name of the associated company or associated undertaking	TPL Trakker Limited
ii.	Basis of relationship	Associated Company
iii.	Earnings per share for the last three years of the Associated Company	Earnings per Share: 2024 (HY): Rs. 0.41 2023 (0.23) 2022 Rs. 1.05
iv.	Break-up value per share, based on latest audited financial statements	Rs. 12.66 per share
v.	Financial position of the associated company	The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the half year ended Dec 31, 2023 is as follows:

Balance Sheet	Rupees
Non-current assets	3,643,891,768
Other assets	2,701,064,843
Total Assets	6,344,956,611
Total Liabilities	3,895,704,284
Represented by:	
Paid up capital	1,872,630,930
Capital Reserve	202,650,046
Accumulated profits	78,952,680
Other components of equity	295,018,671
Equity	2,449,252,327
Profit and Loss - HY 2024	
Profit before interest and taxation	378,619,707
Financial charges	(262,345,894)
Profit before taxation	116,273,813
Taxation	(39,274,915)
Profit after taxation	76,998,898

S.No.	Requirement	Information
vi	In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	N/A
vii.	Maximum amount of investment/ advance to be made	PKR 300 million
viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To ensure continuity of supply of tracking units used in insured vehicles
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Available cash and bank balances.
x.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	The advance is provided to ensure continuity of supply of tracking units. The advance carries markup at the rate of KIBOR + 3.5% with a floor of 10% per annum
xi.	Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	The directors of the Company are solely interested to the extent of their directorships and shareholdings in the Company. Following are the common directors of TPL Insurance Limited and the Company:

Name of Director	Shareholding in TPLI	Shareholding in TPLT
Jameel Yusuf	837	1

S.No.	Requirement	Information
xii.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	The advance was provided in the past and carried mark-up at KIBOR + 3.5% per annum
xiii.	Any other important details necessary for the members to understand the transaction;	N/A
xiv.	Category-wise amount of investment;	Advance against supply of tracking units upto Rs. 300 million
xv.	Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period	Current 1 year KIBOR is 21.49% per annum on 28th February 2024
xvi	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	The advance carries markup at the rate of 1 year KIBOR + 3.5% with a floor of 10%
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	The advance is unsecured
xviii.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	Advance is not convertible
xix.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Advance is adjustable against the invoices for rental of tracking units and monitoring fee on a monthly basis.

ANY OTHER BUSINESS

7. To transact any other business with the permission of the Chairman.

By Order of the Board

Shayan Mufti
Company Secretary

Karachi, April 04, 2024

Notes:

1. **Registration to attend Annual General Meeting through Electronic Means:**

   a. In the light of relevant guidelines issued by the Securities and Exchange Commission of Pakistan (SECP) from time to time, including vide letter No. SMD/SE/2/(20)/2021/117 date December 15, 2021, members are encouraged to participate in the Annual General Meeting ("AGM") through electronic facility organized by the Company.

   b. To attend the AGM through electronic means, the Members are requested to register themselves by providing the following information through email at company.secretary@tplholdings.com at least forty-eight (48) hours before the AGM.

Name of Shareholder	CNIC/NTN No.	Folio No/ CDC A/c No	Cell Number	Email Address

   c. Members will be registered, after necessary verification as per the above requirement, and will be provided a video-link by the Company via email.

   d. The login facility will remain open from 11:20 a.m. till the end of AGM.

2. **Closure of Share Transfer Books:**

   The Share Transfer Book of the Company will remain closed from April 19, 2024 to April 25, 2024, (both days inclusive). Share Transfers received at THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, Pakistan by the close of business hours (5:00 PM) on April 18, 2024, will be treated as being in time for the purpose of above entitlement to the transferees.

3. **Participation in the AGM:**

   All members, whose names appear in the register of members of the Company as on April 18, 2024, are entitled to attend (in person or by video link facility or through Proxy) the AGM and vote there at. A proxy duly appointed shall have such rights as respect to the speaking and voting at the AGM as are available to a member. Duly filled and signed Proxy Form must be received at the Registrar of the Company, THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, Pakistan, not less than 48 hours before the AGM.

4. **For Attending the AGM:**

   In case of individual, the Account holder and/or Sub-account holder whose registration details are uploaded as per the CDC regulations, shall authenticate his/her identity by providing copy of his/her valid CNIC or passport along with other particulars (Name, Folio/CDS Account Number, Cell Phone Number) via email to aforementioned ID and in case of proxy must enclose copy of his/her CNIC or passport.

   In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be provided via email to aforementioned ID.

5. **Change of Address:**

Members are requested to immediately notify the change, if any, in their registered address to the Share Registrar, THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, Pakistan.

6. **Conversion of Physical Shares into the Book Entry Form:**

The SECP through its letter No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form.

The shareholders of the Company having physical folios / share certificates are requested to convert their shares from physical form into book-entry form as soon as possible. The shareholders may contact their Broker, CDC Participant or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. It would facilitate the shareholders in many ways including safe custody of shares, avoidance of formalities required for the issuance of duplicate shares, etc. For further information and assistance, the shareholders may contact our Share Registrar, THK Associates (Private) Limited.

7. **Video Conferencing Facility**

The Company shall provide video conference facility to its members for attending the AGM at places other than the town in which the AGM is taking place, provided that if members, collectively holding 10% (ten percent) or more shareholding residing at a geographical location, provide their consent to participate in the meeting through video conference at least 7 days prior to date of the AGM, the Company shall arrange video conference facility in that city, subject to availability of such facility in that city.

In this regard, please fill the enclosed form and submit the same to the registered address of the Company 7 days before holding of the AGM. The Company will, if such facility is available, intimate members regarding venue of video conference facility at least 5 days before the date of AGM along with complete information necessary to enable them to access such facility.

8. **For Voting for Special Agenda Items:**

a. **Voting through Ballot Paper:**

In accordance with regulation 8(2) of the Companies (Postal Ballot) Regulations, 2018, Members have the option to cast their votes using the enclosed ballot paper, a copy of which is also accessible on the Company's website. The duly filled in ballot paper should reach the chairman of the meeting through email at chairman@tplinsurance.com or through post to 20th Floor, Sky Tower-East Wing, Dolmen City, HC-3, Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi, no later than one day prior to the AGM, during working hours.

b. **Electronic Voting:**

In accordance with Regulation 4(4) of the Companies (Postal Ballot) Regulations, 2018, Members also have the option to cast their votes through e-voting. To facilitate this, THK Associates (Private) Limited, the e-voting service provider, will send an email on April 19, 2024, to members containing the web address, login details, password, and other necessary information. The facility for e-voting shall open on April 19, 2024 and shall close at 1700 hours (Pakistan Standard Time) on April 24, 2024.

Pursuant to the Regulation 4 of the Companies (Postal Ballot) Regulation 2018, the right to vote through electronic voting facility and voting by post in respect of Election of Directors shall be provided to the members, if the number of persons who offer themselves to be elected is more than the number of directors fixed by board of directors of the Company.

9. For Election of Directors:

In accordance with Section 159(1) of the Companies Act, 2017, the number of directors to be elected has been fixed at Seven (7) by the Board of Directors of the Company. In terms of section 159 (3) of the Companies Act, 2017, any person who seeks to contest election to the office of a director, whether he is a retiring director or otherwise, shall file with the Company at its Registered Office, not later than fourteen (14) days before the date of this meeting, the following documents:

a. Notice of his/her intention to offer himself/ herself for election as a Director under any of the following category in which he/she intends to contest:

   i. Independent Director
   ii. Female Director
   iii. Other Director

   Provided that any such person may, at any time before the holding of election, withdraw such notice.

b. Consent to act as a Director u/s 167 of the Companies Act, 2017, along with copy of the valid CNIC/ Passport and Taxpayer Registration Certificate.

c. A detailed profile along with office address.

d. A Declaration confirming that:

   i. He/ she is aware of the duties of directors under the Companies Act, 2017, the Memorandum and Article of Association and all applicable laws and regulations.

   ii. He/ she does not violate any of the provisions or conditions prescribed by SECP for holding such office and further that such person shall fully comply with all the SECP directives issued or to be issued by the SECP in the form of circulars, notifications, directions, letters, instructions, and other orders.

   iii. He/ she is not ineligible to become a director of the Company under any applicable laws and regulations.

   iv. He/ she is not serving as a director of more than seven listed companies including this Company and excluding directorships in listed subsidiaries of listed holding companies.

No Directors have director or direct or indirect interest in the above said business other than as shareholders of the Company and they are eligible to contest the election for directorship.

Video Conferencing Facility Request Form for Annual General Meeting of TPL Insurance Limited

I/We ______________________________ S/o / D/o / W/o ______________________ resident of (full address) ____ being a member(s) of TPL Insurance Limited ("the Company), holding _______________ ordinary shares, hereby opt for video conference facility at _______________ to attend the Annual General Meeting of the Company to be held on Thursday, 25th April, 2024 and/or adjournment thereof.

Folio No. / CDC Account No.

Signature on Revenue Stamp of Appropriate Value.

The signature should agree with the specimen registered with the Company.

POSTAL BALLOT PAPER

Postal Ballot Paper for a Special Business Item to be transacted at the Annual General Meeting ("AGM") of TPL Insurance Limited ("Company") to be held on Thursday, April 25th, 2024 at 11:30 A.M. at PSX Auditorium, Stock Exchange Building, Exchange Road, Karachi

This is in accordance with regulation 8(2) of the Companies (Postal Ballot) Regulations, 2018. Members have the option to cast their votes using the ballot paper, a copy of which is also accessible on the Company's website. The duly filled in ballot paper should reach the chairman of the meeting through email at chairman@tplinsurance.com or through post to 20 Floor, Sky Tower-East Wing, Dolmen City, HC-3, Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi, no later than one day prior to the AGM, during working hours.

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	

I/we hereby exercise my/our vote in respect of the following resolution through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below (delete as appropriate):

Sr. No.	Nature and Description of resolution	No. of ordinary shares for which votes cast	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	To consider and if thought fit, to pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017 to authorize the Company for renewal of advance of Rs. 300 million to the associated company TPL Trakker Limited. "**RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized for renewal of advance of Rs. 300 million to the associated company TPL Trakker Limited."			

____

Signature of shareholder(s)

Place: ______________________

Date: ______________________

Notes:

1. Dully filled postal ballot should be sent to chairman at chairman@tplinsurance.com or through post to Mr. Jameel Yusuf, TPL Insurance Limited, 20 Floor, Sky Tower-East Wing, Dolmen City, HC-3, Block Abdul Sattar Edhi Avenue, Clifton, Karachi.
2. Copy of CNIC should be enclosed with the postal ballot form.
3. Postal ballot forms should reach chairman of the meeting on or before April 24, 2024. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

FORM OF PROXY
Annual General Meeting Of TPL Insurance Limited

I/We ______________________________ S/o / D/o / W/o ______________________________

resident of (full address) ____

being a member(s) of TPL Insurance Limited, holding __________ ordinary shares, hereby appoint

____________________________ S/o / D/o / W/o ____________________________ resident

of (full address) ____ or failing him / her

____________________________________ S/o / D/o / W/o ____________________ resident

of (full address) ________________________________ as my / our proxy in my / our absence to attend and vote for me / us on my / our behalf at Annual General Meeting of the Company to be held on Thursday, 25 April, 2024 and/or adjournment thereof.

As witness my / our hand (s) seal this on the ____________ day of ________________ 2024.

Signed by the said:

Folio No. / CDC Account No.

Signature on Revenue Stamp of Appropriate Value.

The signature should agree with the specimen registered with the Company.

In presence of:

1. Signature: ______________________

   Name: ______________________

   Address: ______________________

   CNIC or Passport No: ______________________

2. Signature: ______________________

   Name: ______________________

   Address: ______________________

   CNIC or Passport No: ______________________

Important Instructions:

1. The Proxy form, duly completed and signed, must be received at the Registrar's Office of the Company not less than forty eight (48) hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. In case of a proxy for an individual CDC shareholder, attested copies of CNIC or the passport, account and participant's ID number of the beneficial owner and along with the proxy is required to be furnished with the proxy form.
4. In case of a corporate entity, the Board of Directors' resolution / power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form of the Company.

پراکسی فارم
سالانہ اجلاس عام TPLانشورنس لمیٹڈ

میں/ہم ______________ ولد/دختر/زوجہ ______________

کا/کے (مکمل پتہ) ______________

بحیثیت رکن TPLانشورنس لمیٹڈ مالک، ______________ عام حصص، بذریعہ ہذا

______________ محترم/محترمہ ______________ پتہ

(مکمل پتہ) ______________

یا اسکی غیر موجودگی میں محترم/محترمہ ______________ پتہ

(مکمل پتہ) ______________

کمپنی میں عام شیئرز رکھتا ہے/رکھتی ہے/رکھتے ہے بطور میرا/ہمارے پراکسی مورخہ 25اپریل2024ء بروز جمعرات کمپنی کے منعقد ہونے والے سالانہ اجلاس عام میں حق رائے وہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

آج بروز ______________ بتاریخ ______________ 2024ء کو میرے/ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

گواہان

سی ڈی سی اکاؤنٹ نمبر

ریونیو مہر دستخط

(دستخط کا کمپنی کے پاس رجسٹرڈ شدہ دستخط کے نمونے کی طرح ہونا ضروری ہے۔)

۱۔ دستخط: ______________

نام: ______________

پتہ: ______________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ______________

۲۔ دستخط: ______________

نام: ______________

پتہ: ______________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ______________

اهم نوٹ

۱۔ پراکسی فارم، باقاعدہ مکمل اور دستخط شدہ، کمپنی کے رجسٹرار دفتر میں اجلاس منعقد ہونے سے کم از کم 48 (اڑتالیس) گھنٹے قبل لازماً وصول ہو جانے چاہیے۔

۲۔ اگر ایک رکن ایک سے زیادہ پراکسی مقرر کرتا ہے اور کمپنی کے ہاں ایک سے زیادہ پراکسی آلات جمع کراتا ہے تو پراکسی کے ایسے تمام آلات مسترد کر دیئے جائیں گے۔

۳۔ انفرادی سی ڈی سی شیئرز ہولڈرز کے پراکسی کی صورت میں بینفیشیل اونر معہ پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، اکاؤنٹ اور پارٹیسپنٹ کا آئی ڈی نمبر پراکسی فارم (مختار نامہ) کے ہمراہ جمع کرانا ہونگی۔

۴۔ بصورت کارپوریٹ اینٹی، بورڈ آف ڈائریکٹر کی قرارداد/مختار نامہ معہ پراکسی ہولڈر کے نمونے دستخط پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا (اگر پہلے مہیا نہیں کیا گیا)۔

S.No.	Term	Designation
1	Actuary	An actuary is a professional who assesses and manages the risks of financial investments, insurance policies and other potentially risky ventures.
2	Actuarial Valuations	A determination by an actuary at a special date of the value of an insurance Company's assets and its liabilities.
3	Amortization	The process of allocating the cost of an intangible asset over a period of time. It also refers to the repayment of loan principal over time.
4	Associate	Is a company / undertaking in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor
5	Authorized Share Capital	The maximum value of share that a Company can legally issue.
6	Book Value	The value of an asset as entered in a company's books.
7	Capital Reserves	Any reserve not regarded free for distribution by way of dividends.
8	Budget	An estimate of income and expenditure for a set period of time.
9	Business mixes	The combination of different types of business activities that a company is engaged in
10	Capital Expenditure	The cost of long-term improvements and fixed assets.
11	Capital Gain	Portion of the total gain recognized on the sale or exchange of a non-inventory asset.
12	Capital Reserves	Any reserve not regarded free for distribution by way of dividends
13	Catastrophe	An event causing great and usually sudden damage or suffering.
14	Cedant	Client of a reinsurance company.
15	Combined Ratio	Percentage ratio of the sum of net claims plus management expenses and net commission to net earned premiums. It corresponds to the sum of the loss ratio, commission ratio and the expense ratio.
16	Commission	Remuneration to an intermediary for services such as selling and servicing an insurer's products.
17	Consumer online Portal	An internet window presence for selling all retails consumer products
18	Contact Centre	It is also known as call center. It is a central location of an enterprise from which all customer contacts are managed.
19	COVID-19	Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus.
20	Claims	The amount payable under a contract of insurance arising from occurrence of an insured event.

S.No.	Term	Designation
21	Claims Incurred	The aggregate of all claims paid during the accounting period together with attributable claims handling expenses, where appropriate, adjusted by the gross claims reserve at the beginning and end of the accounting period.
22	Cloud Service	It is a service made available to users on demand via the Internet from a cloud computing provider's server as opposed to being provided from a company's own on-premises servers.
23	Corporate Social Responsibility	Is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, and all other members of the public who may also be considered as stakeholders?
24	Cover Note	A cover note is a temporary document issued by an insurance company that provides proof of insurance coverage until a final insurance policy can be Issued.
25	CPEC	The China-Pakistan Economic Corridor (OPEC] is a collection of infrastructure projects currently under construction throughout Pakistan.
26	Currency Devaluation	Reduction in the value of a country's currency
27	Current Account Deficit	The situation where value of the goods and services of a country it imports exceeds the value of the goods and services it exports.
28	Deferred Commission	Expenses which vary with and are primarily related to the acquisition of new insurance contracts and renewal of existing contracts, which are deferred as they relate to period of risk subsequent to the Balance Sheet data.
29	Deferred Tax	An accounting concept (also known as future income taxes), meaning a future tax liability or asset in respect of taxable temporary differences.
30	Defined benefit Plans	Are post-employment benefit plans other than defined contribution plans
31	Depreciation	Is the systematic allocation of the cost of an asset over its useful life.
32	Dividend cover	Profit after tax divided by Dividend measures the number of times dividends are covered by distributable profit for the period
33	Doubtful debts	Is a debt where circumstances have rendered its ultimate recovery uncertain.
34	Equity method	Method of accounting whereby the investment is initially recognised at cost and adjusted hereafter for the post-acquisition changes in the investor's share of net assets of the investee
35	Earnings per share	Amounts for profit or loss attributable to ordinary shareholders of the entity.

S.No.	Term	Designation
36	Exchange Gain (Loss)	Difference resulting from translating a given number of units of one currency into another currency at different exchange rates.
37	Facultative reinsurance	The reinsurer assumes a share of selected individual risks. The primary insurer can offer an individual risk in reinsurance, which the reinsurer for its part can either accept or decline.
38	Fair Value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing business partners in an arm's length transaction.
39	Financial Action Task Force (FATF)	It is an intergovernmental organisation founded in 1989 on the initiative of the G7 to develop policies to combat money laundering.
40	Financial Capital	It is any economic resource measured in terms of money used by entrepreneurs and businesses to buy what they need to make their products or to provide their services.
41	Fiscal Deficit	When a government's total expenditures exceed the revenue that it generates.
42	General Insurance	All kind of Insurance except Life Insurance. i.e. Fire. Marine. Motor and Other Insurance.
43	General Takaful	Protection to participants for losses arising from perils such accident, fire, flood, liability and burglary.
44	Gross contribution	It is the payment of an amount by a participant to the Takaful Participant Fund, whether direct, through intermediaries for the purpose of mutual protection and assistance.
45	Gross Domestic Product	The total value of goods produced and services provided in a country during one year
46	Gross Written Premium	Premium which an insurer is contractually entitled to receive from the insured in relation to contracts of insurance
47	Group Health Insurance	A single health policy covering a group of individuals, usually employees of the same company or members of the same association and their dependents
48	Impairment	The amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount.
49	Incurred but not reported (IBNR)	Claim incurred but not reported to the insurer until the financial statements reporting date.
50	Inflation	A general increase in prices and fall in the purchasing value of money
51	Insurance Contracts	A contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder for a specified uncertain future event.

S.No.	Term	Designation
52	Insurer Financial Strength Rating	Provides an assessment of the financial strength of an insurance company.
53	Intangibles	An identifiable non-monetary asset without physical substance.
54	Internal Control	An accounting procedure or system designed to promote efficiency or assure the implementation of a policy or safeguard assets or avoid fraud and error etc.
55	Intellectual Capital	It refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.
56	KIBOR (Karachi Interbank Offered Rate)	Interbank lending / borrowing rates quoted by the banks
57	Large-Scale Manufacturing (LSM)	It refers to the production of a commodity on a large scale or huge quantity with a large sized firm.
58	Loss Ratio	Percentage ratio of claims expenses to net premium
59	Macroeconomics	Branch of economics dealing with the performance, structure, behavior, and decision-making of an economy as a whole.
60	Market Share	The portion of a market controlled by a particular company or product.
61	MIS	Management Information System
62	Micro-insurance	It is an insurance arrangement to protect low-income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of the risk involved.
63	Mutual Fund	A type of professionally managed investment fund that pools money from many investors to purchase securities
64	National Exchequer	The account into which tax funds and other public funds are deposited
65	Net Asset Value	The value of Total Assets less Current Liabilities
66	Net Contributions	Gross Contributions less all re-takaful contributions payable.
67	Net Premium Revenue	Gross written premium less Reinsurance expense.
68	Non-Life Insurance	Non-Life Insurance and General Insurance have the identical meaning
69	Outstanding Claims	A type of technical reserve or accounting provision in the Financial Statements of an Insurer to provide for the future liability or claims.
70	Paid-up Capital	The amount of money a company has received from shareholders in exchange for shares of stock.
71	Pakistan Investment Bonds	Long term instruments issued by the Government of Pakistan.

S.No.	Term	Designation
72	Participant's Takaful Fund (PTF) Waqf Fund	An account to credit a portion of contribution from the participant for the purpose of Tabarru'.
73	Premium	Amount that has to be paid by the insured for the cover provided by the Insurer.
74	Proxy	Power of Attorney by which the Shareholder transfers the voting rights to another shareholder.
75	Qard-e-Hasna	Interest Free Loan from Takaful Operator to the Takaful Participant Fund in order to meet any shortfall in the Fund.
76	Quoted	Being listed on a Stock Exchange.
77	Registered Office	The registered office is an address which is registered with the government registrar as the official address of a company.
78	Reinsurance	A method of insurance arranged by insurers to share the exposure of risks accepted.
79	Re-takaful	The arrangement under which a part of the risk is shared between the companies originally issuing the policy (the takaful operator] to another Takaful company (Re-Takaful) known as the re-takaful
80	Reinsurance Commission	Commission received or receivable in respect of premium paid or payable tea reinsurer.
81	Reinsurance Premium	The premium payable to the reinsurer in respect of reinsurance contract.
82	Related Party	Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.
83	Retrocession	Transfer of risk from a reinsurer to another reinsurer.
84	Revenue Reserves	Reserve that is normally regarded as available for distribution through the profit and loss account, including general reserves and other specific reserves created out of profit and unappropriated profit.
85	Risk	Condition in which there is a possibility of loss.
86	Risk Management	Includes analyzing all exposures to gauge the likelihood of loss and choosing options to better manage or minimize loss.
87	Statutory levies	Fee charged (levied) by a government on a product, income, or activity.
88	Strategic Objectives	A broadly defined objective that an organisation must achieve to make its strategy succeed.
89	Subsequent Event	Are events concerning conditions which arose after the balance sheet date, but which may be of such materiality that their disclosure is required to ensure that the financial statements are not misleading?

S.No.	Term	Designation
90	Takaful	An Islamic concept of insurance.
91	Takaful Operator	A legal entity, who underwrites, administers and manages the Takaful program on behalf of the participants.
92	Takaful Policy	The agreement entered into between the operator and the participant(s) for the purposes of Takaful arrangements.
93	Tangibles	An asset whose value depends on particular physical properties.
94	Underwriting Profit	This is the profit generated purely from the General Insurance business without taking into account the investment income and other nontechnical income and expenses.
95	Unearned Premium	It represents the portion of premium already entered in the accounts as due but which relates to period of risk subsequent to the Balance Sheet date.
96	Wakala	Islamic terminology for agent-principal relationship, where a person nominates another to act on his behalf.

بورڈ آف ڈائریکٹرز نے 2023 میں سات (07) اجلاس منعقد کئے۔ ڈائریکٹرز کی حاضری نیچے دی گئی ہے:

نمبر شمار	نام ڈائریکٹر	تعداد حاضری
1	جناب جمیل یوسف احمد۔ (ستارہ شجاعت)	7
2	جناب علی جمیل	7
3	مسٹر بنجامن برنک	7
4	جناب رانا اسد امین	7
5	محترمہ عائلہ ماجد	6
6	محترمہ نائلہ قاسم	5
7	جناب عقیل ای مرچنٹ	7
8	جناب محمد امین الدین، چیف ایگزیکٹو آفیسر	7

مستقبل کا نقطہ نظر

مستقبل دونوں دلچسپ مواقع اور اہم مشکلات پیش کرتا ہے۔ تکنیکی ترقی بہت زیادہ صلاحیت پیش کرتی ہے۔ انشورٹیک میں مسلسل سرمایہ کاری صارفین کے تجربہ کو تبدیل کرسکتی ہے، ڈیٹا پر مبنی انڈر رائٹنگ کو فعال کرسکتی ہے، اور مائیکرو انشورنس اور مخصوص پیشکشوں کے ذریعے نئی منڈیوں کو کھول سکتی ہے۔ تاہم، کم نمو، زیادہ افراط زر، مالیاتی رکاوٹیں، اور سیاسی غیر یقینی صورتحال مختصر اور درمیانی مدت کے چیلنجز کا باعث بنتی ہے۔ مزید برآں، سائبر سیکیورٹی کے خطرات اور موسمیاتی تبدیلیوں کے لیے فعال اقدامات کی ضرورت ہے۔

TPL کا مستقبل ماحول سے ہم آہنگ ہونے کی ہماری صلاحیت پر منحصر ہے۔ ہماری نمو کی رفتار کو برقرار رکھنے اور آئندہ سالوں میں ایک مضبوط، زیادہ لچکدار انشورنس پلیئر کے طور پر ٹیکنالوجی کو اپنانا، پیشکشوں کو متنوع بنانا، اور صنعت کی تبدیلیوں کو نیویگیٹ کرنا بہت اہم ہوگا۔

اظہار تشکر

ہم کمپنی کے شیئر ہولڈرز کا کمپنی پر اعتماد کا شکریہ ادا کرتے ہیں۔ ہم پاکستان اسٹاک ایکسچینج، فیڈرل بورڈ آف ریونیو، پراونشل ریونیو اتھارٹیز، سینٹرل ڈیپازٹری کمپنی اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے فراہم کردہ قابل قدر حمایت اور رہنمائی کو بھی سراہتے ہیں۔ ہم اپنے کارپوریٹ مقاصد کے حصول میں ملازمین، اسٹریٹیجک شراکت داروں، وینڈرز، بینکرز اور صارفین کی مخلصانہ حمایت کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

محمد امین الدین

چیف ایگزیکٹو آفیسر

21 فروری 2024ء

جمیل یوسف (ستارہ شجاعت)

چیئرمین

نمونہء حصص داری

31 دسمبر 2023 کے مطابق کمپنی کی شیئر ہولڈنگ کے پیٹرن کا بیان مندرجہ ذیل ہے۔

شیئر ہولڈرز کیٹیگری	ملکیتی حصص کی تعداد	فیصد شیئر ہولڈنگ
پیرنٹ کمپنی- TPL کارپ لمیٹڈ اور TPL ہولڈنگ	106,345,506	53.60%
غیر ملکی کمپنیاں	65,262,510	32.90%
ڈائریکٹرز اور سینئر مینجمنٹ آفیسر	2,909,424	1.47%
بینک، DFI's اور NBFI's	25,164	0.01%
میوچل فنڈز	14,331,851	7.22%
عام پبلک (مقامی)	7,634,951	3.85%
عام پبلک (غیر ملکی)	2,553	0.00%
دیگر	1,882,667	0.95%
کل	**198,394,462**	**100.00%**

کمپنی کے حصص میں تجارت

سال کے دوران بڑے شیئر ہولڈرز، ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری، ہیڈ آف انٹرنل آڈٹ، دیگر ملازمین اور ان کی شریک حیات اور نابالغ بچوں کی طرف سے کمپنی کے شیئرز میں کوئی تجارت نہیں ہوئی، سوائے مندرجہ ذیل کے:

نمبر شمار	فرد کا نام	تجارت کی تاریخ	نوعیت	حصص کی تعداد	شرح (روپے)
1.	یوسف علی، سی ایف او	16 جنوری 2023	فروخت	**17,500**	**16.00**
2.	یوسف علی، سی ایف او	16 جنوری 2023	فروخت	**500**	**16.05**
3.	یوسف علی، سی ایف او	16 جنوری 2023	فروخت	**1,500**	**16.10**
4.	یوسف علی، سی ایف او	16 جنوری 2023	فروخت	**3,500**	**16.40**
5.	یوسف علی، سی ایف او	16 جنوری 2023	فروخت	**2,000**	**16.00**

بورڈ کے اجلاس

بورڈ آف ڈائریکٹرز 2 خاتون اور 5 مرد ڈائریکٹرز پر مشتمل ہے۔

کیٹیگری	نام ڈائریکٹر
آزاد ڈائریکٹرز	جناب عقیل ای مرچنٹ
ایگزیکٹو ڈائریکٹرز	جناب محمد امین الدین (چیف ایگزیکٹو آفیسر)
غیر ایگزیکٹو ڈائریکٹرز	جناب جمیل یوسف احمد - (ستارہ شجاعت) جناب محمد علی جمیل جناب رانا اسد امین
نامزد ڈائریکٹر	مسٹر بنجامن برنک
خاتون خود مختار ڈائریکٹر	محترمہ نائلہ قاسم
خاتون نامزد ڈائریکٹر	محترمہ عائلہ ماجد

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک کا بیان

بورڈ کوڈ آف کارپوریٹ گورننس کے مطابق سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی تجویز کردہ اپنی کارپوریٹ ذمہ داریوں سے پوری طرح آگاہ ہے اور اس بات کی بخوشی تصدیق کرتے ہیں:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنیز ایکٹ 2017 کے تحت ضروریات کے مطابق کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات، بین الاقوامی مالیاتی رپورٹنگ کے معیارات اور دیگر ریگولیشنز (بشمول شریعہ گائیڈ لائنز/اصولوں تک محدود نہیں) کی پیروی کی گئی ہے اور کسی انحراف کی وضاحت اور انکشاف کیا گیا ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے بنیادی اصول مضبوط ہیں اور کمپنی کے گوئنگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔
- فہرستی قواعد وضوابط میں تفصیلی کارپوریٹ گورننس کے بہترین عمل سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا سالانہ رپورٹ ہذا میں منسلک ہے۔
- اس رپورٹ میں پچھلے سال کے آپریٹنگ نتائج سے نمایاں انحراف کی وضاحت کی گئی ہے۔
- ٹیکس، ڈیوٹی، لیویز اور واجب الادا چارجز کی مد میں قانونی ادائیگیاں کاروبار کے معمول کے مطابق ہیں۔
- بورڈ ڈائریکٹرز کے تربیتی پروگرام کے سلسلے میں مناسب طریقے سے تعمیل کر رہا ہے جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شق (i)(1)19 کے تحت حوالہ دیا گیا ہے۔
- 31 دسمبر 2023 تک پراویڈنٹ فنڈ کے غیر آڈٹ شدہ مالیاتی گوشواروں کی بنیاد پر پراویڈنٹ فنڈ کی سرمایہ کاری کی قیمت 101.6 ملین روپے (2022: 73.3 ملین روپے) ہے۔

ڈائریکٹرز کا مشاہرہ

بورڈ آف ڈائریکٹرز نے کمپنیز ایکٹ، 2017 کے مطابق ڈائریکٹر کی اجرت کی رسمی پالیسی اور شفاف طریقہ کار تیار کیا ہے۔ ڈائریکٹرز کے مشاہرہ کی تفصیلات مالی گوشواروں کے نوٹس میں مذکورہ ہیں۔

بورڈ آف ڈائریکٹرز اور کمیٹی کی تشکیل کوڈ آف کارپوریٹ گورننس کی تعمیل کے بیان میں منکشف کی گئی ہے۔

انشورنس آرڈیننس 2000

انشورنس آرڈیننس 2000 اور اس کے تحت بنائے گئے قواعد کے تقاضہ کے مطابق، ڈائریکٹرز تصدیق کرتے ہیں کہ:

- ان کی رائے اور ان کے بہترین عقیدے کے مطابق، اس بیان کے ساتھ منسلک صورتوں میں متعین کمپنی کے سالانہ قانونی اکاؤنٹس انشورنس آرڈیننس 2000 اور ان کے تحت بنائے گئے انشورنس رولز کے مطابق تیار کیے گئے ہیں۔
- کمپنی نے سال میں ہمہ وقت اور گوشوارہ کی تاریخ تک آرڈیننس کی دفعات اور ادا شدہ سرمائے، سالوینسی اور ری بیمہ کے انتظامات سے متعلق یہاں بنائے گئے قواعد کی تعمیل کی ہے۔ یہ آرڈیننس کی دفعات اور یہاں بنائے گئے قواعد کی تعمیل کرتا رہتا ہے جیسا کہ اوپر ذکر کیا گیا ہے۔

ضابطہء اخلاق

کمپنی اس بات کو یقینی بناتی ہے کہ اس کی تمام سرگرمیاں صفر رواداری کے ساتھ کاروباری اخلاقیات کے ضابطہ اخلاق کی سختی سے پیروی کرتے ہوئے شفاف طریقے سے سرانجام دی جائیں۔

بیلنس شیٹ (روپے ملین میں)

	2023	2022	2021	2020	2019	2018
سرمایہ کاری	2,256	1,740.0	1,390.4	920.8	729.4	1,026.3
فکسڈ اثاثے	300.8	422.0	401.2	257.5	426.5	122.0
جاری سرمایہ کاری کا کام	–	–	–	–	2.6	7.6
کیش اور بینک ڈیپازٹس	1,996.5	1,569.4	1,046.4	913.4	702.4	251.9
دیگر اثاثے	2,755.4	2,241.0	1,987.1	1,409.5	1,105.2	1,216.9
کل اثاثے	**7,308.7**	**5,972.5**	**4,825.2**	**3,501.2**	**2,966.1**	**2,624.7**
انڈر رائٹنگ واجبات	3,075.8	2,795.6	2,393.3	1,970.8	1,505.1	1,447.4
دیگر واجبات	1,594.7	1,031.5	929.9	690.0	706.9	410.7
کل واجبات	**4,670.8**	**3,827.1**	**3,259.2**	**2,660.8**	**2,212.0**	**1,858.1**

آڈیٹرز

میسرز BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ("BDO") ریٹائر ہوگئے اور اہل ہونے کی بناء پر، خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے میسرز BDO ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو باہمی رضامندی کی فیس پر 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹر کے طور پر مقرر کرنے کی سفارش کی ہے۔

متعلقہ پارٹی لین دین

متعلقہ فریق کے لین دین کو بورڈ آڈٹ کمیٹی کے سامنے رکھا گیا تھا اور بورڈ کی طرف سے منظوری دی گئی، جو قابل رسائی بنیاد پر سرانجام دیا گیا تھا۔ یہ لین دین بین الاقوامی مالیاتی رپورٹس کے معیارات اور کمپنیز ایکٹ 2017 کے مطابق تھے۔

انسداد منی لانڈرنگ اور دہشت گردی کی مالی معاونت کا خاتمہ

کمپنی انسداد منی لانڈرنگ اور انسداد فنانسنگ آف ٹیررازم ریگولیشنز 2018 کی تعمیل کو یقینی بنانے کے لیے کام کر رہی ہے اور اس سلسلے میں کمپنی کے بورڈ آف ڈائریکٹرز نے AML/CFT پالیسی کی منظوری بھی دی ہے۔

کارپوریٹ سماجی ذمہ داری

TPL اخلاقی ماحولیاتی طریقوں، گورننس میں شفافیت اور ان کمیونٹیز کی حمایت کی اہمیت کو سمجھتی ہے جن میں یہ کام کرتی ہے۔ ہم جس دنیا میں رہتے ہیں وہ بہت اہم ہے، اور TPL میں ہم ایک مثبت کردار ادا کر رہے ہیں۔ ہم نے اپنے کاربن فٹ پرنٹ کو کم کرنے، اپنے قدرتی وسائل کے تحفظ کے لیے اقدامات کیے ہیں اور اپنی خواتین کو بااختیار بنانے کے پروگرام کے ذریعے اپنے خواتین عملے کی استعداد کار بڑھانے میں مدد کی ہے۔ ہم ایک ایسی دنیا کا حصہ بننا چاہتے ہیں جہاں پائیداری کو فعال طور پر فروغ دیا جائے اور ہماری ذاتی زندگیوں اور کاروباروں میں یکساں طور پر اپنایا جائے۔

TPL صحت کی دیکھ بھال، تعلیم، اور صنفی شمولیت کے اقدامات پر مشتمل CSR اقدامات میں فعال طور پر مشغول ہے۔ اپنی سالانہ سماجی اثرات کی سرمایہ کاری کے علاوہ، ہم نے اپنے رضاکارانہ پروگراموں کے ذریعے ہسپتالوں کی مدد اور متعدد تعلیمی اداروں اور NGO کے ساتھ تعاون کیا ہے جو ہمارے نوجوانوں کو بہتر مستقبل فراہم کرنے میں ان کی مدد کر رہے ہیں۔

2024 میں آگے بڑھتے ہوئے، ہم غیر ملکی شراکت داروں سے فیضیاب ہو کر اور پاکستان میں اپنے ماحولیاتی اور سماجی ایکشن پلان (ESAP) کو آگے بڑھاتے ہوئے اپنی بین الاقوامی وابستگیوں اور موجودگی کا فائدہ اٹھانا چاہتے ہیں۔

سرمایہ کاری

31 دسمبر 2023 تک، کمپنی کی طرف سے کی گئی سرمایہ کاری (بشمول تکافل فنڈ کے شرکاء کی طرف سے کی گئی سرمایہ کاری) 2,256 ملین روپے(2022: 1,740 ملین روپے) ہے۔ یہ بنیادی طور پر 1,346 ملین روپے(2022: 829 ملین روپے) رقم کے ٹرم ڈیپازٹس میں سرمایہ کاری، گورنمنٹ سیکیورٹیز میں سرمایہ کاری 241 ملین روپے(2022: 173 ملین روپے)، کارپوریٹ ڈیٹ آلات میں سرمایہ کاری 250 ملین روپے(2022: 250 ملین روپے) اور ایکویٹی اور میوچل فنڈز میں سرمایہ کاری 419 ملین روپے(2022: 488 ملین روپے) پر مشتمل ہے۔ ان سرمایہ کاریوں کی مجموعی مارکیٹ قیمت 2,243 ملین روپے(2022: 1,724 ملین روپے) ہے۔

کیش اور بینک بیلنس

کمپنی کے کیش اور بینک بیلنسز 1,997 ملین روپے(2022: 1,569 ملین روپے) ہیں۔ اس میں 36 ملین روپے(2022: 123 ملین روپے) شرکاء کے تکافل فنڈ کا کیش اور بینک بیلنس شامل ہے۔

منافع منقسمہ (ڈیویڈینڈ)

بورڈ آف ڈائریکٹرز نے ستمبر 2023 کے دوران نقد منافع منقسمہ بشرح 30% یعنی 3 روپے فی شیئرز کی منظوری دی۔ بورڈ آف ڈائریکٹرز مزید کوئی حتمی تقسیم کی سفارش نہیں کرتا ہے(2022: 35% بونس شیئرز)۔

بیمہ کنندہ کی مالی طاقت (IFS) کی درجہ بندی

سال کے دوران، پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے مستحکم نقطہ نظر کے ساتھ کمپنی کی بیمہ کنندگان کی مالیاتی طاقت (IFS) کی درجہ بندی AA پر برقرار رکھی ہے۔

گزشتہ چھ سالوں کے لیے کلیدی مالیاتی اعداد و شمار

آمدنی کا بیان

(روپے ملین میں)

	2023	2022	2021	2020	2019	2018
مجموعی تحریری پریمیم	4,085	3,823.1	3,284.0	2,746.9	2,505.3	2,408.7
خالص پریمیم آمدنی	3,085	3,066.0	2,398.4	2,163.1	2,136.2	2,246.6
انڈر رائٹنگ اخراجات	(3,240)	(2,880.7)	(2,280.5)	(2,046.8)	(2,024.5)	(2,116.7)
انڈر رائٹنگ کے نتائج	(154.8)	185.3	117.8	116.3	111.7	129.9
سرمایہ کاری کی آمدنی اور دیگر آمدنی	531.5	146.7	110.8	204.1	152.1	70.7
دیگر اخراجات	(283.1)	(267.0)	(233.9)	(240.8)	(207.8)	(165.9)
انضمام پر سرپلس	1,079	-	-	-	-	-
سال کے لیے ٹیکس سے پہلے منافع / (نقصان)	**1,172**	**65.1**	**(5.2)**	**79.6**	**56.0**	**34.7**
بعد از ٹیکس منافع / (نقصان)	**1,127**	**18.3**	**(9.7)**	**39.8**	**30.5**	**23.8**
دیگر جامع آمدنی	(38.0)	(81.5)	196.4	22.4	(4.4)	10.9
کل جامع آمدنی	**1,089**	**63.2**	**186.6**	**62.2**	**26.1**	**34.7**

بیلنس شیٹ

(روپے ملین میں)

	2023	2022	2021	2020	2019	2018
اداشدہ شیئر کیپیٹل	2,027	2,027	1,393.1	946.7	946.7	955.6
مجموعی (نقصان) / غیر موزوں منافع	459.9	(59.8)	(26.2)	(164.5)	(114.0)	8.0
دیگر مجموعی آمدنی ذخائر	69.5	107.5	189.0	(7.3)	(29.7)	(26.7)
دیگر کیپیٹل ذخائر	124.6	124.6	77.6	24.1	-	-
پارٹیسپنٹ تکافل فنڈ	(42.5)	(54.7)	(67.5)	41.4	(48.9)	(170.3)
کل ایکویٹی	**2,638.2**	**2,145.4**	**1,566**	**840.4**	**754.1**	**766.6**

کلیمز کا تجزیہ

2023 میں، کلیمز کا تناسب بڑھ کر 49% ہو گیا۔ اس اضافے کی وجہ جزوی قیمتوں میں اضافہ اور خاص طور پر موٹر پورٹ فولیو میں پریمیم کی شرح میں کمی ہے۔ موٹر کلیم تناسب 45% (2022:41%)، ہیلتھ بزنس کلیم تناسب 87%، جبکہ 2022 میں 83% رپورٹ کیا گیا تھا۔ فائر اور میرین پورٹ فولیوز نے 9% اور 25% کلیم تناسب درج کرایا ہے۔

سالانہ کلیمز	
سال	کمائے گئے پریمیم کا%
2017	43%
2018	43%
2019	44%
2020	45%
2021	46%
2022	48%
2023	**49%**

ری انشورنس

کمپنی کا ری انشورنس پارٹنرز کے ساتھ مضبوط تعلق برقرار ہے۔ کمپنی کے بلیو چپ AA ریٹڈ ری انشورنس کنندگان کے ساتھ معاہدے کے انتظامات ہیں۔ بڑھتے ہوئے پورٹ فولیوز کو مدنظر رکھتے ہوئے، کمپنی کاروبار کے تمام شعبوں میں معاہدے کی استعداد کو بڑھانے پر توجہ مرکوز کر رہی ہے۔ سال کے دوران، کمپنی نے تکافل موٹر کلاس کے لیے قدرتی آفات کا احاطہ 500 ملین روپے سے بڑھا کر 750 ملین روپے اور روایتی سیگمنٹ کے لیے 1.2 بلین روپے کر دیا۔ ہم نے دونوں روایتی اور تکافل کھاتوں میں اپنی پراپرٹی اور میرین استعداد میں بھی نمایاں اضافہ کیا۔ روایتی استعداد 2.42 بلین روپے اور تکافل کے لئے 1.2 بلین روپے رہی۔ ہم نے تکافل میں متفرق، دہشت گردی اور بینکرز کے بلینکٹ کے لیے نئے معاہدوں کے انتظامات کا بھی اہتمام کیا۔

ونڈو تکافل آپریشنز

کمپنی کے ونڈو تکافل آپریشنز (WTO) میں مسلسل اضافہ ہو رہا ہے اور اس نے 1,918 ملین روپے (2022: 1,815 ملین روپے) رقم کی تحریری شراکت کی، جو 6% کی سالانہ نمو ظاہر کر رہی ہے۔ آپریٹر فنڈ اور شریک تکافل فنڈ کے مجموعی اثاثوں کی رقم 1,879 ملین روپے (2022:1,573 ملین روپے) ہے۔ کمپنی موٹر تکافل مارکیٹ میں دوسری پوزیشن برقرار رکھے ہوئے ہے۔

سال کے دوران، پارٹیسپنٹ تکافل فنڈ نے 12 ملین روپے کا سرپلس (2022:13 ملین روپے) درج کرایا۔ یہ اضافہ سال کے دوران سرمایہ کاری آمدن میں بہتری کے باعث ہوا ہے۔

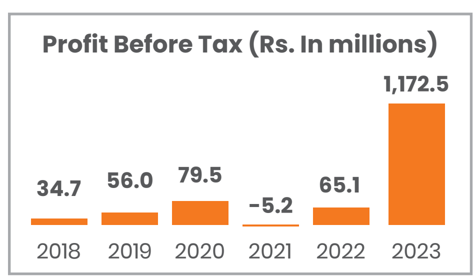
نیو ہیمپشائر انشورنس کمپنی کی پاکستان برانچ ("NHIC") کا حصول

سال کے دوران کمپنیز ایکٹ 2017 کے سیکشن 282-279 اور (8)285 کے مطابق، عدالت عالیہ سندھ کراچی نے انتظامات کی اسکیم کی منظوری دی جس کے مطابق NHIC کی پاکستان برانچ کے تمام اثاثے اور واجبات، 22 ستمبر 2023 کو TPL انشورنس کمپنی لمیٹڈ میں منتقل اور اس کی ملکیت بن گئے ہیں۔ مزید برآں، مذکورہ تاریخ کو NHIC کی پاکستان برانچ کی رجسٹریشن سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کے ہاں منسوخ ہوگئی ہے اور کمپنیز ایکٹ 2017 کے مطابق NHIC نے پاکستان میں کاروبار کو ختم کر دیا ہے۔ اس ٹرانزیکشن کے نتیجے میں کمپنی کو 1,079 ملین روپے کا سرپلس ہوا ہے۔

مالی جائزہ

منافع اور نمو

کمپنی نے قبل از ٹیکس مجموعی منافع 1,172 ملین روپے (2022:65.1 ملین روپے) درج کیا ہے۔ نتائج میں شرکاء کے تکافل فنڈ سے قبل از ٹیکس سرپلس شامل ہے جس کی رقم 24 ملین روپے (2022:20.4 ملین روپے سرپلس) ہے۔ شیئر ہولڈرز کے فنڈ میں منافع کی رقم 1,115 ملین روپے (2022:5.5 ملین روپے منافع) روپے تھی۔ قبل از ٹیکس اور بعد از ٹیکس بنیادی آمدنی فی شیئر بالترتیب 5.91 روپے اور 5.62 روپے (2022:0.25 روپے اور 0.03 روپے) رہی ہے۔



جیسا کہ اوپر بیان کیا گیا ہے، منافع میں نمایاں اضافہ سال کے دوران نیو ہیمپشائر انشورنس کمپنی لمیٹڈ کی پاکستان برانچ کے حصول پر 1,079 ملین روپے سرپلس کے باعث ہوا ہے۔

ڈائریکٹرز کی رپورٹ

TPL انشورنس لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز کی طرف سے میں 31 دسمبر 2023ء کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ پیش کرنے پر خوشی محسوس کر رہا ہوں۔

اقتصادی جائزہ

2023ء پاکستان کی معیشت کے لئے ایک مشکل ترین سال رہا ہے۔ سیاسی بے چینی، زیادہ افراط زر اور بیرونی کھاتوں میں عدم توازن کی وجہ سے مالی سال 23-2022 کے دوران جی ڈی پی کی شرح نمو کم ترین سطح 0.29 فیصد تک پہنچ گئی۔ بیرونی قرضوں کی ادائیگیوں اور آئی ایم ایف معاہدے میں تاخیر کی وجہ سے زرمبادلہ کے ذخائر میں کمی واقع ہوئی جس کی وجہ سے امریکی ڈالر کی قیمت سال کے آغاز میں 224 روپے سے بڑھ کر سال کے اختتام پر 284 روپے ہو گئی۔

روپے کی قدر میں کمی، زیادہ ڈسکاؤنٹ شرح، آٹو فنانسنگ پر پابندی نے 2023 کے دوران موٹر گاڑیوں کی فروخت کو متاثر کیا۔ آٹو انڈسٹری نے 2023 میں موٹر گاڑیوں کی فروخت 58,561 یونٹس درج کی گئی جبکہ گزشتہ سال یہ تعداد 188,318 یونٹس تھی۔

تاہم سال کے دوران اسٹاک مارکیٹ میں نمایاں اضافہ دیکھنے کو آیا۔ سال کے دوران بینچ مارک انڈیکس 56 فیصد اضافہ کے ساتھ 62,451 (2022: 39,947) تک پہنچ گیا۔

کاروباری جائزہ

مجموعی تحریری پریمیم

SECP کی جانب سے کمپنی کو اجازت دی گئی ہے کہ وہ اپنے نتائج کو مربوط بنیادوں پر رپورٹ کرے یعنی روایتی اکاؤنٹس کو تکافل اکاؤنٹس کے ساتھ لائن بائی لائن کی بنیاد پر رپورٹ کیا جائے۔ یہ مجموعی طور پر کمپنی کی کارکردگی کی حقیقی عکاسی کرتی ہے جو سرمایہ کاروں کے نقطہ نظر سے بھی اہم ہے۔

سال کے دوران، کمپنی نے 4,085 ملین روپے کا مجموعی تحریری پریمیم ("GWP") رپورٹ کیا جو 7% سالانہ کی شرح نمو درج کر رہا ہے۔ پریمیم میں کمپنی کے ونڈو تکافل آپریشنز کے ذریعے تحریری شراکت شامل ہے جو کہ 1,918 ملین روپے (2022: 1,815 ملین روپے) بنتی ہے۔

سال	مجموعی تحریری پریمیم (روپے ملین میں)	نمو%
2017	2,292.7	12%
2018	2,408.7	5%
2019	2,505.3	4%
2020	2,746.9	10%
2021	3,284.0	20%
2022	3,823.0	16%
2023	**4,085.0**	**7%**

کمپنی کا موٹر پورٹ فولیو 2,738 ملین روپے (2022: 2,764 ملین) رہا۔ یہ اس حقیقت کے باوجود ہے کہ سال کے دوران موٹر گاڑیوں کی فروخت میں واضح کمی واقع ہوئی۔ امریکی ڈالر کی شرح مبادلہ کی قیمت میں خاطر خواہ بگاڑ، ڈسکاؤنٹ شرح میں نمایاں اضافہ، اور موٹر گاڑیوں کی مالی اعانت کو محدود کرنے کے پالیسی اقدامات نے سال کے دوران موٹر گاڑیوں کی فروخت کو متاثر کیا۔

2023 کے دوران، کمپنی نے اپنی نمو کا سفر جاری رکھا اور کاروبار کے دیگر خطوط میں اپنے قدموں کو مزید مستحکم کیا۔ فائر پورٹ فولیو نے 658 ملین روپے (2022: 453 ملین روپے) پر 45 فیصد نمو درج کی۔ ہیلتھ پورٹ فولیو نے 20 فیصد نمو درج کی ہے۔ میرین سیگمنٹ نے 81 ملین روپے (2022: 67 ملین) پر 20 فیصد نمو درج کی ہے۔

متحرک بیمہ کے منظر نامہ میں، TPL انشورنس مستقل طور پر قابل اعتماد اور جدت کی روشنی کے طور پر چمکتا ہے۔ 2023 میں مالیاتی کارکردگی مضبوط نتائج کو ظاہر کرتی ہے، جو معاشی مشکلات کے باوجود اس کے استحکام کی تصدیق کرتی ہے۔ یہاں تک کہ گاڑیوں کی فروخت میں کمی کے باوجود، TPL انشورنس کے متنوع پورٹ فولیو نے نمو کو یقینی بنایا اور پالیسی ہولڈرز اور اسٹیک ہولڈرز کو یکساں طور پر محفوظ کیا۔ یہ تنوع کی حکمت عملی کسی بھی مخصوص شعبہ پر ضرورت سے زیادہ دباؤ سے گریز کرتے ہوئے مستحکم نمو کے لیے اہم ثابت ہوئی۔

2023 کے دوران، TPL نے ابھرتے ہوئے خطرات اور جامع کوریج کے مطابق جدید انشورنس مصنوعات متعارف کروائیں۔ صحت اور آٹو سے لے کر پراپرٹی اور زراعت تک، TPL انشورنس سب سے آگے رہا، جو کارکلیئر، موٹر وے انشورنس، مویشیوں کی انشورنس اور گھریلو ملازمین کی انشورنس جیسے حل پیش کرتا ہے۔ کارکردگی میں بہتری کے لیے ٹیکنالوجی کی طاقت کو تسلیم کرتے ہوئے، TPL انشورنس نے ڈیجیٹل تبدیلی کے اقدامات کو تیز کیا اور ڈیٹا اینالیٹکس اور آٹومیشن میں سرمایہ کاری ہمیں انشورنس انڈسٹری کی ڈیجیٹلائزیشن میں سب سے آگے رکھتی ہے۔

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